

18th May 2022

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

Sub: Submission of Audited Standalone & Consolidated Financial Results

Kindly find enclosed Audited Financial Results of Gujarat Pipavav Port Limited ('the Company') for the year ended 31st March 2022 for reference, as follows:

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

Pursuant to the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, kindly note Price Waterhouse Chartered Accountants LLP, Statutory Auditors of the Company, have issued an Unmodified opinion for the Standalone and Consolidated Audited Financial Statements for the year ended 31st March 2022.

The results have been approved in the Board Meeting of the Company held today and are also available on the Company's website www.pipavav.com

Further, kindly note the Board of Directors has recommended a Final Dividend of Rs.2.40 per share on the Equity Share Capital, subject to approval by the Members in the Company's Annual General Meeting scheduled for Wednesday 3rd August 2022.

Thank you,

Yours truly,

For Gujarat Pipavav Port Limited

Manish Agnihotri
Company Secretary & Compliance Officer

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Gujarat Pipavav Port Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Gujarat Pipavav Port Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 34(c) to the standalone financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert's advice in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board ('GMB') on February 13, 2019, and further demand of Rs. 337.59 million alongwith interest thereupon at the rate of 18% per annum towards liquidated damages, and Rs. 33.36 million towards GST alongwith interest thereupon at the rate of 18% per annum, raised by GMB vide their letter dated October 27, 2021. Our opinion is not modified in respect of this matter.

Key audit matters

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

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754NN500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on audit of the Standalone Financial Statements
Page 2 of 6

Key audit matter	How our audit addressed the key audit matter
Estimation of accruals in respect of incentives and rebates related to volume sales (Refer note 2.25 to the standalone financial statements)	
<p>The Company recognizes revenue net of trade incentives and rebates wherever applicable.</p> <p>The amounts netted off from revenue is INR 782.80 million (Refer note 19 in the standalone financial statements) and accrual recognized as at March 31, 2022 on account of incentives and rebates amounted to INR 803.73 million (Refer note 18 in the standalone financial statements).</p> <p>Such incentives and rebates are based on contract terms and volume of future sales forecast involving significant management judgement and accordingly has been determined to be a key audit matter.</p>	<p>In relation to the estimation of accrual in respect of incentives and rebates related to volume sales, we performed procedures, including the following:</p> <ol style="list-style-type: none">1. Assessed the appropriateness of accounting policy and related disclosures in the standalone financial statements.2. Understood from the management, evaluated the design and tested the operating effectiveness of internal controls over calculations of rebates and incentives and timing of recognition of the same.3. On a test check basis, verified the credit notes issued during the year in respect of rebates and incentives to customers and comparing the same with contractual terms as well as accrual already recognized to assess reasonableness of such accrual recognized.4. Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier year and including payments/credit notes issued to customers subsequent to the year end on sample basis.5. Performed a sensitivity analysis by reducing the sales forecasts within a reasonably foreseeable range.6. Assessed manual journals posted to revenue to identify unusual items and corroborating the journals entries with supporting documents. <p>Based on the above procedures performed, we did not identify any significant differences in the Management's estimation of accrual in respect of incentives and rebates related to volume sales where applicable.</p>

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INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on audit of the Standalone Financial Statements
Page 3 of 6

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit report, but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the Director's report, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit report, and in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

In connection with our audit of the standalone financial statements, our responsibility is to also read the Chairman's Statement when it becomes available and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on audit of the Standalone Financial Statements
Page 4 of 6

Auditor's responsibilities for the audit of the financial statements

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

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on audit of the Standalone Financial Statements
Page 5 of 6

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above.
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on audit of the Standalone Financial Statements
Page 6 of 6

- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43(viii) to the standalone financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43(viii) to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Arunkumar Ramdas
Partner
Membership Number 112433

UDIN: 22112433AJDUAR1297
Mumbai
May 18, 2022

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended March 31, 2022

Page 1 of 2

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Gujarat Pipavav Port Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended March 31, 2022
Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Arunkumar Ramdas
Partner
Membership Number 112433
UDIN : 22112433AJDUAR1297
Mumbai
May 18, 2022

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements as of and for the year ended March 31, 2022

Page 1 of 4

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, other than self-constructed properties, as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of use Assets to the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended March 31, 2022

Page 2 of 4

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR million) #@	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	74.06	2014-15	Company is in the process of filing an appeal in the High Court
Income tax Act, 1961	Income Tax	3.36	2013-14	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	95.71	2008-09 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal

#Net of amounts paid under protest

@Including interest and penalty mentioned in the demand

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended March 31, 2022

Page 3 of 4

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.
 - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
 - (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
 - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv.
 - (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.
 - (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company has not conducted non-banking financial activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
 - (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended March 31, 2022

Page 4 of 4

- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 43(vii) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Arunkumar Ramdas
Partner
Membership Number 112433
UDIN : 22112433AJDUAR1297

Mumbai
18 May, 2022

GUJARAT PIPAVAV PORT LIMITED

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

CIN: L63010GJ1992PLC018106 Tel: 02794 242400 Fax: 02794 242413

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

STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED ON 31 MARCH 2022

(₹ In Million)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Year ended
		31/03/2022	31/12/2021	31/03/2021	31/03/2022	31/03/2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income					
	a. Revenue from operations	2,206.60	1,685.61	1,934.27	7,435.38	7,334.63
	b. Other Income	70.83	70.84	94.33	285.87	442.00
	Total Income	2,277.43	1,756.45	2,028.60	7,721.25	7,776.63
2	Expenses					
	a. Operating expenses	457.19	303.53	332.29	1,465.24	1,374.60
	b. Employee benefits expense	174.75	212.31	168.21	739.02	671.50
	c. Finance costs	12.60	10.43	15.05	47.66	63.10
	d. Depreciation and amortisation expense	307.25	318.06	334.63	1,292.71	1,334.50
	e. Other expenses	285.14	302.83	278.27	1,105.52	1,067.32
	Total expenses	1,236.93	1,147.16	1,128.45	4,650.15	4,511.02
3	Profit before exceptional items and tax (1 - 2)	1,040.50	609.29	900.15	3,071.10	3,265.61
4	Exceptional items(Refer Note No. 3)	(52.52)	(98.07)	-	46.09	-
5	Profit before tax (3 - 4)	1,093.02	707.36	900.15	3,025.01	3,265.61
6	Tax expense					
	For the year					
	a. Current tax expense	387.37	256.28	333.37	1,085.66	1,179.68
	b. Deferred tax expense/(credit)	(0.08)	13.44	(5.53)	18.59	(18.23)
	For earlier years					
	Current tax expense reversed	(11.61)	-	(1.35)	(11.61)	(1.35)
	Deferred tax credit	-	-	(78.47)	-	(78.47)
7	Net Profit for the period/year (5 - 6)	717.34	437.64	652.13	1,932.37	2,183.98
8	Other comprehensive income, net of income tax					
	Items that will not be reclassified to profit or loss					
	- Re-measurement of post-employment benefit obligations	10.14	-	2.49	5.52	(4.94)
	- Less: Tax relating to above	(3.54)	-	(0.87)	(1.92)	1.73
	Total other comprehensive income, net of income tax	6.60	-	1.62	3.60	(3.21)
9	Total comprehensive income for the period/year (7 + 8)	723.94	437.64	653.75	1,935.97	2,180.77
10	Paid-up equity share capital (Face value ₹ 10 per share)	4,834.40	4,834.40	4,834.40	4,834.40	4,834.40
11	Other Equity					
	Basic and diluted earnings per share (of ₹ 10/- each) (not annualised)	1.49	0.91	1.35	4.00	4.52

GUJARAT PIPAVAV PORT LIMITED

STATEMENT OF STANDALONE AUDITED ASSETS AND LIABILITIES AS AT 31 MARCH 2022

(₹ In Million)

Particulars	As at	
	31/03/2022	31/03/2021
	(Audited)	(Audited)
A ASSETS		
1 Non-current assets		
a. Property, plant and equipment	13,667.63	14,255.10
b. Right of Use Assets	401.33	396.79
c. Capital work in progress	490.34	527.77
d. Intangible assets	13.17	20.67
e. Investments in associate company	830.00	830.00
f. Financial assets		
Other financial assets	223.90	223.88
g. Income Tax Assets (net)	202.87	179.72
h. Other non-current assets	6.28	20.26
Total non-current assets	15,835.52	16,454.19
2 Current assets		
a. Inventories	101.81	104.91
b. Financial assets		
i. Trade receivables	519.95	482.99
ii. Cash and cash equivalents	3.62	63.42
iii. Bank balances other than (ii) above	8,554.21	7,190.26
iv. Loans	6.34	4.91
v. Other financial assets	9.36	11.04
c. Other current assets	186.54	108.48
Total current assets	9,381.83	7,966.01
TOTAL ASSETS	25,217.35	24,420.20
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	4,834.40	4,834.40
Other equity		
Reserves and surplus	15,489.80	15,487.59
Total equity	20,324.20	20,321.99
2 Liabilities		
I Non-current liabilities		
a. Financial liabilities		
i. Lease liabilities	347.11	244.72
ii. Other financial liabilities	93.18	69.20
b. Employee benefit obligations	26.14	40.37
c. Deferred tax liabilities (net)	1,450.78	1,006.68
d. Other non-current liabilities	446.31	521.01
Total non-current liabilities	2,363.52	1,881.98
II Current liabilities		
a. Financial liabilities		
i. Trade payables		
Dues to Micro, Small and Medium Enterprises	12.14	5.01
Other than Micro, Small and Medium Enterprises	432.47	334.44
ii. Lease liabilities	123.69	220.56
iii. Other financial liabilities	341.73	379.91
b. Provisions	208.00	208.00
c. Employee benefit obligations	144.22	127.10
d. Income tax provisions (net)	69.94	6.62
e. Other current liabilities	1,197.44	934.59
Total current liabilities	2,529.63	2,216.23
Total liabilities	4,893.15	4,098.21
TOTAL EQUITY AND LIABILITIES	25,217.35	24,420.20

GUJARAT PIPAVAV PORT LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(₹ In Million)

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	(Audited)	(Audited)
Cash flows from operating activities		
Profit before tax	3,025.01	3,265.61
Adjustments :		
Deferred income recognised	(74.68)	(74.70)
Depreciation and amortisation expense	1,292.71	1,334.50
Finance costs	47.66	63.10
Dividend and interest income classified as investing cash flows	(210.56)	(322.29)
Loss/ (Profit) on disposal of property, plant and equipment	4.17	(4.47)
Sundry balances written (back)/off (net)	(7.94)	0.10
Provisions for doubtful debts and inventory / (written back)	2.24	(34.69)
Bad Debt Write Off	3.04	13.55
Foreign currency transactions and translations differences	0.89	2.98
	4,082.54	4,243.69
Operating profit before working capital changes		
(Increase) / Decrease in trade receivables	(42.92)	6.31
Decrease / (Increase) in inventories	2.87	(21.62)
(Increase) in loans	(1.43)	(0.14)
Decrease / (Increase) in other financial assets	1.65	(1.48)
(Increase) in other assets	(78.05)	(8.10)
Increase in trade payables	105.16	41.04
Increase in employee benefit obligations	8.42	14.31
Increase in other financial liabilities	72.36	92.07
Increase in other current liabilities	262.86	73.46
	330.92	195.85
Cash generated from operations	4,413.46	4,439.54
Income taxes paid	(610.31)	(598.78)
Net cash inflow from operating activities	3,803.15	3,840.76
Cash flows from / (used in) investing activities		
Payments for property, plant and equipment	(511.14)	(454.78)
Proceeds from sale of fixed assets (net)	-	7.22
Dividends received from Associate company	-	38.00
Interest received	268.64	376.26
Increase in deposits with banks	(1,422.03)	(976.89)
Net cash outflow used in investing activities	(1,664.53)	(1,010.19)
Cash flows from / (used in) financing activities		
Interest paid	(47.66)	(63.10)
Repayment of lease liability	(218.02)	(188.29)
Dividends paid to Company's shareholders	(1,932.74)	(2,705.46)
Net cash outflow used in financing activities	(2,198.42)	(2,956.85)
Net increase/(decrease) in cash and cash equivalents	(59.80)	(126.28)
Cash and cash equivalents at the beginning of the period	63.42	189.70
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the period	3.62	63.42
Reconciliation of cash and cash equivalents as per the cash flow statement		
	31 March 2022	31 March 2021
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	3.62	63.42
Balance as per statement of cash flows	3.62	63.42

GUJARAT PIPAVAV PORT LIMITED**Notes :**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 17th May 2022 and 18th May 2022 respectively.
- 2 The Company has only one reportable business segment, which is "Port Services" and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the Company is a single segment Company in accordance with Indian Accounting Standard 108 "Operating Segment".
- 3 On 17th May 2021, the Company's port location at Pipavav was hit by cyclone "Tauktae". Due precautions were taken to minimise the impact of the cyclone on the infrastructure at the port and there was no loss of life. However, the operations at the port were disrupted till 1st June 2021 mainly due to the loss of grid power supply. Further, certain portion of the property, plant and equipment require repairs for which the Company has started necessary activities. The Company has incurred ₹ 346.09 million till 31st March 2022 out of which the Company has received interim claims of ₹ 300 million from the insurer. The net amount of ₹ 46.09 million is disclosed under 'Exceptional Items' for the year ended on 31st March 2022. Additional expenses will be incurred in due course by the Company and will continue to be disclosed under 'Exceptional Items'. The Company is progressively sharing the details of expenses being incurred with the insurer.
- 4 The Company had made an application for approval of expansion plan to Gujarat Maritime Board (GMB) on 1st October 2012. The approval was received from GMB vide letter dated 10th April 2015. As per one of the conditions of the approval, the Company had issued a bank guarantee of ₹ 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB also asked the Company to pay ₹ 337.59 million along with interest thereupon at the rate of 18% per annum towards liquidated damages, and GST on the aforesaid bank guarantee amounting to ₹ 33.36 million along with interest thereupon at the rate of 18% per annum, vide their letter dated 27th October 2021. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount of bank guarantee is recoverable as well as no liquidated damages are liable to be paid, and has filed a Commercial Suit before the Commercial Court, Rajula in this regard.
- 5 The Company has carried out a detailed assessment of the impact of COVID-19 on its liquidity position and on the recoverability and carrying values of its assets. Based on this assessment the Company has concluded that there is no significant impact on its financial results as at 31st March 2022. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.
- 6 The figures for the quarter ended 31st March 2022 are balancing figures between audited figures in respect of financial year ended 31st March 2022 and the published year to date figures upto the third quarter ended on 31st December 2021.
- 7 The Board of Directors proposes final dividend of ₹ 2.40 per share on 483,439,910 equity shares of face value of ₹ 10 each, aggregating to ₹ 1,160 million, for the financial year 2021-22, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.
- 8 Figures for the previous periods have been reclassified/ regrouped wherever applicable, to confirm with the current period classification.

For Gujarat Pipavav Port Limited

Place : Skodsborg, Denmark
Date : 18 May, 2022

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as the "Company") and its associate (refer Note 1(B)) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at March 31, 2022, of its consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of matters

4. We draw attention to Note No. 34(c) to the consolidated financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert's advice in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board ('GMB') on February 13, 2019, and further demand of Rs. 337.59 million alongwith interest thereupon at the rate of 18% per annum towards liquidated damages, and Rs. 33.36 million towards GST alongwith interest thereupon at the rate of 18% per annum, raised by GMB vide their letter dated October 27, 2021. Our opinion is not modified in respect of this matter.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754NN500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 2 of 11

5. The audit report on the Ind AS Financial Statements of Pipavav Railway Corporation Limited ('PRCL' or 'Associate'), an associate of the Company, issued by the independent firm of Chartered Accountants vide its report dated May 13, 2022 contains the following emphasis of matters, which are reproduced as under:
 - A. Note no. 4 - The physical verification of the intangibles (amortizable) Project assets of PRCL is conducted by the Bhavnagar division of Western Railway, who is the custodian of these assets under the Operation and Maintenance Agreement, as per railway rules and regulations. The capital costs incurred on development of the assets taken over from the Railways at the beginning of the concessionaire agreement had been grouped into mainly in four categories i.e. Permanent Ways, Formation, Bridge & Buildings and Plant & Machinery. Individual details with regard to the location/cost were not maintained of asset wise for these assets except for Plant & Machinery items. However, details like location and the cost of the assets acquired thereafter had been maintained individually. The quantitative details of these assets are maintained in the computerized system of accounting for fixed assets, and it is relied upon. PRCL maintains the book value of these assets in its accounts. Note 4 as described above is reproduced as note 43(a) to the consolidated financial statements.
 - B. Note no. 39.1.2- Western Railway makes apportionment of freight to the Corporation using actual distance carried by freight trains and not on the basis of booked route distance (i.e. distance for which freight is charged by Indian Railways). The actual distance carried by freight train differs from the booked route distance where Railways run the freight trains through diverted route due to its operation requirements. The Corporation has also booked its share of freight earnings worked out on carried route basis. Current Year figure of revenue includes ₹98.56 lakhs being the amount recovered by Railways towards differential amount of revenue on account of diverted route recovery pertaining to FY 2009-10 and 2010-11 and based on the reconciliation of these records. The Corporation has shown the recovery so made by way of deduction from the apportioned freight earnings of the Corporation for the current year. Note 39.1.2. as described above is reproduced as note 43(b) to the consolidated financial statements.
 - C. Note no. 36 (ii) (b)- PRCL is registered under GST Act for its registered office at New Delhi and for its office at Bhavnagar. GST Returns are filed as recipients under GST Rules for both offices. We find that GST Returns do not contain the taxable or taxed portion of freight received from Railways as turnover of the month. As per the opinion obtained by PRCL, there is no obligation to pay GST because apportionment of freight is already taxed in the hands of Railways and sharing of freight and provision of Maintenance services by Railways is under single arrangement and hence there is no liability of GST on freight as well as liability of RCM on the O & M Services provided by the Railways. The Corporation has represented again to the Ministry of Railways vide the representation dated 27th January 2022 for clarification from the Finance Ministry. Ministry of Railways has also represented the same to the Ministry of Finance Government of India. However, there is no significant progress in getting the clarification on the matter. In case the exemption is denied, it will result in additional liability of GST from 1st July 2017, which has not been quantified. Note 36(ii)(b) as described above is reproduced as note 43(c) to the consolidated financial statements.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 3 of 11

- D. Note no.4.2: The work of the electrification of the PRCL Rail section had been completed on 3rd March, 2021. In absence of the availability of the final bills and relevant details as well as certain work still remaining incomplete, the amount billed and accounted for to the tune of Rs. 13.76 Crores had been capitalised and amortized. Once the final bills are received for the work done as well as for the work under completion by the Corporation from CORE and other parties, the final cost shall be worked out and necessary adjustment in the amount capitalised shall be made accordingly. The additional cost of the project on this account, if any, shall be amortized prospectively during the remaining period of the concession. Note 4.2 as described above is reproduced as note 43(d) to the consolidated financial statements.
- E. In absence of details, the whole cost of the Electrification cost has been capitalised under one head although it consists of assets of various nature.
- F. Note no 2.22 Re: Service Concession Arrangement: Western Railway is running additional passenger trains on the PRCL Section to the number of passenger trains running at the time of handing over the line to PRCL. As per the Concession Agreement, Railways has to obtain written consent of the Corporation for running any additional passenger trains on PRCL section. However, Railways has neither sought such consent of the Corporation for running additional passenger trains on the PRCL section nor given any compensation by way of sharing revenue or sharing of additional costs for running of these additional trains. The Corporation has taken up the matter with the Railways and to form a joint committee to work out a methodology for arriving at payable to PRCL for running on additional passenger trains. However, PRCL has so far not raised any firm claim on Railways for the additional costs being incurred by the Corporation due to running of these additional passenger trains on this section.

PRCL is formed as Public to Private Service Joint Sector Corporation of MOR and conferred with the rights of "Railway Administration" under the Railways Act and is bound under the service concession Agreement with the MOR for broad gauge Railway line from Surendranagar to Pipavav Project Railway. Upon expiry of the concession agreement in June 2034, all the assets created in the project area shall be returned back to MOR as per the terms & conditions of the Agreement at the Depreciated Replacement Value (DRV) at that time. These assets are considered as intangible assets and the assets to be maintained at serviceable level during the operation by providing for replacements. MOR controls the residual interest of the assets of the project Railway at the end of the concession Agreement. In absence of any estimate of DRV, the total cost being amortized during the concession period. Note 2.22 as described above is reproduced as note 43(e) to the consolidated financial statements.

- G. Note No. 38.2(i) – Fixed Material Cost: The railways based on the cost survey conducted every 5 years fixes the annual fixed material cost to be charged on the Corporation. The Corporation has now provided a total amount of Rs. 11.36 crores for the year under review which includes Rs. 2.89 crores, being the differential amount for the financial year 2020-21 as agreed by the Railways.

Further, during the current year, the Corporation has made an ad-hoc arrangement with WR, pending the finalization of Joint Procedure Order, for charging the cost TRD assets. According, WR has billed maintenance cost of TRD assets for amounting to ₹2.32 crores for the period September 2021 to March, 2022 on a provisional basis. The same has been charged to the Statement of Profit and Loss and the same has been included under the head "Fixed Cost (Material)". Note 38.2(i) as described above is reproduced as note 43(f)(i) to the consolidated financial statements".

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 4 of 11

- H. Note no. 38.2.(iv): The Corporation has booked total expenditure of RS. 1.78 Crores for Permanent Way Material (Store) Imprest for the years 2015-16 to 2019-20 against a cost of Rs. 3.53 crores provided for in earlier period for the year 2019-20 and 2020-21, as finalized with the Railways, reversing the excess provision of Rs. 1.75 Crores. Note 38.2(iv) as described above is reproduced as note 43(f)(ii) to the consolidated financial statements.
- I. Note No. 38.2.(v) The Corporation has disputed certain costs like Reimbursement of Medical costs to the Railway staff deputed on the PRCL's section etc although the same have been accounted for by the Corporation based on the claims raised by the Railways. The Corporation has claimed Rs. 11.02 Crores from Railways for the earlier years on account of the excess Medical Reimbursement claimed and charged by them during the previous years. Claim if any received against this shall be accounted for as and when the same is agreed/paid by the Railways. Note 38.2(v) as described above is reproduced as note 43(f)(iii) to the consolidated financial statements.
- J. Note No. 38.2.(vi): No cost on account of "Track Machine Operations" carried out beyond June, 2019 has been provided for in the accounts for the period July 2019 to March, 2022 in absence/ advice of any information from WR. Note 38.2(vi) as described above is reproduced as note 43(f)(iv) to the consolidated financial statements.
- K. Note No. 38.3 Variable Costs: The Corporation has raised issue of steep rise in the cost of crew with the Railways which the Corporation has claimed the same had not been calculated properly. In absence of availability of the requisite data, the excess amount charged by the Railways is not ascertainable. However, the Corporation has accounted the cost of crew as claimed by the Railways. The difference if any in the costs shall also be accounted for as and when the cost on account of crew cost is revised.
- Although a Joint Process for Operations with regard to the Electrified Operations has yet to be signed with Railways, the Railways has advised difference in cost of fuel to the extent of Rs. 9.33 Crores for the period June, 2021 to November, 2021. The difference in cost for the period December, 2021 to March, 2022 has not been worked out by Railways and the same shall be accounted for as and when the same is worked out by Railways and agreed to by the Corporation. Note 38.3 as described above is reproduced as note 43(g) to the consolidated financial statements.
- L. Note No 38.4 regarding booking of certain costs/adjustments related to the previous years during the year under review. Note 38.4 as described above is reproduced as note 43(h) to the consolidated financial statements.
- M. Note No. 38.5 Regarding no insurance cover of the Project Assets of the Corporation since 20th June 2020. The last insurance cover for the Project Assets under Standard Fire and Special Peril Risk Policy was for Rs. 825.36 Crs. Note 38.5 as described above is reproduced as note 43(i) to the consolidated financial statements.
- N. Our opinion is according to information and explanation given to us by the management and on the basis of Report on Internal Control Over Financial Reporting (IFCS) issued by Internal Auditors appointed for the purpose of reporting on the Ind AS financial statements.

Internal controls are generally commensurate with the size of the Corporation and nature of its business. However, in certain areas of transactions with Western Railway, according to our opinion, internal control as a continuous process needs further strengthening and improvement particularly with regard to monitoring and reconciliation of traffic and its diversion, the rationalization of O & M cost, determining the unpaid dues beyond the due

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 5 of 11

dates; the technical verification of estimates; the timely settlement of the advances made to Railways for various works and physical verification of the work (Capex as well Other additional works) as carried out by Railways, accounting and control over the scrap generated on replacement of old assets.

Our opinion is not modified in respect of these above matters

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Estimation of accruals in respect of incentives and rebates related to volume sales (Refer note 2.25 to the consolidated financial statements)	
<p>The Company recognizes revenue net of trade incentives and rebates wherever applicable.</p> <p>The amounts netted off from revenue is INR 782.80 million (Refer note 19 in the consolidated financial statements) and accrual recognized as at March 31, 2022 on account of incentives and rebates amounted to INR 803.73 million (Refer note 18 in the consolidated financial statements).</p> <p>Such incentives and rebates are based on contract terms and volume of future sales forecast involving significant management judgement and accordingly has been determined to be a key audit matter.</p>	<p>In relation to the estimation of accrual in respect of incentives and rebates related to volume sales, we performed procedures, including the following:</p> <ol style="list-style-type: none">1. Assessed the appropriateness of accounting policy and related disclosures in the consolidated financial statements.2. Understood from the management, evaluated the design and tested the operating effectiveness of internal controls over calculations of rebates and incentives and timing of recognition of the same.3. On a test check basis, verified the credit notes issued during the year in respect of rebates and incentives to customers and comparing the same with contractual terms as well as accrual already recognized to assess reasonableness of such accrual recognized.4. Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier year and including payments/credit notes issued to customers subsequent to the year end on sample basis.5. Performed a sensitivity analysis by reducing the sales forecasts within a reasonably foreseeable range.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 6 of 11

	<p>6. Assessed manual journals posted to revenue to identify unusual items and corroborating the journals entries with supporting documents.</p> <p>Based on the above procedures performed, we did not identify any significant differences in the Management's estimation of accrual in respect of incentives and rebates related to volume sales where applicable.</p>
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Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises Director's report and its annexures, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the associate's auditor as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In connection with our audit of the consolidated financial statements, our responsibility is to also read the Chairman's Statement when it becomes available and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 7 of 11

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

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

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

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 8 of 11

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 9 of 11

Other Matters

16. The financial statements also include the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of INR. 40.88 million for the year then ended March 31, 2022 as considered in the consolidated financial statements, in respect of the associate – Pipavav Railway Corporation Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it related to the amounts and disclosure included in respect of associate, is based solely on the report of the associate's auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the associate's auditor.

Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the associate's auditor in his CARO 2020 report issued in respect of the financial statements of the associate which are included in these consolidated financial statements.
18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor, except that the backup of books of accounts and other books and papers maintained in electronic mode of the Company has not been maintained on servers physically located in India.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its associate incorporated in India, none of the directors of the Company and its associate incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 10 of 11

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comments in paragraph 19(b) above.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Company and its associate, and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March, 2022 on the consolidated financial position of the Company and its associate– Refer Note no. 34 to the consolidated financial statements.
 - ii. The Company, its associate had long-term contracts as at 31 March, 2022 for which there were no material foreseeable losses. The Company and its associate did not have any derivative contracts as at March 31, 2022.
 - iii. During the year ended March 31, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate incorporated in India.
 - iv.
 - A) The respective Managements of the Company and its associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 42(viii) to the consolidated financial statements);
 - B) The respective Managements of the Company and its associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or its associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 42(viii) to the consolidated financial statements).

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited
Report on the Consolidated Financial Statements
Page 11 of 11

- C) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the associate incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Company, is in compliance with Section 123 of the Act. Its associate has not declared / paid any dividend during the year.
- 19. The Company and its associate have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Mumbai
May 18, 2022

Arunkumar Ramdas
Partner
Membership Number 112433
UDIN: 22112433AJDTYQ3268

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the consolidated financial statements for the year ended March 31, 2022

Page 1 of 3

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as "the Company") and its associate which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the consolidated financial statements for the year ended March 31, 2022

Page 2 of 3

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of his report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company and its associate which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the consolidated financial statements for the year ended March 31, 2022

Page 3 of 3

9. The report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the associate issued by the independent firm of Chartered Accountants vide its report dated May 13, 2022 contains the following opinion, which is reproduced as under:

“In our opinion, the Corporation has, in all material respects, an adequate internal financial controls systems with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over the Financial reporting issued by the Institute of Chartered Accountants of India, read with our Independent Auditor's report's item no. (n) of “Emphasis of Matters” of the report of even date on the financial statements”.

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

Other Matters

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

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

Mumbai
May 18, 2022

Arunkumar Ramdas
Partner
Membership Number 112433
UDIN: 22112433AJDTYQ3268

GUJARAT PIPAVAV PORT LIMITED

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

CIN: L63010GJ1992PLC018106 Tel: 02794 242400 Fax: 02794 242413

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

STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED ON 31 MARCH 2022

(₹ In Million)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Year ended
		31/03/2022	31/12/2021	31/03/2021	31/03/2022	31/03/2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income					
	a. Revenue from operations	2,206.60	1,685.61	1,934.27	7,435.38	7,334.63
	b. Other Income	70.83	70.84	94.33	285.87	404.00
	Total Income	2,277.43	1,756.45	2,028.60	7,721.25	7,738.63
2	Expenses					
	a. Operating expenses	457.19	303.53	332.29	1,465.24	1,374.60
	b. Employee benefits expense	174.75	212.31	168.21	739.02	671.50
	c. Finance costs	12.60	10.43	15.05	47.66	63.10
	d. Depreciation and amortisation expense	307.25	318.06	334.63	1,292.71	1,334.50
	e. Other expenses	285.14	302.83	278.27	1,105.52	1,067.32
	Total expenses	1,236.93	1,147.16	1,128.45	4,650.15	4,511.02
3	Profit before share of net profits of investments accounted for using equity method	1,040.50	609.29	900.15	3,071.10	3,227.61
4	Share of net profit of associate accounted for using the equity method	26.94	8.36	1.77	40.92	73.55
5	Profit before exceptional items and tax (3 + 4)	1,067.44	617.65	901.92	3,112.02	3,301.16
6	Exceptional items(Refer Note No. 4)	(52.52)	(98.07)	-	46.09	-
7	Profit before tax (5 - 6)	1,119.96	715.72	901.92	3,065.93	3,301.16
8	Tax expense					
	a. Current tax expense	387.37	256.28	333.37	1,085.66	1,179.68
	b. Deferred tax expense/(credit)	(0.08)	13.44	(5.53)	18.59	(18.23)
	For earlier years					
	Current tax expense reversed	(11.61)	-	(1.35)	(11.61)	(1.35)
	Deferred tax credit	-	-	(78.47)	-	(78.47)
9	Net Profit for the period/year (7 - 8)	744.28	446.00	653.90	1,973.29	2,219.53
10	Other comprehensive income, net of income tax					
	Items that will not be reclassified to profit or loss					
	(i) Re-measurement of post-employment benefit obligations	10.14	-	2.49	5.52	(4.94)
	(ii) Share of other comprehensive income of associate	0.01	-	(0.15)	(0.05)	0.16
	(iii) Less: Income tax relating to (i) above	(3.54)	-	(0.87)	(1.92)	1.73
	(iv) Less: Income tax relating to (ii) above	0.00	-	0.02	0.01	(0.03)
	Total other comprehensive income, net of income tax	6.61	-	1.49	3.56	(3.08)
11	Total comprehensive income for the period/year (9 + 10)	750.89	446.00	655.39	1,976.85	2,216.45
12	Paid-up equity share capital (Face value ₹ 10 per share)	4,834.40	4,834.40	4,834.40	4,834.40	4,834.40
13	Other Equity				17,600.47	17,557.38
	Basic and diluted earnings per share (of ₹ 10/- each) (not annualised)	1.54	0.92	1.35	4.08	4.59

GUJARAT PIPAVAV PORT LIMITED
STATEMENT OF CONSOLIDATED AUDITED ASSETS AND LIABILITIES AS AT 31 MARCH 2022

(₹ In Million)

Particulars	As at	As at
	31/03/2022	31/03/2021
	(Audited)	(Audited)
A ASSETS		
1 Non-current assets		
a. Property, plant and equipment	13,667.63	14,255.10
b. Right of Use Assets	401.33	396.79
c. Capital work in progress	490.34	527.77
d. Intangible assets	13.17	20.67
e. Investment accounted for using the equity method	2,940.67	2,899.79
f. Financial assets		
Other financial assets	223.90	223.88
g. Income Tax Assets (net)	202.87	179.72
h. Other non-current assets	6.28	20.26
Total non-current assets	17,946.19	18,523.98
2 Current assets		
a. Inventories	101.81	104.91
b. Financial assets		
i. Trade receivables	519.95	482.99
ii. Cash and cash equivalents	3.62	63.42
iii. Bank balances other than (ii) above	8,554.21	7,190.26
iv. Loans	6.34	4.91
v. Other financial assets	9.36	11.04
c. Other current assets	186.54	108.48
Total current assets	9,381.83	7,966.01
TOTAL ASSETS	27,328.02	26,489.99
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	4,834.40	4,834.40
Other equity		
Reserves and surplus	17,600.47	17,557.38
Total equity	22,434.87	22,391.78
2 Liabilities		
I Non-current liabilities		
a. Financial liabilities		
i. Lease liabilities	347.11	244.72
ii. Other financial liabilities	93.18	69.20
b. Employee benefit obligations	26.14	40.37
c. Deferred tax liabilities (net)	1,450.78	1,006.68
d. Other non-current liabilities	446.31	521.01
Total non-current liabilities	2,363.52	1,881.98
II Current liabilities		
a. Financial liabilities		
i. Trade payables		
Dues to Micro, Small and Medium Enterprises	12.14	5.01
Other than Micro, Small and Medium Enterprises	432.47	334.44
ii. Lease liabilities	123.69	220.56
iii. Other financial liabilities	341.73	379.91
b. Provisions	208.00	208.00
c. Employee benefit obligations	144.22	127.10
d. Income tax provisions (net)	69.94	6.62
e. Other current liabilities	1,197.44	934.59
Total current liabilities	2,529.63	2,216.23
Total liabilities	4,893.15	4,098.21
TOTAL EQUITY AND LIABILITIES	27,328.02	26,489.99

GUJARAT PIPAVAV PORT LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

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

(₹ In Million)

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	(Audited)	(Audited)
Cash flows from operating activities		
Profit before tax	3,065.93	3,301.16
Adjustments :		
Share of (profit)/loss of associate company	(40.92)	(35.55)
Deferred income recognised	(74.68)	(74.70)
Depreciation and amortisation expense	1,292.71	1,334.50
Finance costs	47.66	63.10
Interest income classified as investing cash flows	(210.56)	(284.29)
Loss/ (Profit) on disposal of property, plant and equipment	4.17	(4.47)
Sundry balances written (back)/off (net)	(7.94)	0.10
Provisions for doubtful debts and inventory / (written back)	2.24	(34.69)
Bad Debt Write Off	3.04	13.55
Foreign currency transactions and translations differences	0.89	2.98
	4,082.54	4,281.69
Operating profit before working capital changes		
(Increase) / Decrease in trade receivables	(42.92)	6.31
Decrease / (Increase) in inventories	2.87	(21.62)
(Increase) in loans	(1.43)	(0.14)
Decrease / (Increase) in other financial assets	1.65	(1.48)
(Increase) in other assets	(78.05)	(8.10)
Increase in trade payables	105.16	41.04
Increase in employee benefit obligations	8.42	14.31
Increase in other financial liabilities	72.36	92.07
Increase in other current liabilities	262.86	73.46
	330.92	195.85
Cash generated from operations	4,413.46	4,477.54
Income taxes paid	(610.31)	(598.78)
Net cash inflow from operating activities	3,803.15	3,878.76
Cash flows from / (used in) investing activities		
Payments for property, plant and equipment	(511.14)	(454.78)
Proceeds from sale of fixed assets (net)	0.00	7.22
Interest received	268.64	376.26
Increase in deposits with banks	(1,422.03)	(976.89)
Net cash outflow used in investing activities	(1,664.53)	(1,048.19)
Cash flows from / (used in) financing activities		
Interest paid	(47.66)	(63.10)
Repayment of lease liability	(218.02)	(188.29)
Dividends paid to Company's shareholders	(1,932.74)	(2,705.46)
Net cash outflow used in financing activities	(2,198.42)	(2,956.85)
Net increase/(decrease) in cash and cash equivalents	(59.80)	(126.28)
Cash and cash equivalents at the beginning of the period	63.42	189.70
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the period	3.62	63.42
Reconciliation of cash and cash equivalents as per the cash flow statement		
	31 March 2022	31 March 2021
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	3.62	63.42
Balance as per statement of cash flows	3.62	63.42

GUJARAT PIPAVAV PORT LIMITED**Notes :**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 17th May 2022 and 18th May 2022 respectively.
- 2 The consolidated results include share of net profit of associate - Pipavav Railway Corporation Limited (PRCL) accounted for using the equity method.
- 3 The Company has only one reportable business segment, which is "Port Services" and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the Company is a single segment Company in accordance with Indian Accounting Standard 108 "Operating Segment".
- 4 On 17th May 2021, the Company's port location at Pipavav was hit by cyclone "Tauktae". Due precautions were taken to minimise the impact of the cyclone on the infrastructure at the port and there was no loss of life. However, the operations at the port were disrupted till 1st June 2021 mainly due to the loss of grid power supply. Further, certain portion of the property, plant and equipment require repairs for which the Company has started necessary activities. The Company has incurred ₹ 346.09 million till 31st March 2022 out of which the Company has received interim claims of ₹300 million from the insurer. The net amount of ₹ 46.09 million is disclosed under 'Exceptional Items' for the year ended on 31st March 2022. Additional expenses will be incurred in due course by the Company and will continue to be disclosed under 'Exceptional Items'. The Company is progressively sharing the details of expenses being incurred with the insurer.
- 5 The Company had made an application for approval of expansion plan to Gujarat Maritime Board (GMB) on 1st October 2012. The approval was received from GMB vide letter dated 10th April 2015. As per one of the conditions of the approval, the Company had issued a bank guarantee of ₹ 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB also asked the Company to pay ₹ 337.59 million alongwith interest thereupon at the rate of 18% per annum towards liquidated damages, and GST on the aforesaid bank guarantee amounting to ₹ 33.36 million alongwith interest thereupon at the rate of 18% per annum, vide their letter dated 27th October 2021. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount of bank guarantee is recoverable as well as no liquidated damages are liable to be paid, and has filed a Commercial Suit before the Commercial Court, Rajula in this regard.
- 6 The Company has carried out a detailed assessment of the impact of COVID-19 on its liquidity position and on the recoverability and carrying values of its assets. Based on this assessment the Company has concluded that there is no significant impact on its financial results as at 31st March 2022. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.
- 7 The figures for the quarter ended 31st March 2022 are balancing figures between audited figures in respect of financial year ended 31st March 2022 and the published year to date figures upto the third quarter ended on 31st December 2021.
- 8 The Board of Directors proposes final dividend of ₹ 2.40 per share on 483,439,910 equity shares of face value of ₹ 10 each, aggregating to ₹ 1,160 million, for the financial year 2021-22, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.
- 9 Figures for the previous periods have been reclassified/ regrouped wherever applicable, to confirm with the current period classification.

For Gujarat Pipavav Port Limited

Place : Skodsborg, Denmark
Date : 18 May, 2022

Jakob Friis Sorensen
Managing Director
DIN : 08593830