APM TERMINALS Lifting Global Trade.

15th May 2019

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	14th Floor, P J Towers, Dalal Street, Fort, Mumbai 400 001

Dear Madam/ Sir,

Sub: Submission of Audited financial results and Intimation regarding Dividend

Kindly find enclosed Audited Financial Results of Gujarat Pipavav Port Limited ('the Company') for the year ended 31st March 2019 for reference as follows:

(i) Standalone and Consolidated Audited Financial Statements;
(ii) Auditors Report for Standalone and Consolidated Financial Statements;

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

Please note that the Board has also recommended a Final Dividend of Rs. 1.80 per share on the Equity Share Capital of the Company, subject to approval by the Members in the Company's Annual General Meeting scheduled for Thursday 8th August 2019.

Thank you,

Yours truly,

For Gujarat Pipavav Port Limited

Manish Agnihotri
Company Secretary & Compliance Officer

GUJARAT PIPAVAV PORT LIMITED MUMBAI

APM Terminals Pipavav
Gujarat Pipavav Port Ltd.
301, Trade centre
Bandra Kurla Complex
Bandra (E), Mumbai 400 098
India
CIN: L63010GJ1992PLC018106
T: +91-22-3046 6300
F: +91-22-2652-2422
www.pipavav.com
www.apmterminals.com

Registered Office
Post Office - Rampara No.2
Via Rajula
District Amreli,
Gujarat 365 560
India
CIN: L63010GJ1992PLC018106
T: +91-2794-302400
F: +91-2794-302413

Classification: Public

GUJARAT PIPAVAV PORT LIMITED

Registered Office : Pipavav Port, At Post Rampara-2, Tal. Rajula, Dist. Amreli, Gujarat 365 560.
CIN: L63010GJ1992PLC018106 Tel: 02794 302400 Fax: 02794 302413
Website: www.pipavav.com Email: investorrelationinppv@apmterminals.com

STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED ON 31 MARCH 2019

(₹ In Millions)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Year ended
		31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	**Income**					
	a. Revenue from operations	1,801.34	1,747.31	1,654.85	7,019.80	6,489.00
	b. Other Income	110.98	103.28	82.44	452.43	370.45
	Total Income	**1,912.32**	**1,850.59**	**1,737.29**	**7,472.23**	**6,859.45**
2	**Expenses**					
	a. Operating expenses	378.82	327.48	258.71	1,442.37	1,185.08
	b. Employee benefits expense	150.25	145.33	136.89	596.85	528.86
	c. Finance costs	1.23	0.49	0.97	3.65	3.48
	d. Depreciation and amortisation expense	310.35	275.19	267.32	1,128.35	1,035.64
	e. Other expenses	277.04	287.27	329.28	1,091.93	1,034.35
	Total expenses	**1,117.69**	**1,035.76**	**993.17**	**4,263.15**	**3,787.41**
3	**Profit before tax (1 - 2)**	**794.63**	**814.83**	**744.12**	**3,209.08**	**3,072.04**
4	**Tax expense**					
	a. Current tax expense	172.24	175.37	157.95	691.25	662.74
	b. Deferred tax expense (Including Minimum Alternate Tax Credit utilised)	113.13	117.03	100.30	461.57	424.70
5	**Net Profit for the period/year (3 - 4)**	**509.26**	**522.43**	**485.87**	**2,056.26**	**1,984.60**
6	**Other comprehensive income, net of income tax**					
	Items that will not be reclassified to profit or loss					
	- Re-measurement of post-employment benefit obligations	(5.49)	-	(3.66)	(7.95)	(3.66)
	- Less: Tax relating to above	1.93	-	1.29	2.78	1.29
	Total other comprehensive income, net of income tax	**(3.56)**	**-**	**(2.37)**	**(5.17)**	**(2.37)**
7	**Total comprehensive income for the period/year (5 - 6)**	**505.70**	**522.43**	**483.50**	**2,051.09**	**1,982.23**
8	**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
9	**Other equity (excluding revaluation reserves)**				15,375.72	15,306.19
	Basic and diluted earnings per share (of ₹ 10/- each) (not annualised)	1.05	1.08	1.00	4.24	4.10

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Gujarat Pipavav Port Limited
Mumbai

STATEMENT OF STANDALONE AUDITED ASSETS AND LIABILITIES AS AT 31 MARCH 2019

(₹ In Millions)

Particulars	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
A ASSETS		
1 Non-current assets		
a. Property, plant and equipment	15,891.44	16,847.91
b. Capital work in progress	453.84	323.23
c. Intangible assets	9.14	14.88
d. Investments in associate company	830.00	830.00
e. Financial assets		
i. Other financial assets	31.66	35.96
f. Income Tax Assets (net)	141.92	114.68
g. Other non-current assets	17.55	62.82
Total non-current assets	**17,375.55**	**18,229.48**
2 Current assets		
a. Inventories	84.25	136.16
b. Financial assets		
i. Trade receivables	509.72	257.56
ii. Cash and cash equivalents	108.12	354.51
iii. Bank balances other than (ii) above	5,229.02	3,960.96
iv. Loans	4.79	2.16
v. Other financial assets	58.90	7.83
c. Other current assets	322.30	156.10
Total current assets	**6,317.10**	**4,875.28**
TOTAL ASSETS	**23,692.65**	**23,104.76**
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	4,834.40	4,834.40
Other equity		
i. Reserves and surplus	15,375.72	15,306.19
Total equity	**20,210.12**	**20,140.59**
2 Liabilities		
I Non-current liabilities		
a. Financial liabilities		
i. Other financial liabilities	27.20	27.20
b. Employee benefit obligations	19.36	18.41
c. Deferred tax liabilities (net)	462.21	3.42
d. Other non-current liabilities	670.54	738.86
Total non-current liabilities	**1,179.31**	**787.89**
II Current liabilities		
a. Financial liabilities		
i. Trade payables		
Dues to Micro, Small and Medium Enterprises	0.36	1.06
Other than Micro, Small and Medium Enterprises	325.11	283.57
ii. Other financial liabilities	369.44	501.70
b. Provisions	365.04	365.04
c. Employee benefit obligations	126.08	108.24
d. Income tax provisions (net)	12.78	-
e. Other current liabilities	1,104.41	916.67
Total current liabilities	**2,303.22**	**2,176.28**
Total liabilities	**3,482.53**	**2,964.17**
TOTAL EQUITY AND LIABILITIES	**23,692.65**	**23,104.76**

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LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Gujarat Pipavav Port Limited
Mumbai

Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 14 May 2019 and 15 May 2019 respectively.

2 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

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 Effective 1 April 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied restrospectively only to contracts that are not completed as of 1 April 2018 and the comparatives have not been restated. The adoption of the standard did not have any material impact to the financial statements of the Company.

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 Rs. 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB has also asked the Company to pay GST on the aforesaid bank guarantee amounting to Rs. 33.46 million. The company has reviewed the terms and conditions of approval and based on the management assessment and external expert advice, the management believes that there is merit in the case and has requested GMB an opportunity of being heard in this matter. The amount of bank guarantee encashed by GMB is reflected as Other Current Assets.

6 The figures for the quarter ended 31 March 2019 are balancing figures between audited figures in respect of financial year ended 31 March 2019 and the published year to date figures upto the third quarter ended on 31 December 2018.

7 The Board of Directors proposes final dividend of INR 1.80 per share on 483,439,910 equity shares of face value of INR 10 each, aggregating to INR 1049.06 million (including Dividend Distribution Tax), for the financial year 2018-19, 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 conform with the current period classification.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

For Gujarat Pipavav Port Limited

Place : Mumbai
Date : 15 May 2019

Keld Pedersen
Managing Director

Gujarat Pipavav Port Limited
Mumbai

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Gujarat Pipavav Port Limited
Post Office- Rampara No.2, via Rajula
District Amreli, Gujarat-365560

Independent Auditor's Report on the Statement of standalone financial results

1. We have audited the accompanying Statement containing the annual audited standalone financial results of Gujarat Pipavav Port Limited (the "Company") for the year ended 31 March 2019 together with the notes thereon (hereinafter referred to as the "Statement"), which we have initialled under reference to this report.

Management's Responsibility for the standalone financial results

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory standalone financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited standalone financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.

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

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

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

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us:

   (i) the Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   (ii) the Annual audited standalone financial results for the year ended 31 March 2019 as set out in the Statement gives a true and fair view of the total comprehensive income (comprising of profit and other comprehensive income), and other financial information of the Company for the year ended 31 March 2019 in accordance with the accounting principles generally accepted in India.

Emphasis of Matter

7. We draw your attention to Note 6 of the Statement regarding the figures for the quarter ended 31 March 2019, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

8. We draw attention to Note No. 5 to the statements which describes the associated uncertainty and the necessary steps proposed to be taken by the Company based on external legal expert in relation to the recovery of Bank Guarantee amounting to Rs. 185.35 encashed by Gujarat Maritime Board.

Our opinion is not qualified in respect of above matters.

Other Matter

9. The Statement dealt with by this report has been prepared for the express purpose of filing with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). This Statement is based on and should be read with the audited standalone financial statements of the Company for the year ended 31 March 2019 on which we issued an unmodified audit opinion vide our report dated 15 May 2019.

Restriction on Use

10. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used by any other party for any other purpose.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

GUJARAT PIPAVAV PORT LIMITED

Registered Office : Pipavav Port, At Post Rampara-2, Tal. Rajula, Dist. Amreli, Gujarat 365 560.
CIN: L63010GJ1992PLC018106 Tel: 02794 302400 Fax: 02794 302413
Website: www.pipavav.com Email: investorrelationinppv@apmterminals.com

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED ON 31 MARCH 2019

(₹ In Millions)

Sr. No.	Particulars	Year ended 31/03/2019 (Audited)	Year ended 31/03/2018 (Audited)
1	**Income**		
	a. Revenue from operations	7,019.80	6,489.00
	b. Other Income	452.43	370.45
	Total Income	**7,472.23**	**6,859.45**
2	**Expenses**		
	a. Operating expenses	1,442.37	1,185.08
	b. Employee benefits expense	596.85	528.86
	c. Finance costs	3.65	3.48
	d. Depreciation and amortisation expense	1,128.35	1,035.64
	e. Other expenses	1,091.93	1,034.35
	Total expenses	**4,263.15**	**3,787.41**
3	Profit before share of net profits of investments accounted for using equity method and tax (1-2)	3,209.08	3,072.04
4	Share of net profit of associate accounted for using the equity method	310.54	225.54
5	**Profit before tax (3+4)**	**3,519.62**	**3,297.58**
6	**Tax expense**		
	a. Current tax expense	691.25	662.74
	b. Deferred tax expense (Including Minimum Alternate Tax Credit utilised)	461.57	424.70
7	**Net Profit for the period/year (5 - 6)**	**2,366.80**	**2,210.14**
8	**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	(7.95)	(3.66)
	(ii) Share of other comprehensive income of associate	(0.29)	0.12
	(iii) Less: Income tax relating (i) above	2.78	1.29
	(iv) Less: Income tax relating (ii) above	0.06	(0.02)
	Total other comprehensive income, net of income tax	**(5.40)**	**(2.27)**
9	**Total comprehensive income for the period/year (7 - 8)**	**2,361.40**	**2,207.87**
10	**Paid-up equity share capital (Face value ₹ 10 per share)**	4,834.40	4,834.40
11	**Other equity (excluding revaluation reserves)**	17,139.90	16,760.06
	Basic and diluted earnings per share (of ₹ 10/- each) (not annualised)	4.88	4.57

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LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Gujarat Pipavav Port Limited
Mumbai

STATEMENT OF CONSOLIDATED AUDITED ASSETS AND LIABILITIES AS AT 31 MARCH 2019

(₹ In Millions)

Particulars	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
A ASSETS		
1 Non-current assets		
a. Property, plant and equipment	15,891.44	16,847.91
b. Capital work in progress	453.84	323.23
c. Intangible assets	9.14	14.88
d. Investment accounted for using the equity method	2,594.18	2,283.87
e. Financial assets		
i. Other financial assets	31.66	35.96
f. Income Tax Assets (net)	141.92	114.68
g. Other non-current assets	17.55	62.82
Total non-current assets	**19,139.73**	**19,683.35**
2 Current assets		
a. Inventories	84.25	136.16
b. Financial assets		
i. Trade receivables	509.72	257.56
ii. Cash and cash equivalents	108.12	354.51
iii. Bank balances other than (ii) above	5,229.02	3,960.96
iv. Loans	4.79	2.16
v. Other financial assets	58.90	7.83
c. Other current assets	322.30	156.10
Total current assets	**6,317.10**	**4,875.28**
TOTAL ASSETS	**25,456.83**	**24,558.63**
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	4,834.40	4,834.40
Other equity		
i. Reserves and surplus	17,139.90	16,760.06
Total equity	**21,974.30**	**21,594.46**
2 Liabilities		
I Non-current liabilities		
a. Financial liabilities		
i. Other financial liabilities	27.20	27.20
b. Employee benefit obligations	19.36	18.41
c. Deferred tax liabilities (net)	462.21	3.42
d. Other non-current liabilities	670.54	738.86
Total non-current liabilities	**1,179.31**	**787.89**
II Current liabilities		
a. Financial liabilities		
i. Trade payables		
Dues to Micro, Small and Medium Enterprises	0.36	1.06
Other than Micro, Small and Medium Enterprises	325.11	283.57
ii. Other financial liabilities	369.44	501.70
b. Provisions	365.04	365.04
c. Employee benefit obligations	126.08	108.24
d. Income tax provisions (net)	12.78	-
e. Other current liabilities	1,104.41	916.67
Total current liabilities	**2,303.22**	**2,176.28**
Total liabilities	**3,482.53**	**2,964.17**
TOTAL EQUITY AND LIABILITIES	**25,456.83**	**24,558.63**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Gujarat Pipavav Port Limited
Mumbai

Notes :

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 14 May 2019 and 15 May 2019 respectively.

2 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

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 Effective 1 April 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied restrospectively only to contracts that are not completed as of 1 April 2018 and the comparatives have not been restated. The adoption of the standard did not have any material impact to the financial statements of the Company.

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 Rs. 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB has also asked the Company to pay GST on the aforesaid bank guarantee amounting to Rs. 33.46 million. The company has reviewed the terms and conditions of approval and based on the management assessment and external expert advice, the management believes that there is merits in the case and has requested GMB an opportunity of being heard in this matter. The amount of bank guarantee encashed by GMB is reflected as Other Current Assets.

6 Attached alongwith this Statement, financial statements of PRCL and their auditor's report.

7 The Board of Directors proposes final dividend of INR 1.80 per share on 483,439,910 equity shares of face value of INR 10 each, aggregating to INR 1049.06 million (including Dividend Distribution Tax), for the financial year 2018-19, 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 conform with the current period classification.

For Gujarat Pipavav Port Limited

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Place : Mumbai
Date : 15 May 2019

Keld Pedersen
Managing Director

Gujarat Pipavav Port Limited
Mumbai

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Gujarat Pipavav Port Limited
Post Office- Rampara No.2, via Rajula
District Amreli, Gujarat-365560

Independent Auditor's Report on the Statement of consolidated financial results

1. We have audited the accompanying Statement containing the annual audited consolidated financial results of Gujarat Pipavav Port Limited ("hereinafter referred to as the Company") and its associate company for the year ended 31 March 2019 together with the notes thereon (hereinafter referred to as the "Statement"), which we have initialled under reference to this report.

Management's Responsibility for the consolidated financial results

2. Management of the Company is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory consolidated financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited consolidated financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Price Waterhouse Chartered Accountants LLP

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us:

   (i) the Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   (ii) the Annual audited consolidated financial results for the year ended 31 March 2019 as set out in the Statement gives a true and fair view of the total comprehensive income (comprising of profit and other comprehensive income) and other financial information of the Company, for the year ended 31 March 2019 in accordance with the accounting principles generally accepted in India.

Emphasis of Matter

7. We draw attention to Note 5 to the statements which describes the associated uncertainty and the necessary steps proposed to be taken by the Company based on external legal expert in relation to the recovery of Bank Guarantee amounting to Rs. 185.35 encashed by Gujarat Maritime Board. Our opinion is not modified in respect of this matter.

8. We draw attention to the paragraphs 6 included in the audit report on the financial statement of Pipavav Railway Corporation Limited (Associate Company), issued by an independent firm of chartered accountants vide its report dated 9 May 2019 which is attached along with the Statement.Our opinion on the consolidated financial results, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Other Matter

9. The consolidated financial statement also includes the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 310.25 million for the year ended 31 March 2019 as considered in the consolidated financial statements, in respect of one associate company- 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 results insofar as it relates to the amounts and disclosure included in respect of associate company, is based solely on the reports of the other auditors.

10. We draw attention to the paragraphs 7 included in the audit report on the financial statement of Pipavav Railway Corporation Limited (Associate Company), issued by an independent firm of chartered accountants vide its report dated 9 May 2019 which is attached along with the Statement.

Our opinion on the consolidated results is not modified with respect to our reliance on the work done and the report of the other auditor.

11. The Statement dealt with by this report has been prepared for the express purpose of filing with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). This Statement is based on and should be read with the audited consolidated financial statements of the Company and its associates, for the year ended 31 March 2019 on which we issued an unmodified audit opinion vide our report dated 15 May 2019.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Price Waterhouse Chartered Accountants LLP

Restriction on Use

12. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 11 above. This report should not be otherwise used by any other party for any other purpose.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

Pipavav Railway Corporation Limited

(CIN: U45200DL2000PLC151199)

1. Company Information

Pipavav Railway Corporation Limited (the "Company" also referred to as "PRCL") is the first joint sector Company of the Ministry of Railways, domiciled and incorporated in India, with participation of Gujarat Pipavav Port Limited (GPPL), registered under the Companies Act, 1956 (now Companies Act, 2013). It has a special approval of the Cabinet Committee on Economic Affairs to undertake construction, own, operation and maintenance of the Broad-Gauge Railway line and has entered into a Concession Agreement with Ministry of Railways (MOR) for construction of Broad Gauge railway line from Surendranagar – Pipavav (Project Railway) and use the same on BOOT basis for 33 years w.e.f. 28th June 2001. It has been conferred with the rights of a "Railway Administration" under the Railway Act, 1989 in respect of Project Railway. Upon expiry of the Concession Agreement, all the assets created by PRCL with the Project Area shall revert back to MOR for a consideration in accordance with the terms of Concession Agreement. The Surendranagar – Pipavav rail link project has been successfully commissioned in a record time of eighteen months. The operation and maintenance of the Project Railway, with all operational and commercial activities, is carried out by Western Railway (WR) under the terms of the Operation and Maintenance Agreement.

The Company has constructed the project railway by deploying/investing its resources in the project and in turn, has been getting share of freight (net after cost) from operation and maintenance of Project railway, as return on the resources so deployed /invested.

The registered office of the Company is located at B-1202 (B-Wing) 12th floor, Statesman House, 148 Barakhamba Road, Connaught Place, New Delhi – 110001.

The financial statements are authorized for issue in accordance with a resolution of the Board of Directors on **9th May 2019**.

2. Significant Accounting Policies

2.1. Basis of Preparation

2.1.1. The financial statements for the year ended 31st March 2019 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as "Ind-AS") as notified by the Ministry of Corporate Affairs, Government of India, pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter. These financial statements for the year ended 31st March 2019 are the Ind AS compliant financial statements of the Company. The Company has adopted Ind-AS for preparation of the financial statements for the year started from 1st April, 2016 and onwards.

2.1.2. For all periods, up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 (herein after referred to as "previous GAAP"). Accordingly, financial statements for the year 31st March 2016 and the opening Balance sheet as at 1st April, 2015 (Transition Date) had been restated in accordance with Ind AS for comparative information purpose in preparation and presentation of the company's first Ind AS compliant financial statements.

2.1.3. The financial statements have been prepared ongoing concern basis and under the historical cost convention on accrual basis. However, following items are measured at fair value as required by relevant Ind-AS.

I. Defined benefit Plan and other long-term employee benefits as per Ind AS-19

II. Certain financial assets and liabilities measured at fair value.

2.1.4. Accounting policies have consistently been applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy, herein after in use.

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2.2. Use of Estimates

2.2.1. The preparation of financial statements in conformity with Ind AS requires management to make estimates judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of income and expenses during the period. Such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment, provisions, contingent liabilities and assets etc. Actual results could differ from these estimates.

2.2.2. Estimates and underlying assumptions are reviewed on an ongoing basis. Future and actual results could differ due to changes in these estimates. Appropriate revision is made in these estimates considering the change in the surrounding circumstances known to management. Any revision to accounting estimates is recognized in the period in which such revision takes place.

2.2.3. All financial information are presented in Indian rupees and all values are rounded to the nearest lakh rupees with two decimal points except where otherwise stated.

2.3. Statement of Cash Flow

2.3.1. Cash flows are reported using the Indirect Method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated as per Ind AS-7.

2.3.2. For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents include cash on hand, deposits held at call with banks and financial institutions, other short term, highly liquid investment with original maturity of three months or less that are readily convertible to the known amount of cash and which are subject to insignificant risk of change in value.

2.3.3. The Company adopted the amendments to Ind AS 7 which have been effective from April 1, 2017. The amendments require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

2.4. Foreign Currency

2.4.1. **Functional and presentation currency**

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

2.4.2. **Transactions and translations**

I. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the time the transactions are effected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

II. Monetary items denominated in the foreign currency are stated and converted into Indian rupees using the exchange rate prevailing at the date of Balance Sheet and resulting exchange difference is recognized in Statement of Profit and Loss.

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2.5. Property, Plant & Equipment and Depreciation

2.5.1. Property Plant & Equipment

I. Property, plant & equipment are stated at cost of acquisition/construction less accumulated depreciation and impairment (if any). The historical cost of assets comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use i.e. cost of acquisition of assets including inter-alia interest on borrowing and incidental expenditure incurred to bring the assets in working condition.

II. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when such component is replaced. All other expenses in the nature of repair and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred as per Ind AS 16.

III. Gains or losses are recognized in the Statement of Profit and Loss on sale or disposal of assets.

2.5.2. Transition to Ind AS

On transition to Ind-AS, the Company had elected to continue with the carrying value of all its property, plant & equipment recognized as on 1st April, 2015 (transition date) measured as per the previous GAAP and had used that carrying value as its deemed cost as on the transition date.

2.5.3. Depreciation methods, estimated useful lives and residual value

I. Depreciation on property, plant & equipment is provided using Straight Line Method (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013. In case of addition to/transfer of asset, depreciation is charged on pro-rata basis from the date of addition/transfer.

II. Each part of an item of Property, Plant & Equipment is depreciated separately if the cost of that part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of asset.

III. Depreciation method, useful life and residual value are reviewed at each reporting date. In case of revision, the un-amortized depreciable amount is depreciated on a prospective basis.

IV. The estimated useful life of assets for current and comparative period of significant items of property plant & equipment are as follows:

Particulars	Useful Life (in years)
Plant & Machinery (office equipment, telephone, mobile equipment)	5
Plant & Machinery (computers)	3
Vehicles	8 -10
Furniture & fixtures	10
Electrical Installation and equipment	10

V. Assets costing individually upto ₹ 10,000/- (Rupees Ten Thousand Only) are fully depreciated in the year of purchase and are shown at nominal value of ₹ 1 each.

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2.6. Intangible Assets

2.6.1. **Freight Sharing Rights (Railway Line under Concession Agreement)**

I. The Company has constructed Project Railway (i.e. Broad Gauge railway line from Surendranagar to Pipavav in the State of Gujarat) under Concession Agreement which gives right of freight sharing to the Company. This right is recognized as intangible asset in accordance with Ind AS 38, as per the requirement of Appendix D to Ind AS 115.

II. These intangible assets are initially recognized at cost incurred by the Company (i.e. construction cost) which is reckoned as the fair value of the service provided including costs directly attributable to the commissioning of the project.

III. Subsequent to initial recognition, the intangible asset is stated at cost less accumulated amortization and accumulated impairment losses (if any).

IV. These assets are equally amortized prospectively (from transition date) over the remaining useful life using the Straight-Line Method. The useful life is the concession period of thirty-three years.

V. Subsequent expenditures incurred on the project assets, including cost of replacement works, incurred to maintain and to restore the project assets at its serviceable level, which do not result in capacity enhancement over assessed capacity are recognized in accordance with Ind AS-37 as per the requirement of Appendix D to Ind AS 115 are charged to the Statement of Profit and Loss. Expenditures incurred to upgrade the project railway or to create additional facilities thereon which give rise to future economic benefits are capitalized as intangible asset as per Ind AS 38.

2.6.2. **Other intangible assets**

I. Other intangible assets are recognized when it is probable that future economic benefits that are attributable to asset will flow to the Company and cost of asset can be measured reliably.

II. Subsequent expenditures incurred on the asset to maintain and to restore it at its serviceable level, which do not result in capacity enhancement over assessed capacity are recognized to the Statement of Profit and Loss. Expenditures incurred to upgrade the asset which give rise to future economic benefits are capitalized as intangible asset in accordance with Ind AS 38.

III. These assets are stated at cost less accumulated amortization and impairment loss (if any). These assets are equally amortized prospectively (from transition date) over the remaining useful life using the Straight Line Method.

IV. The assets which are having definite/determinable life are amortized over the said definite/determinable life. Assets which are having indefinite life or whose life is not determinable are amortized over the maximum period of ten years.

V. Assets costing individually upto ₹ 10,000/- (Rupees Ten Thousand Only) are fully amortized in the year of purchase and are shown at nominal value of ₹ 1 each.

VI. Non-revenue generating expenses such as website cost are charged to Statement of Profit and Loss in the year in which such expenses are incurred in accordance with Ind AS 38.

2.6.3. **Transition to Ind AS**

On initial transition to Ind-AS, the Company had elected to continue with the carrying value of all its intangible assets recognized as on 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date.

Amortization method, useful life and residual value are reviewed at each reporting date. In case of revision, the un-amortized amount is amortized on a prospective basis. The carrying value of each intangible asset is reviewed for impairment annually or more often, if events or changes in circumstances indicate that the carrying value may not be recoverable.

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2.7. Intangible Assets under Development

Expenditures incurred by the Company on the ongoing development or upgradation of the Project Railway which give rise to future economic benefit to the Company are recognised as "Intangible Assets under Development". During the ongoing development or upgradation of Project Railway, the progress of work performed results into the Contact Assets of the Company which are shown as "Intangible Assets under the development" at cost incurred by the Company. On completion of the development or upgradation work, these Contract Assets (shown as "Intangible Assets Under Development") are re-classified as the "Intangible Assets" in accordance with the Appendix - D to the Ind AS 115.

Expenditures incurred on the development of other existing intangible assets are recognized as "Intangible Assets under development" at cost incurred by the Company which is reckoned as the fair value of the service provided including costs directly attributable in accordance with Ind AS 38.

2.8. Leases

2.8.1. **Finance Lease**

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the interest rate implicit in the lease. Finance charges are recognized as borrowing costs in the statement of profit and loss.

2.8.2. **Operating Lease**

Leases where the lesser effectively retain substantially all the risks and benefits of ownership of leased terms, are classified as operating leases. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a Straight Line Method basis over the lease term except where lease payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

2.9. Impairment of Non-Financial Assets

In accordance with Ind AS-36 on Impairment of Assets, the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as the higher of the Fair Value less cost to sell and the value in use. An impairment loss is recognized in Statement of Profit and Loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss.

2.10. Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets till such time the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowings costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

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2.11. Revenue Recognition

I. Revenue from Contracts with Customers

The Company recognises the revenue from the contracts with customers in accordance with Ind AS 115– "Revenue from Contracts with Customers". In recognition of the Contact Revenue, five-step approach is followed as under:

Step 1: Identify the contract(s) with a customer(s),
Step 2: Identify the performance obligation in contract,
Step 3: Determine the transaction price,
Step 4: Allocate the transaction price to the performance obligations in the contract and
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company recognises the following revenues from the contract with customer(s) as per Ind AS 115:

2.11.1. **Contract Revenue from Operation: -** Under the Concession agreement with MOR, the Company receives share of freight earnings from Railways generated from the freight train operation on Project Railway. Share of freight earnings as accrued to the Company under terms of the Concession agreement for freight operation on the Project Railway is recognised by the Company as Contract Revenue from operation in accordance with Ind AS 115. The Company recognises Contract revenue on satisfaction of performance obligations related to freight operation on Project Railway i.e. on completion of mile to mile movement of the freight train on Project Railway. Contract revenue is measured at transaction price i.e. actual freight collected by Railways as per tariff notified by MOR, and apportioned to the Company under the terms of the Concession Agreement.

2.11.2. **Contract Revenue from Construction or upgrading Project Railway line: -** The Company recognises contract revenue from Construction or upgrading of Project Railway line in accordance with Ind AS 115 in respect of development activities carried out or new facilities created resulting in capacity enhancement or upgradation of the Project Railway, which results in the income to the Company. The Company recognises the revenue on satisfaction of the performance obligation as and when the control over asset is obtained by MOR over the time. The revenue is recognized over the time to the extent of the performance obligations are satisfied. The Company measures revenue from construction or upgrading of Project Railway line and recognises the same at cost reckoning as transaction price which the Company expects to be entitled.

2.11.3. **Other Contract Revenue:** The other contract revenue (such as wharfage charges), which the Company is entitled to receive from MOR in terms of Concession Agreement is recognised as per Ind AS 115.

II. Other Revenue Recognition- Interest income on deposits with banks is recognized on a time proportion basis at applicable rate of interest.

2.12. Employee Benefits

2.12.1. **Short Term Employee Benefits**

The undiscounted amounts of short-term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services. Defined Contribution Plans such as Group Medi-claim & Group Personal Accident policy are recognized as expense and charged to the Statement of Profit and Loss.

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2.12.2. **Post Employment Benefits**

I. **Defined Contribution Plan:**

Defined Contribution Plans such as Provident Fund, Employee State Insurance and National Pension Scheme are recognized as an expense and charged to the Statement of Profit and Loss for the year when contributions are due.

II. **Defined Benefit Plans:**

a) **Gratuity**:

(i) The employees' Gratuity Fund Scheme is funded by the Company and managed by Life Insurance Corporation of India through a separate Trust created by the Company. The present value of the Company's obligation under Gratuity is recognized on the basis of an actuarial valuation as at the end of the year and the fair value of the Plan assets is reduced from the gross obligation to recognize the obligation on net basis.

(ii) Actuarial gain or loss is recognized in Other Comprehensive Income for long term benefits including gratuity benefits.

b) **Other Long Term Benefits:**

Other Long Term Benefits such as Leave Encashment and Sick Leave are recognized on the basis of actuarial valuation made as at the end of the year.

2.13. Taxes

Income tax expenses for the year comprise of current tax and deferred tax. Income tax expense is charged to Profit and Loss, except to the extant it relates to the items recognized directly in equity, in which case, it is recognized in Other Comprehensive Income (OCI) items in accordance with Ind AS 12.

2.13.1. **Current Income Tax**

I. Current tax for the current and prior period(s) is recognized which is expected to be paid or to be recovered from tax authorities, as determined in accordance with the provisions of Income Tax Act 1961. Tax rates used to compute the current tax are those that have been enacted or substantially enacted by the Balance Sheet date (reporting date).

II. The Company offsets the current tax assets and the current tax liabilities where it is legally enforceable right to set off the recognized amount and where it intends either to set off the recognized amounts and where it intends either to settle on net basis.

III. Current tax related to Other Comprehensive Income (OCI) items is recognized in Other Comprehensive Income (OCI).

2.13.2. **Deferred Tax**

I. Deferred tax assets and liabilities are recognized for all temporary differences between tax base of assets and liabilities and their carrying amount in financial statements. Deferred tax is computed using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date (reporting date).

II. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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III. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized.

IV. Deferred tax related to Other Comprehensive Income (OCI) items is recognized in Other Comprehensive Income (OCI).

2.13.3. **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid under the provisions of Income Tax Act, 1961 which gives rise to future economic benefits to the Company in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognized as deferred tax asset in the financial statements. In case, there is a probability that the Company would not be able to utilize MAT credit in future within the time permitted under the tax laws, balances of MAT credit to that extent are reversed in the year in which the probability so arises.

2.14. Earnings per Share

2.14.1 Basic earnings per equity share are computed by dividing net profit/ (loss) after tax for the year attributable to equity shareholders of the Company by the number of weighted average number of shares outstanding during the year.

2.14.2 Diluted earnings per equity share is computed by dividing the net profit/ (loss) after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year adjusted for all potential equity shares.

2.15. Provisions

2.15.1. Provisions are recognized when there is a present obligation, legal or constructive, as a result of a past event, that can be reliably estimated, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in accordance with Ind AS 37.

2.15.2. Contractual obligations to restore and maintain the Project Railway at its serviceability level, except for any upgrade element, is recognized and measured in accordance with Ind AS 37 (read with Appendix D to Ind AS 115).

2.15.3. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the end of each reporting date. Where the time value of the money is material, the amount of provision is recognized at its present value; that would be required to settle the present obligation, using pre-tax discount rate that reflects the current market assessment of the time value of the money and risks specific to the liability. Time value of money for the obligations which are expected to be settled within a period of twelve months are considered immaterial.

2.15.4. Provisions are reviewed at each Balance Sheet date. The increase in the provision due to the passage of time is recognized as interest expense.

2.16. Government Grants

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

2.16.2. Grants in aid of the nature of promoter's contribution are treated as contribution from equity holder(s) and accordingly, are recognized as part of equity.

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2.16.3. Government grants relating to purchase, acquisition or development of property, plant & equipment and intangibles assets are included in the non-current liability as deferred income and credited to Profit and Loss over the expected life of related assets and presented in other income.

2.16.4. Government grants relating to revenue expenditure are recognized as deferred income. The same are subsequently recognized in Profit and Loss over the period necessary to match them with the cost they are intended to compensate the expenditure and presented in other income.

2.16.5. Government grants in the form of non-monetary asset, if any are recognized at fair value and presented in Balance Sheet by setting up the grant as deferred income.

2.17. Contingent Liabilities and contingent Assets

2.17.1. Contingent Liabilities are disclosed in either of the following cases:

I. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or

II. A reliable estimate of the present obligation cannot be made; or

III. A possible obligation, unless the probability of outflow of resource is remote.

2.17.2. Contingent Liabilities and Provisions needed against Contingent Liabilities and Contingent Assets are reviewed at each Reporting date. Contingent Liabilities are net of estimated provisions considering possible outflow on settlement.

2.17.3. Contingent assets are disclosed where an inflow of economic benefits is probable.

2.18. Dividend to equity holders

Dividend (including interim dividend) is recognized in the year in which such dividend is approved by shareholders on the recommendation of Board of Directors.

2.19. Financial Instruments

2.19.1. **Initial recognition and measurement**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

2.19.2. **Subsequent measurement**

I. **Financial Assets**

Financial assets are classified in following categories:

a) At Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Following financial assets are measured at amortised cost:

(i) Trade receivables,
(ii) Security Deposits,
(iii) Loans & Advances,
(iv) Cash & Cash equivalents and
(v) Other Current Financial Assets.

b) Fair Value through Other Comprehensive Income

Financial assets are subsequently measured at fair value through other comprehensive income, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair Value Through Profit and Loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless there is a change in the business model to manage these financial assets.

II. **Financial liabilities**

a) Financial liabilities at Amortised Cost

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within twelve months from the balance sheet date, the carrying amounts are reckoned as fair value due to short term maturity of these instruments.

b) Financial liabilities at fair value through Profit and Loss

The Company has not designated any financial liabilities at FVTPL.

2.19.3. **Derecognition**

I. **Financial Asset**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

II. **Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

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2.19.4. **Impairment of financial assets:**

The Company reviews and assesses impairment loss allowances on forward looking basis, for expected credit risk associated with its assets carried at amortised cost. The impairment methodology is applied as per Ind AS 109. Expected credit losses is recognized or derecognized as income/expense in the Statement of Profit and Loss based on the review.

2.19.5. **Financial instruments measured at Fair Value**

I. Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

II. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.20. Events occurring after Balance Sheet Date

Events occurring after Balance Sheet date are considered in the preparation of financial statements in accordance with Ind AS 10 (Contingencies and Events Occurring after Balance Sheet Date).

2.21. Non-current Assets (or disposal groups) held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sale. Property, plant & equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale, are adjusted for depreciation that would have been recognized had that asset not been classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

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2.22. Service Concession Arrangement

The Company has been granted concession rights by the Ministry of Railways (MOR), Government of India, under the terms of the Concession agreement entered into by the Company with MOR on 28th June, 2001 to design, engineering, financing, procurement, construction and completion, operation and marketing of freight services for the Project Railway. The Company also enjoys the rights, powers, benefits, privileges, authorizations and entitlements under the Concession agreement.

Pursuant to said agreement, the Company has constructed Project Railway i.e. broad-gauge railway line from Surendranagar to Pipavav in the State of Gujarat. The Company also operates and maintains the Project Railway, through Western Railway and keeps the Project Railway in proper working condition and also carries out the replacement of the asset items of the Project Railway on expiry of codal life of such items as per terms of Concession Agreement.

The Company has treated this arrangement as Public-to-Private Service Concession Arrangement. Up-to 31st March, 2018, the provision related to Service Concession Arrangement were dealt with by the Appendix A and B to the Ind AS 11 "Construction Contracts". Accordingly, the Company had applied Appendix A and B to Ind AS 11 (Service Concession Arrangement) in respect of the Project Railway so developed, in preparation and presentation of its financial statements for the period up-to 31st March 2018.

With effect from 1st April 2018, the Ministry of Corporate Affairs, Government of India has withdrawn Ind AS 11- "Construction Contracts" and Ind AS 18- "Revenue" and notified Ind AS 115- "Revenue from Contracts with the Customers". Appendix D and E to the Ind AS 115 deals with the "Service Concession Arrangement". Accordingly, the Company has applied the Appendix D and E to Ind AS 115 in respect of the Project Railway in the preparation and presentation of its financial statements for financial year bringing from 1st April 2018 and onwards.

The arrangement between the Company and MOR meets all the conditions of Appendix D to Ind AS 115 such as"

(i) The MOR (the grantor) controls/ regulates what services the Company (operator) should provide with the Project Railway (i.e. infrastructure) and to whom it must be provided,

(ii) MOR controls the price to be charged to the customers and

(iii) Also, MOR controls residual interest in the infrastructure at the end of the term of the arrangement.

Under the Concession agreement, the Company has freight sharing right in respect of freight earnings generated from freight operation on the Project Railway. This right is recognized as intangible asset and is amortised. The term of Concession agreement is 33 (Thirty-Three) years. In case of material breach in terms of the agreement, MOR and PRCL both have the right to terminate the agreement, if they are not able to cure the event of default in accordance with such agreement. Concession agreement also provides that, after the expiry of the concession period, if MOR opts to grant a fresh concession in respect of Project railway, PRCL shall, all other things being comparable, have the first right to be awarded new concession.

Depreciated Replacement Value (DRV): At the end of concession period, the project assets created by the Company within project area shall revert back to MOR for a consideration equivalent to depreciated replacement value (DRV) of these assets. DRV is defined as cost of replacing assets on date of expiry of agreement after deducting depreciation on straight line basis. Replacement cost and life of assets shall be computed in accordance with provisions of Concession agreement. However, amount of DRV has not been specified in the Concession agreement.

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR:60747 NEW DELHI

Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
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Para 16 of Appendix D to Ind AS 115 requires the Company to recognise a financial asset in respect of unconditional right to receive cash from MOR, if same is specified or determinable. The amount of DRV has not been specified in the Concession agreement, nor it is presently determinable as determination of DRV depends on the facts and circumstances that would be available at the end of the concession period only, and therefore condition to recognize the right to receive DRV as financial asset is not fulfilled as required by said Appendix. In view of this fact, DRV has not been recognized as financial asset which is compliance with the requirement of the Ind AS.

The assets which were exiting at the time of entering into Concession agreement, i.e. meter gauge railway line (including land) were leased by MOR to the Company. Railways charge annual lease rental to the Company for leased assets. Assets so leased to the Company shall revert back to MOR without any financial consideration at the end of concession period.

Concession agreement provides that, upon expiry of 33 (Thirty-Three) years of operation in case of material disruption of operation and maintenance occurred during the concession period, the Concession period shall be extended by an equal period of time which corresponds to the period for which material disruption of operation and maintenance occurred during the concession period.

In case of material breach in terms of the agreement, MOR and PRCL both have the right to terminate the agreement, if they are not able to cure the event of default in accordance with such agreement.

Resurfacing Cost: In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per standards laid down by MOR, of all project assets whose codal life expire during the concession period. Accordingly, Company provides the liability as Resurfacing Obligations in respect of such obligations in accordance with Ind AS 37 as per the requirement of Para 21 of Annexure D to Ind AS 115. The Company measures the obligation in accordance with Ind AS 37 i.e. at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

2.23. Transition to new Standards applicable in preparation and presentation of financial statements

2.23.1. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment has come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

2.23.2. Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs, Government of India notified the Ind AS 115- "Revenue from the Contracts with Customers". The Company has adopted Ind AS 115 in preparation of financial statements w. e. f. 1st April 2018. Ind AS 115 requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

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

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As per the transitional provisions of Ind AS 115, the either of following two methods has been given for initially application of Standard:

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

(b) Retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

In preparation of financial statements, the Company has applied the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 have not been retrospectively adjusted. The Company has evaluated the impact of the standard on the financial position and results of operations. The cumulative impact of the implementation related to the period up-to 31st March, 2018, if any has been shown by way of adjustment in the opening balance of the Equity as on 1st April 2018.

The financial effect on adoption of Ind AS 115 is insignificant.

2.24. Standards issued but not yet effective upto the date of Financial Statements

The amendments to existing standards and issuance of new standards, which have not been effective up to the date of the Company's financial Statements are disclosed below. The Company intends to adopt these amendments (including new standards), to the extent applicable, when they become effective.

Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and has issued the following standard:

Indian Accounting Standard (Ind AS) 116 "Leases": On 30th March, 2019, MCA has notified the Ind AS 116 "Leases". Th objective of the Standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The transition provisions contained in the standard provide to apply this Standard to leases either:

I. Retrospectively to each prior reporting period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; or

II. Retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application

The effect on adoption of Ind AS 116 on the financial statements is under examined.

Ind AS 116 supersedes the existing Ind AS 17 "Leases" w.e.f. 1st April 2019. The effective date for adoption of Ind AS 116 is 1st April 2019. Accordingly, the Company will adopt Ind AS 116 for the financial reporting for the period from 1st April 2019 and onward in respect to the leases, to the extent applicable.

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Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

Balance Sheet as at 31st March 2019

(Amount in ₹ Lakhs)

	Particulars	Note No	As at 31st March 2019	As at 31st March 2018
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and equipment	3	70.42	65.49
	(b) Other Intangible assets	4	13,881.64	14,784.50
	(c) Intangible assets under development	5	6,359.05	23.48
	(d) Financial Assets			
	(i) Others	6	12,073.83	9,916.13
	(e) Deferred Tax Assets	7	8,258.88	6,951.52
	(f) Other non-current assets	8	516.76	514.24
2	**Current assets**			
	(a) Financial Assets			
	(i) Trade Receivables	9	2,979.93	5,237.42
	(ii) Cash and cash equivalents	10	3,607.15	96.37
	(iii) Bank Balances other than (ii) above	11	16,290.51	17,125.70
	(iv) Others	12	963.42	801.00
	(b) Current Tax Assets (Net)	13.1	689.58	606.68
	(c) Other current assets	14	766.11	179.49
	TOTAL ASSETS		**66,457.28**	**56,302.02**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	15	19,600.00	19,600.00
	(b) Other Equity	16	37,518.15	30,138.00
2	**Liabilities**			
(i)	**Non-current liabilities**			
	(a) Long Term Provisions	17	3,399.76	2,495.37
	(b) Deferred tax liabilities	13.2	2,187.06	2,169.78
(ii)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Total outstanding dues of micro enterprises and small enterprises	18.1.1	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	18.1.2	2,873.68	1,824.61
	(iii) Others	18.2	852.33	53.61
	(b) Other Current liability	19	23.77	18.38
	(c) Provisions	20	2.53	2.27
	TOTAL EQUITY AND LIABILITIES		**66,457.28**	**56,302.02**

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

CA. K. S. Ponnuswami
Partner
M. No. 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR: 60747 NEW DELHI

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN : 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M . No. A20516

Place : New Delhi
Date : 9th May 2019

Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

Statement of Profit and Loss
For the Year ended 31st March 2019

(Amount in ₹ Lakhs)

	Particulars	Note No	For the year ended 31st March 2019	For the year ended 31st March 2018
	Revenue :			
I	Revenue from operations	21	29,109.31	20,135.36
II	Other income	22	2,258.88	1,648.25
III	**Total Revenue (I + II)**		**31,368.19**	**21,783.61**
IV	**Expenses:**			
	Operating and Other expenses	23	20,529.91	12,447.42
	Employee benefits expenses	24	405.66	377.02
	Finance costs	25	165.31	106.47
	Depreciation and amortization	26	925.02	924.28
	Corporate Social Responsibility (CSR) expenses	27	106.18	150.88
	Total Expenses (IV)		**22,132.08**	**14,006.07**
V	**Profit/loss Before exceptional items and Tax (III - IV)**		9,236.11	7,777.54
VI	Exceptional items		-	-
VII	Profit/ (Loss)before tax (V - VI)		**9,236.11**	**7,777.54**
VIII	Tax expense:			
	(i) Current tax			
	for the year	13.3	1,964.80	1,634.62
	for earlier years (net)	13.3	-	-
	(ii) Deferred tax (net)	13.3	17.28	(5.51)
	(iii) Mat Credit Entitlement (net of reversal)	13.3	(1,307.36)	(1,369.15)
IX	**Profit/(loss) for the period from continuing operation (VII - VIII)**		**8,561.39**	**7,517.58**
X	Profit/(loss) from discontinued operations		-	-
XI	Tax Expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(loss) for the period (IX+XII)**		**8,561.39**	**7,517.58**
XIV	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit and loss			
	Re-measurement of defined employee benefit plans [Gain/(Loss)]	28	0.26	(7.70)
	Income Tax relating to Items that will not be reclassified to profit and loss	13.4	(0.06)	1.64
	B. Items that will be reclassified to profit and loss		-	-
	Income Tax relating to Items that will be reclassified to profit and loss		-	-
XV	**Total Comprehensive Income for the period (XIII + XIV) (Profit and Other Comprehensive Income for the period)**		**8,561.59**	**7,511.52**
XVI	Earnings Per Equity Share:			
	(For Continuing Operation)			
	(1) Basic (₹)	29	4.37	3.84
	(2) Diluted (₹)	29	4.37	3.84
XVII	Earnings Per Equity Share:			
	(For discontinuing Operation)			
	(1) Basic (₹)		-	-
	(2) Diluted (₹)		-	-
XVIII	Earnings Per Equity Share:			
	(For discontinued and continuing Operation)			
	(1) Basic (₹)	29	4.37	3.84
	(2) Diluted (₹)	29	4.37	3.84

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

C.A. K. S. Ponnuswami
Partner
M. No. 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR.60747 NEW DELHI

Place : New Delhi
Date : 9th May 2019

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN : 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M . No A20516

Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

Statement of Cash Flow for the year ended 31st March, 2019

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. Cash Flow From Operating Activities		
Profit before tax & exceptional items	**9,236.11**	**7,777.54**
Adjustments for		
Dividend Paid (including Dividend Distribution Tax paid thereon)	(1,181.44)	-
Depreciation and amortization	925.02	924.28
Finance costs	165.31	106.47
Interest earned	(2,257.69)	(1,644.90)
Unwinding of discount on security deposits	(1.09)	(1.52)
Profit on sale of property, plant and equipment	(0.08)	(1.69)
Loss on disposed/written off of sundry asset items	0.08	-
Other Comprehensive Income (net of taxes)	0.21	(6.06)
Operating profit before changes in operating assets and liabilities	**6,886.43**	**7,154.12**
Adjustments for:		
Decrease / (Increase) in Trade Receivables / Loans and Advances	2,257.49	1,237.42
Decrease / (Increase) in other current financial assets	(162.42)	(210.96)
Decrease / (Increase) in other current Assets	(586.62)	(41.34)
Decrease / (Increase) in other non current assets	(2.52)	0.11
Decrease / (Increase) in Other non current financial assets	2.60	(1.49)
(Decrease) / Increase in Current Trade Payables	1,049.06	(181.92)
(Decrease) / Increase in Other Financial Liabilities	798.72	28.15
(Decrease) / Increase in Other Current Liabilities	5.39	6.13
Changes in Long Term Provisions	904.40	879.67
Changes in Short Term Provisions	0.26	0.59
	4,266.36	**1,716.36**
Cash generated from operation	11,152.79	8,870.48
Income Tax Paid (net of refund received)	2,047.70	1,841.80
Total Cash generated from Operating Activities	**9,105.09**	**7,028.68**
B. Cash Flow From Investing Activities		
Purchase of Property plant and equipment & Intangible Assets (net after non cash adjustments)	(6,363.37)	(71.24)
Sale of Property, Plant & Equipment	0.70	1.69
Interest Receivable	2,257.69	1,644.90
Changes in Other Bank Balances	(1,325.11)	(8,926.49)
Net Cash used in Investing Activities	**(5,430.09)**	**(7,351.14)**
C. Cash flow from Financing Activities		
Finance costs (see foot note 2 below)	(165.31)	(106.47)
Unwinding of discount on security deposits	1.09	1.52
Net Cash generated from Financing Activities	**(164.22)**	**(104.95)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	3,510.78	(427.41)
Opening Cash & Cash Equivalents	96.37	523.78
Closing Cash & Cash Equivalents	**3,607.15**	**96.37**
Closing Cash & Cash Equivalents comprises of		
(i) Balances with banks:		
– On current accounts	1,606.97	34.29
– Deposits with original maturity of three months or less	2,000.00	62.00
(ii) Cash in Hand	0.18	0.08
Closing Cash & Cash Equivalents	**3,607.15**	**96.37**

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement notified by the Ministry of Corporate Affairs, Government of India under the Companies Act, 2013.

2. Finance cost under the head "Cash flow from financing activities" represents the provisioning of the interest to reflect increase in Resurfacing Obligations due to passage of time. Therefore, this is a non-cash financial item. There has been no material impact on the reporting of the Cash Flow Statement on adoption of the Amendment to Ind AS 7.

3. Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

CA. K. S. Ponnuswami
Partner
M. No. 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR: 60747 NEW DELHI

Place : New Delhi
Date : 9th May 2019

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN : 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M . No. A20516

Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

Statement of changes in equity for the period ended 31st March 2018

A. Equity share capital

(Amount in ₹ Lakhs)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
19600.00	-	19600.00

B. Other Equity

(Amount in ₹ Lakhs)

Particulars	Reserve & Surplus		Other Comprehensive Income	Total
	Depreciation Reserve Fund*	Retained Earnings		
Balance at the beginning of the reporting period	**2,000.00**	**20,626.48**	-	**22,626.48**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	2,000.00	20,626.48	-	22,626.48
Profit for the year	-	7,517.58	-	**7,517.58**
Other Comprehensive Income (net of taxes)	-	(6.06)	-	**(6.06)**
Dividend (including Interim Dividend) paid during the year	-	-	-	-
Dividend Distribution Tax paid on Dividend	-	-		-
Transfer to Depreciation Reserve Fund	-	-	-	-
Any Other change(to be specified)	-	-	-	-
Balance at the end of the year	**2,000.00**	**28,138.00**	-	**30,138.00**

*Depreciated Reserve Fund represents profits allocated for replacement of project assets at the end of codal life.

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

CA K. S. Ponnuswami
Partner
M. No. 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR:60747 NEW DELHI

Place : New Delhi
Date : 9th May 2019

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
DIN: 00682084

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Chief Financial Officer

Lecha Narwal
Company Secretary
M . No. A20516

Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

Statement of Changes in Equity for the period ended 31st March 2019

A. Equity share capital

(Amount in ₹ Lakhs)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
19600.00	-	19600.00

*During the current financial year, one of the shareholders M/s IL&FS Transportation Networks Limited has transferred all the 120 Lakhs Equity shares (of face value of ₹10 /- each) held by it in the Company to M/s IL&FS Financial Services Limited for a consideration of ₹ 5400 Lakhs. Accordingly, the Company has taken effect of transfer in the shareholders' register and has made endorsement in the share certificate. As a result of this, there is no impact on the financial statements of the Company. Further, there is no change in the total equity shares of the Company during the current year.

B. Other Equity

(Amount in ₹ Lakhs)

Particulars	Reserve & Surplus		Other comprehensive Income	Total
	Depreciation Reserve Fund*	Retained Earnings		
Balance at the beginning of the reporting period	2,000.00	28,138.00	-	**30,138.00**
Cumulative Transition Impact of Ind AS 115	-	-		-
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	**2,000.00**	**28,138.00**	-	**30,138.00**
Profit for the year	-	8,561.39	-	**8,561.39**
Other Comprehensive Income (net of taxes)	-	0.20	-	**0.20**
Transfer to Depreciation Reserve Fund	-	-	-	-
Dividend (including Interim Dividend) paid during the year	-	(980.00)	-	**(980.00)**
Dividend Distribution Tax paid on Interim Dividend	-	(201.44)	-	**(201.44)**
Any Other change(to be specified)	-	-	-	-
Balance at the end of the year	**2,000.00**	**35,518.15**	-	**37,518.15**

*Depreciated Reserve Fund represents profits allocated for replacement of project assets at the end of codal life.

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

CA K. S. Ponnuswami
Partner
M. No. 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR. 60747 NEW DELHI

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
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Chief Financial Officer

Leena Narwal
Company Secretary
M . No. A20516

Place : New Delhi
Date : 9th May 2019

Pipavav Railway Corporation Limited New Delhi

Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

Note 3

Property, Plant and equipment

(Amount in ₹ Lakhs)

Particulars	Plant & Machinery	Furniture & Fixture	Vehicles	Electrical installation & equipment	Total
Property, Plant and equipment (1st April 2017 to 31st March 2018)					
Cost					
At 1st April 2017	**19.38**	**9.98**	**83.02**	**4.37**	**116.75**
Additions	5.05	-	31.78	-	36.83
Disposals/Adjustments	(1.02)	-	(20.56)	-	(21.58)
At 31st March 2018	**23.41**	**9.98**	**94.24**	**4.37**	**132.00**
Accumulated Depreciation and impairment					
At 1st April 2017	**15.09**	**5.58**	**53.01**	**0.77**	**74.45**
Depreciation charge for the year	4.59	0.59	8.02	0.44	13.64
Impairment	-	-	-	-	-
Disposals/Adjustments	(1.02)	-	(20.56)	-	(21.58)
At 31st March 2018	**18.66**	**6.17**	**40.47**	**1.21**	**66.51**
Net book value At 31st March 2018	**4.75**	**3.81**	**53.77**	**3.16**	**65.49**
Property, Plant and equipment (1st April 2018 to 31st March 2019)					
Cost					
At 1st April 2018	**23.41**	**9.98**	**94.24**	**4.37**	**132.00**
Additions	1.15	-	18.24	-	19.39
Disposals/Adjustments	(2.25)	(0.08)	(0.27)	-	(2.60)
At 31st March 2019	**22.31**	**9.90**	**112.21**	**4.37**	**148.79**
Accumulated Depreciation and impairment					
At 1st April 2018	**18.66**	**6.17**	**40.47**	**1.21**	**66.51**
Depreciation charge for the year	3.08	0.59	9.37	0.44	13.48
Impairment	-	-	-	-	-
Disposals/Adjustments	(1.54)	(0.08)	-	-	(1.62)
At 31st March 2019	**20.20**	**6.68**	**49.84**	**1.65**	**78.37**
Net book value At 31st March 2019	**2.11**	**3.22**	**62.37**	**2.72**	**70.42**

Note 3.1: The Company has adopted the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, Government of India for reporting period (year) ended 31.3.2017 and onwards. On adoption of the Ind AS, the Company had adopted to continue with carrying value in accordance with Ind AS 101 in respect of property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS measured as per previous GAAP. As per management estimate there is no decommissioning , restoration or similar liabilities on its property, plant and equipment hence, no adjustment has been made in this regard.

Note 3.2: Property, Plant and Equipment include assets of ₹ 46.28 lakhs as at 31st March 2019 (₹ 36.79 lakhs as at 31st March 2018) which are fully depreciated but still available for use. They are recognized at nominal value of ₹ 1 each.

Note 3.3: Assets sold/ disposed off during the year include various office items such as mobile phones, computer/ laptop, printer etc., which were sold/disposed off as per the extent Company's policy. These items also include mobile and laptop of total net value of ₹0.70 lakhs (Gross value of ₹1.15 lakhs) sold to Mr. Amitabh Lal, Managing Director, at ₹0.62 lakhs on completion of his tenure.

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Note 4
Other Intangible assets

(Amount in ₹ Lakhs)

Particulars	Freight sharing rights	License fee	Others	Total
Other Intangible assets (1st April 2017 to 31st March 2018)				
At Cost				
At 1st April 2017	**34,160.10**	**1,000.00**	**21.52**	**35,181.62**
Additions	12.95	-	-	**12.95**
Disposals/Adjustments	-	-	-	-
At 31st March 2018	**34,173.05**	**1,000.00**	**21.52**	**35,194.57**
Amortization and impairment				
At 1st April 2017				
Amortization	18,490.27	261.91	9.15	**18,761.33**
Impairment	-	738.09	-	**738.09**
	18,490.27	**1,000.00**	**9.15**	**19,499.42**
Charged during the FY 2017-18				
Amortization	909.04	-	1.61	**910.65**
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
	909.04	-	**1.61**	**910.65**
At 31st March 2018				
Amortization	**19,399.31**	**261.91**	**10.76**	**19,671.98**
Impairment	-	**738.09**	-	**738.09**
	19,399.31	**1,000.00**	**10.76**	**20,410.07**
Net book value at 31st March 2018	**14,773.74**	-	**10.76**	**14,784.50**
Other Intangible assets (1st April 2018 to 31st March 2019)				
At Cost				
At 1st April 2018	**34,173.05**	**1,000.00**	**21.52**	**35,194.57**
Additions	8.68	-	-	**8.68**
Disposals/Adjustments		-	-	-
At 31st March 2019	**34,181.73**	**1,000.00**	**21.52**	**35,203.25**
Amortization and impairment				
At 1st April 2018				
Amortization	19,399.31	261.91	10.76	**19,671.98**
Impairment	-	738.09	-	**738.09**
	19,399.31	**1,000.00**	**10.76**	**20,410.07**
Charged during the FY 2018-19				
Amortization	909.42	-	2.12	**911.54**
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
	909.42	-	**2.12**	**911.54**
At 31st March 2019				
Amortization	**20,308.73**	**261.91**	**12.88**	**20,583.52**
Impairment	-	**738.09**	-	**738.09**
	20,308.73	**1,000.00**	**12.88**	**21,321.61**
Net book value at 31st March 2019	**13,873.00**	-	**8.64**	**13,881.64**

Note 4.1 : Amortization on other intangible assets are included in Note 26 on Depreciation and Amortization.

Note 4.2 : The Company obtained permission to undertake container operations from MOR by paying the license fee of ₹ 1,000.00 lakhs on 20th January 2006. The Company signed the Concession Agreement on 4th January 2007 in this regard. Date of commencement of actual operation was 20th August 2009. License Fee of ₹ 1,000.00 lakhs paid to MOR has been shown as Intangible asset. The carrying amount (net after the impact of impairment) is equally amortized over the term of license in accordance with Concession agreement with MOR for container train operation.

The provision for impairment loss equal to net carrying amount of license fee (i. e. ₹ 738.09 lakhs) was already made in respect of the license fee in the earlier year, as a result of which, the carrying amount of the license had become nil in that year. Accordingly, net carrying amount of license fee is being shown at nil amount. However, in case there are the indications in the future that the impairment loss is required to be reversed considering economic performance of the Company from the use of license, the impairment loss shall be reassessed and accordingly, be reversed on the basis of re-assessment and the carrying amount of the license fee shall be increased to that extent.

Note 4.3 : The Company has adopted the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, Government of India for reporting period (year) ended 31.3.2017 and onwards. On adoption of the Ind AS, the Company has adopted to continue with carrying value of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS measured as per previous GAAP in accordance with Ind-AS 101.

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	Amount (in ₹ Lakhs)
Note 5	
Intangible assets under development (i.e. Project railway under development)	
Intangible Assets (i.e. Projects Railway) under development (1st April 2017 to 31st March 2018)	
Balance as at 1st April 2017	**2.02**
Additions	21.46
Less: Transferred to Intangible Assets	-
Balance as at 31st March 2018	**23.48**
Intangible assets (i.e. Projects Railway) under development (1st April 2018 to 31st March 2019)	
Balance as at 1st April 2018	**23.48**
Additions	6,335.57
Less: Transferred to Intangible Assets	-
Balance as at 31st March 2019	**6,359.05**

Note 5.1: "Intangible Assets under Development" include expenditure incurred by the Company on the development or upgradation of the Project railway or to create additional facility thereon which give rise to future economic benefits to the Company.

Note 5.2: During ongoing development or upgradation of Project Railway, progress of the work performed which has resulted in the Contact Assets of the Company has been recognised as "Intangible Assets under the Development". On completion of the development or upgradation work, the contract assets shown as "Intangible Assets under Development" has been re-classified as the "Intangible Assets" in the accordance with the Appendix - D to the Ind AS 115.

Note 5.3: " Intangible Assets under Development" include ₹ 6357.03 Lakhs incurred by the Company during the year (last year ₹ 21.46 lakhs) in connection with Electrification of the Project Railway line. Out of this, ₹6315.27 Lakhs represents the cost of the Electrification work as technically assessed by the Company's Consultant and balance is towards other expenses incurred by the Company directly attributable to the Electrification work.

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(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Note 6: Financial Assets-Non Current		
Other Financial Assets		
Security Deposits: Considered Good	21.83	24.43
Security Deposits: Considered Doubtful	-	-
Less : Provision for doubtful deposits	-	-
Long-term bank deposits (having maturity period of more than 12 months)	12,052.00	9,891.70
Total	**12,073.83**	**9,916.13**
Note 7: Deferred Tax Assets		
MAT credit entitlement (Refer to Note 13.6)	8,258.88	6,951.52
Total	**8,258.88**	**6,951.52**
Note 8: Other non-current assets		
Advances		
Advance for various capital works	514.24	514.24
Prepayments	2.52	-
Total	**516.76**	**514.24**
Financial Assets - Current		
Note 9: Trade Receivables		
Receivables considered good - Unsecured	2,979.93	5,237.42
Receivables which have significant increase in Credit Risk	1,890.20	1,890.20
Total Trade Receivables	**4,870.13**	**7,127.62**
Less : Provision for Receivables which have significant increase in Credit Risk(Refer to Note 9.2)	(1,890.20)	(1,890.20)
Total	**2,979.93**	**5,237.42**
Note 9.1: Break-up for related and other receivables		
Receivables from related parties (Refer to Note 9.2)	1,931.40	1,921.24
Other receivables	2,938.73	5,206.37
Total Trade Receivables	**4,870.13**	**7,127.62**

Note 9.2: Trade receivables from related parties include receivable from GPPL. Other trade receivables include dues from WR. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firm or private companies respectively in which any director is a partner, a director or member other than stated above.

Note 10: Cash and Cash equivalents		
(i) Balances with banks:		
– On current accounts	1,606.97	34.29
– Deposits with original maturity of period of three months or less	2,000.00	62.00
(ii) Cash in Hand	0.18	0.08
Total Cash and Cash Equivalent	**3,607.15**	**96.37**
Note 11: Bank balances other than cash & cash equivalents		
Deposits with original maturity period of more than 3 months but not exceeding 12 months	16,290.51	17,125.70
Total	**16,290.51**	**17,125.70**
Note 12: Other Current Financial Assets		
Unsecured, Considered Good		
Interest Accrued	954.96	794.74
Advance Recoverable in exchange of other financial instruments		
Advances to Employees	3.19	0.72
Other recoverable	5.27	5.54
Total	**963.42**	**801.00**

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(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Note 13: Income Tax		
Note 13.1: Current Tax Assets (net)		
Advance Income Tax (Including TDS) (net of Provisions)	689.58	606.68
Total	**689.58**	**606.68**
Note 13.2: Deferred Tax		
Deferred Tax Liabilities		
A. Deferred Tax Liabilities		
Property, Plant, Equipment and Intangibles	2,711.26	2,663.63
Total of Deferred Tax Liabilities	**2,711.26**	**2,663.63**
B. Deferred Tax Assets		
Provisions	524.20	493.85
	524.20	**493.85**
Deferred Tax Liabilities (Net)	**2,187.06**	**2,169.78**

In accordance with Ind AS 12 "Income Taxes" notified by Ministry of Corporate Affairs (MCA), Government of India, the Company has reassessed the deferred tax taking into consideration all the items, due to which there is temporary difference between the carrying amount of the assets and liabilities and their tax base as on 31st March 2019.

The Company has been availing the deduction u/s 80-IA of the Income Tax Act, 1961 from the Assessment Year 2014-15 in respect of Project Railway developed, due to which there is a tax holiday period of 10 years i.e. upto Assessment Year 2023-24. Therefore, deferred tax in respect of temporary differences which are likely to be reversed during the tax holiday period are not recognized to that extent.

Note 13.2.1: Movement in Deferred Tax Liability/(Assets)	Deferred Tax Liability	Deferred Tax (Assets)	Net Deferred Tax Liability /(Assets)
	A	B	C (A-B)
Opening balance as at 1st April 2017	2,646.66	(471.37)	2,175.29
Charged/(credited) during the year 2017-18			
To Profit and Loss	16.97	(22.48)	(5.51)
To Other Comprehensive Income	-	-	-
Closing balance as at 31st March 2018	**2,663.63**	**(493.85)**	**2,169.78**
Charged/(credited) during the year 2018-19			
To Profit and Loss	47.63	(30.35)	17.28
To Other Comprehensive Income	-	-	-
Closing balance as at 31st March 2019	**2,711.26**	**(524.20)**	**2,187.06**

	As at 31st March 2019	As at 31st March 2018
Note 13.3: Income Tax Expense		
a) Current Income Tax Expense		
Current Tax on profits for the years	1,964.80	1,634.62
Adjustments in respect of current income tax of previous year	-	-
Total Current Income Tax Expense	**1,964.80**	**1,634.62**
b) Deferred Income Tax Expense		
Origination and reversal of temporary differences (Liability)	17.28	(5.51)
MAT Credit Recognized during the year (Assets) (Net of reversal)*	(1,307.36)	(1,369.15)
Total Deferred Tax Expenses (Benefits)	**(1,290.08)**	**(1,374.66)**
Income tax expense attributable to continuing operations	**674.72**	**259.96**

* MAT credit recognized during the previous year includes MAT credit of ₹ 295.91 lakhs related to FY 2016-17 & 2015-16, which the Company had booked during previous year considering the probability that benefit would accrue to the Company in the future.

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(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Note 13.4		
Tax related to items recognized in OCI during the year:		
Net (loss)/gain on remeasurements of defined benefit plans	(0.06)	1.64
Income tax charged to OCI	**(0.06)**	**1.64**

Note 13.5: Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2018 and 31st March 2019:

Accounting profit before tax from continuing operations	9,236.11	7,777.54
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**9,236.11**	**7,777.54**
At India's statutory income tax rate of 21.5488% (31st March 2018: 21.3416%)*	1,990.27	1,659.85
Tax effect due to Initial Transition to Ind-AS	(25.48)	(25.23)
Tax Effect due to non Deductible Expenses	-	-
MAT Credit Entitlement to the Company	(1,307.36)	(1,369.15)
At effective Income tax rate of 7.12% (at March 31st 2018: 3.41%)	**657.43**	**265.47**
Income tax reported in Statement of Profit or Loss as current Tax (Net of MAT credit entitlement)	657.43	265.47
Add/(Less): Deferred tax reported in Statement of Profit or loss	17.28	(5.51)
Add/(Less): Tax reported in Other Comprehensive Income	0.06	(1.64)
Add/(Less): Tax expenses for previous year recognized	-	-
Income tax expense reported in the Statement of Profit and Loss	**674.77**	**258.32**

* Presently, the Company has been paying Minimum Alternate Tax (MAT) on the book profits, calculated under section 115JB of the Income Tax Act, 1961 due to availing of deduction from the taxable income under section 80-IA of the Income Tax Act, 1961. Therefore, Tax rate applicable for MAT i.e. 21.5488% for the current year (previous year 21.3416%) has been taken instead of regular rate of income tax of 34.944% for the current year (previous year 34.608%).

Note 13.6: The Company has been claiming the deduction u/s 80-IA of the Income Act, 1961 in respect of Project Railway developed. The benefit of deduction is available for a period of ten consecutive years i.e. up to assessment year 2023-24. Therefore, there would be no tax liability on the Company under the normal provisions of the Income Tax Act, 1961 during said tax holiday period. However, the Company is liable to pay Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961 and the tax has been provided for ₹1964.86 lakhs on total income (including Other Comprehensive Income) during the current year (Previous Year: ₹1632.98 lakhs). The credit of MAT paid has been availed and carried forward by the Company in accordance to the provisions of section 115JAA the Income Tax Act, 1961. The cumulative balance of MAT credit as per books as on 31st March 2019 is ₹ 8258.88 Lakhs (as at 31st March 2018 : ₹6951.52 Lakhs).

Note 14 : Other current assets		
Prepaid Expenses	15.80	8.41
Advance for various works	738.64	170.96
Advance for CSR Activities	11.67	-
Prepayments	-	0.12
Total	**766.11**	**179.49**

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Note 15: Equity Share capital

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Authorised share capital		
20,00,00,000 Equity Shares of ₹ 10/- each	20,000.00	20,000.00
(As at 31st March 2018: 20,00,00,000 Equity Shares of ₹ 10/- each)		
Total	**20,000.00**	**20,000.00**
Issued/Subscribed and Paid up Capital		
19,60,00,020 Equity Share of ₹ 10/- each	19,600.00	19,600.00
(as at 31st March 2018: 19,60,00,020 Equity Shares of ₹ 10/- each)		
Total	**19,600.00**	**19,600.00**

(i) Reconciliation of the number of equity shares and share capital at the beginning and at the end of financial year 2018-19

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares (in lakhs)	Amount (in lakhs)	No. of shares (in lakhs)	Amount (in lakhs)
Shares outstanding at the beginning of the year	1,960.00	19,600.00	1,960.00	19,600.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,960.00**	**19,600.00**	**1,960.00**	**19,600.00**

(ii) Details of shareholders holding in the Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held (in lakhs)	% holding	No. of Shares held (in lakhs)	% holding
President of India (Ministry of Railways), Government of India	980.00	50.00%	980.00	50.00%
Gujarat Pipavav Port Limited (GPPL)	760.00	38.78%	760.00	38.78%
General Insurance Corporation of India (Assignee of GPPL)	50.00	2.55%	50.00	2.55%
The New India Assurance Company Limited (Assignee of GPPL)	50.00	2.55%	50.00	2.55%
IL&FS Transportation Networks Limited (Assignee of GPPL)*	-	-	120.00	6.12%
IL&FS Financial Services Limited (Assignee of GPPL)*	120.00	6.12%	-	-
Total	**1,960.00**	**100%**	**1,960.00**	**100%**

*During the current financial year, one of the shareholders M/s IL&FS Transportation Networks Limited has transferred all the 120 Lakhs Equity shares (of face value of ₹10 /- each) held by it in the Company to M/s IL&FS Financial Services Limited for a consideration of ₹ 5400 Lakhs. Accordingly, the Company has taken effect of transfer in the shareholders' register and has made endorsement in the share certificate. As a result of this, there is no impact on the financial statements of the Company. Further, there is no change in the total equity shares of the Company during the current year.

(iii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10/- each ranking pari-pasu in all respects voting rights and dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Aggregate no. of equity shares issued as fully paid by way of bonus during the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Equity shares issued as bonus (no. in lakhs)	-	-	-	-	-
Total	-	-	-	-	-

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(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Note 16: Other Equity		
(a) Retained Earnings		
Opening Retained Earnings	**28,138.00**	**20,626.48**
Add/(Less): Cumulative Transition Impact of Ind AS 115	-	-
Add: Addition during the year	8,561.39	7,517.58
Add/(Less): Transferred from Other Comprehensive Income		
Gain/ (Loss) on remeasurement of Post-Employment benefit obligations (net of taxes)	0.20	(6.06)
Less: Interim Dividend paid during the year	(980.00)	-
Less: Dividend Distribution Tax paid on dividend	(201.44)	-
Total (a)	**35,518.15**	**28,138.00**
(b) Depreciation Reserve Fund*		
Opening Balance	2,000.00	2,000.00
Add: Transfer from surplus in statement of profit and loss	-	-
Total (b)	2,000.00	2,000.00
Total (a+b)	**37,518.15**	**30,138.00**

*Depreciated Reserve Fund represents profits allocated for replacement of project assets at the end of codal life.

Particulars	As at 31st March 2019	As at 31st March 2018
Cash dividend on Equity shares declared and paid		
Interim Dividend Paid during the Current Year: (₹ 0.50 per Equity Share) (Previous year ended on March 31st 2018: Nil)	980.00	-
Dividend Distribution Tax paid on above	201.44	-
	1,181.44	-
Proposed Final Dividend on Equity Shares	Nil	Nil

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Particulars	As at 31st March 2019	As at 31st March 2018
Note 17: Long Term Provisions		
Provision for Resurfacing obligation (Refer Note 17.1)	3,261.23	2,361.41
Provision for employee benefits		
Gratuity (net)	26.46	35.30
Leaves	112.07	98.66
Total	**3,399.76**	**2,495.37**

Note 17.1: In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per standards laid down by MOR, of all project assets whose codal life expire during the concession period. Accordingly, Company had estimated a liability of ₹ 14,141.05 lakhs in respect of replacement obligations which would be arising during the remaining concession period, as per requirement of Appendix D to the Ind AS 115. Based on said estimated liability, yearly provision of ₹ 734.52 lakhs has been made [Refer to note 23(ii)].

Interest cost of ₹165.30 lakhs has been provided during the current year (Previous year : ₹ 106.43 lakhs) to recognize the resurfacing cost at its present value (Refer to note 25). As on 31st March, 2019, the provision for Resurfacing cost includes the cumulative interest of ₹323.15 lakhs (Previous year : ₹157.85 lakhs) reflecting the time value of money.

Note 18: Financial Liability- Current

18.1: Trade Payables		
18.1.1: Total outstanding dues of micro enterprises and small enterprises	-	-
Total	-	-
18.1.2: Creditors other than micro enterprises and small enterprises		
O&M Expenses Payable (Refer Note 18.1.4)	2,873.68	1,824.61
Total	**2,873.68**	**1,824.61**

Note 18.1.3: The amount payable to Small Scale Industrial undertakings to whom the Company owns any sum outstanding for more than 30 days is ₹ Nil (Previous Year: ₹Nil). The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently, the amount paid/ payable to these parties during the year is ₹ Nil (Previous Year: ₹ Nil).

Note 18.1.4: O&M expenses payable includes ₹ 2032.88 lakhs (previous year ₹ 895.01 lakhs) towards the O&M costs and ₹ 840.80 lakhs (previous year ₹ 929.60 lakhs) for various works carried out by Railways on PRCL section.

Note 18.1.5: Trade payable are interest bearing and are normally settled on around 30 to 90 days terms, there are no dues payable to related parties.

18.2: Others current financial liabilities		
Expense Payable*	849.55	50.83
Security deposits	2.78	2.78
Total	**852.33**	**53.61**

* Expenses payable includes ₹811.14 lakhs (Previous Year: Nil) amount provided for the expense incurred on Electrification work being carried out on PRCL line, which are expected to be paid within one year.

Note 19 : Other Current Liability		
Statutory dues	16.81	12.04
Provident Fund	4.65	4.20
NPS Payable	2.31	2.13
ESI Payable	-	0.01
Total	**23.77**	**18.38**

Note 20: Provisions		
(Short Term Provisions)		
Provision for employee benefits		
Leaves (Refer to Note 41)	2.53	2.27
Total	**2.53**	**2.27**

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(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Note 21 : Contract Revenue from operations		
Operating Income from Bulk Traffic	5,632.91	4,342.26
Operating Income from Container Traffic	17,132.15	15,758.69
Total (A)	**22,765.06**	**20,100.95**
Contract Revenue under Service concession Arrangement (Refer note 21.2)	6,344.25	34.41
Total (B)	**6,344.25**	**34.41**
Other Contract Revenue	-	-
Total (C)	-	-
Total Revenue from operation (A+B+C)	**29,109.31**	**20,135.36**

Note 21.1: Revenue from operations has been calculated by the Company as per the carried route after taking the impact of route diversion based on the details collected from Western Railway (refer to note 39).

Note 21.2: The Company has recognized revenue of ₹6344.24 lakhs during the current year (previous year: ₹34.41 Lakhs lakhs) in respect of the expenditures incurred by the Company on development/ upgrading (including electrification of PRCL line) and other additions to the intangible assets (i.e. Project assets) as per Ind AS 115. The Company has also recognized Service Concession Expenses by same amount [Refer to Note 23(v)].

Note 22: Other Income		
Interest on Deposits	2,257.69	1,644.90
Unwinding of discount on security deposits	1.09	1.52
Profit on sale of assets	0.08	1.69
Miscellaneous Income	0.02	0.14
Total	**2,258.88**	**1,648.25**

Note 23: Operating and Other Expenses		
(i) Operating and Maintenance Expense (Refer to note 38)		
(a) Fixed Costs		
Man Power Cost	4,013.38	3,624.84
Material Cost	448.95	449.15
(b) Variable Costs		
Cost of Fuel	4,834.80	3,946.13
Crew Cost	1,496.93	1,034.93
Hiring of Rolling Stock	637.95	525.44
Other costs	255.13	140.84
(c) Other Costs		
Overhead Costs	986.21	858.31
Cost for additional works [Refer to note 38.1(ii)]	277.20	567.36
Total (a+b+c)	**12,950.55**	**11,147.00**
(ii) Resurfacing cost under Service Concession Agreement (Refer to note 17.1)	734.52	734.52
(iii) Lease Rent Charges (refer to note 37.2)	233.07	231.59

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(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
(iv) Other Administrative expenses		
Repairs and maintenance for:		
Buildings	15.10	15.18
Vehicles	21.42	26.80
others	11.17	9.56
Rent (refer to note 37.1)	75.87	70.83
Insurance	31.72	24.15
Communication	6.08	6.48
Travelling and Conveyance-Directors	2.91	21.90
Travelling and Conveyance-Others	25.09	28.15
Rates, taxes & fees	0.81	0.41
Professional and consultancy fees	39.48	43.57
Sitting fees to Directors	-	11.05
Electricity and Water Charges	3.34	3.24
Advertising and Business Promotion	12.47	8.97
Loss on disposed/written off of sundry asset items	0.08	-
Printing and Stationery	3.21	3.77
Audit fees	8.47	8.88
Meetings and seminars	3.34	7.34
Membership fee to Association	3.54	3.45
Miscellaneous expenses	3.42	6.16
Total	**267.52**	**299.89**
(v) Contract Cost under Service Concession Arrangement (refer to note 21.2)	6,344.25	34.41
Total (i to v)	**20,529.91**	**12,447.42**
Note 24: Employee Benefit expenses (Refer to note 41)		
Salaries, Wages & Benefits	346.31	318.33
Contribution to Provident and other funds	31.13	29.94
Staff Welfare	14.83	16.01
Contribution to National Pension Scheme (NPS)	13.39	12.74
Total	**405.66**	**377.02**
Note 25: Finance costs		
Interest on taxes & bank charges	0.01	0.04
Unwinding of discount on resurfacing obligations (refer to note 17.1)	165.30	106.43
Total	**165.31**	**106.47**
Note 26: Depreciation and amortization		
Depreciation on Property, Plant and Equipment	13.48	13.63
Amortization of Intangible Assets	911.54	910.65
Total	**925.02**	**924.28**
Note 27: Corporate Social Responsibility (CSR) Expenses		
Construction of Community Centre	-	38.56
Construction of Toilets	-	0.10
Other CSR Projects	96.49	104.22
Overhead and Other expenses	9.69	8.00
Total	**106.18**	**150.88**

Note 27.1: As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at-least 2% of its average net profits made during the three immediately preceding financial years on Corporate Social Responsibility (CSR) activities. Accordingly, the Company has identified CSR activities and has been spending on CSR activities, which are specified in Schedule VII of the Companies Act, 2013.

Note 28: Components of Other Comprehensive Income (OCI) [Refer to Note 41.5]		
(FVTOCI Reserve)		
Remeasurement of Defined benefit plans		
Gratuity actuarial Gain/ (Loss)	0.26	(7.70)
Total	**0.26**	**(7.70)**

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Particulars	For the Year Ended 31st March 2019 (₹ Per Share)	For the Year Ended 31st March 2018 (₹ Per Share)
Note 29: Earnings per share (EPS)		
Basic EPS		
From continuing operation	4.37	3.84
Diluted EPS		
From continuing operation	4.37	3.84

29.1 Basic Earning per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by weighted average number of equity shares outstanding during the year. The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

Profit attributable to equity holders of the Company (₹ in Lakhs)	8,561.39	7,517.58
Earnings used in calculation of Basic Earning Per Share **(₹ in Lakhs)**	**8,561.39**	**7,517.58**
Weighted average numbers (in Lakhs) of shares for the purpose of basic earnings per share	**1,960.00**	**1,960.00**

29.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

Profit attributable to equity holders of the company **(₹ in Lakhs)**	8,561.39	7,517.58
Earnings used in calculation of diluted Earning Per Share from continuing operations **(₹ in Lakhs)**	**8,561.39**	**7,517.58**

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Weighted average number **(no. in Lakhs)** of Equity shares used in calculation of basic earnings per share	1,960.00	1,960.00
Effect of dilution	-	-
Share Options	-	-
Weighted average number **(no. in Lakhs)** of Equity shares used in calculation of diluted earnings per share	**1,960.00**	**1,960.00**

There is no financial impact Earning per Share (both Basic and Diluted) and the operating retained earning on implementation of Ind AS 115.

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Notes 30: Capital management

The Company's objective is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Company can continue to provide maximum returns to shareholders and benefit to other stakeholders.

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company does not have any liability towards borrowings as at 31st March 2019 and 31st March 2018 . The Company manages its working capital requirement through internal accruals.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2019.

Note 31: Fair Value measurements

(i) The Carrying values of Financial Instruments by categories are as follow: **(Amount in ₹ Lakhs)**

Particulars	As at 31st March 2019			As at 31st March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
(i) Trade Receivables	-	-	2,979.93	-	-	5,237.42
(ii) Cash and Cash Equivalents	-	-	3,607.15	-	-	96.37
(iii) Bank balances (including all deposits) (other than cash & cash equivalents)	-	-	28,342.51	-	-	27,017.40
(iv) Security Deposits-Non Current	-	-	21.83	-	-	24.43
(v) Other Current Financial Assets	-	-	963.42			801.00
Total Financial Assets	-	-	**35,914.84**	-	-	**33,176.62**
Financial Liabilities						
(i) Trade payables	-	-	2,873.68	-	-	1,824.61
(ii) Expense payables	-	-	849.55	-	-	50.83
(iii) Security Deposits	-	-	2.78	-	-	2.78
Total Financial Liabilities	-	-	**3,726.01**	-	-	**1,878.22**

(ii) Comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximation of fair values are not presented since fair value of all financial instruments as on reporting date approximates their carrying value.

(iii) Financial risk management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operation. The Company's principal financial assets include trade and other receivables, deposits with banks and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with the companies policies and risk objectives. The Board of directors reviews and agrees on policies for managing each of these risk, which are summarized below:

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of Interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include advance deposits and other non derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The Company is not exposed to interest rate risk.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company is exposed to credit risk from its operating activities (primarily trade receivable) and from its financial activities including deposits with banks and other financial instruments.

Trade Receivable

Customer credit risk is managed by the Company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivable are regularly monitored and an impairment analysis is performed at each reporting date on individual basis for major customers. The Company does not hold any collateral as security.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investment of surplus are made only with approved counterparty on the basis of the financial quotes received from the counterparty.

d) Liquidity risk

The ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

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Note 32: Key sources of estimation uncertainty

The followings are the key assumptions concerning the future and the key sources of estimation & uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) useful lives of Intangibles

As described in note 2.6.1, the Company has estimated the useful life of intangible assets (i.e. Freight sharing right under Service Concession Arrangement) as 33 years (term of Concession Agreement) for amortization of intangible assets. The change in term of concession arrangement may have financial impact on the amortization expenses in subsequent financial years.

b) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including the Discounted Cash Flow model. The inputs to these methods are taken from observable markets, where it is possible. In case, where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Taxes

Deferred tax assets such as Minimum Alternate Tax (MAT) credits are recognized to the extent that it is probable that taxable profit will be available against which tax assets (credits) can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

d) Post-retirement benefits

Employee benefit obligations including gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting date.

e) Useful life of property, plant and equipment

Useful life of property plant & equipment is based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors and level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant & equipment at each reporting date.

f) Provision for Resurfacing obligation

In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, the Company has estimated liability in respect of replacement obligations that would be arising during the remaining concession period as per requirement of Appendix D to the Ind AS 115. The Company has provided the estimated resurfacing obligations which could vary depending upon various factors including the effects of usage, price, obsolescence, demand, internal assessment of user experience and other economic factors and level of maintenance expenditure required to obtain the expected future cash flows from the asset etc. The Company estimates and reviews the value of provision as on each reporting date based on available information on each reporting date.

Note 33: Construction Contracts

In terms of the disclosure required in Ind-AS 115 as notified under the Companies Act, 2013 by Ministry of Corporate Affairs , Government of India, the amounts considered in the financial statements up to the balance sheet date are as follows:-

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Contract revenue recognized (in **Rs Lakhs**)	6,344.25	34.41
Aggregate amount of costs incurred and recognized in profit/Loss (**in ₹Lakhs**)	**6,344.25**	**34.41**

Note 34: Contractual Commitments

The amount of contractual commitments in relation to project assets recognized as intangible assets.

Particulars	As at 31st March 2019	As at 31st March 2018
The amount of works to be executed on capital account and not provided for (net of advances) (**In ₹ Lakhs**)	22,631.96	28,947.23
[Refer Note 36(i)]		
Total	**22,631.96**	**28,947.23**

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Note 35: Related Party Disclosures

35.1: Related Parties held equity of the Company

Name	Relationship	As at 31 March, 2019		As at 31 March, 2018	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Gujarat Pipavav Port Limited (GPPL)	Parties to joint venture agreement	76,000,000	38.78%	76,000,000	38.78%
General Insurance Corporation of India (Assignee of GPPL)	Parties to joint venture agreement	5,000,000	2.55%	5,000,000	2.55%
The New India Assurance Company Limited (Assignee of GPPL)	Parties to joint venture agreement	5,000,000	2.55%	5,000,000	2.55%
IL&FS Transportation Networks Limited (Assignee of GPPL)	Parties to joint venture agreement	-	-	12,000,000	6.12%
IL&FS Financial Services Limited (Assignee of GPPL)	Parties to joint venture agreement	12,000,000	6.12%	-	-

Note : Ministry of Railways being part of Government of India, is not a related party to the Company as per Ind AS 24.

35.2: Key Managerial personnel of the entity

Name	Position
Mr. Amitabh Lal	Managing Director*
Mr. Ashok Kumar	Manager**
Mr. Sanjiv Garg	Managing Director***
Ms. Leena Narwal	Company Secretary
Mr. Vinod Kumar	Chief Financial Officer

* The term of Mr. Amitabh Lal as Managing Director ceased on 30th July 2018.

** Mr. Ashok Kumar was appointed as KMP under the head "Manager" w.e.f. 24th January 2019 & his term as Manager ceased w.e.f. 6th February 2019. However, he has continued to be the employee of the Company after cessation as Manager.

*** Mr. Sanjiv Garg was appointed as Managing Director w.e.f. 6th February 2019.

35.3: Enterprises over which Key Managerial Personnel are able to exercise significant influence:
Pipavav Railway Corporation Limited Employees' Group Gratuity Trust.

35.4: Transaction with Related Parties:

(Amount in ₹ Lakhs)

Particulars	Transactions		Outstanding Amount	
	Year Ended March 31,2019	Year Ended March 31,2018	Year Ended March 31,2019	Year Ended March 31,2018
Compensation to Key Managerial person (Also refer to Note 35.5)	29.56	45.20	-	-
Mr. Amitabh Lal, Managing Director (1.4.2018 to 30.7.2018)	6.29	-	-	-
Mr. Sanjiv Garg, Managing Director (6.2.2019 to 31.3.2019)				
Mr. Ashok Kumar, Manager (24.1.2019 to 5.2.2019)****	1.13			
Ms. Leena Narwal, Company Secretary	31.39	24.98	-	-
Mr. Vinod Kumar, Chief Financial Officer	31.78	24.26	-	-
Total	**100.15**	**94.44**	-	-
****Total emoluments paid to Mr. Ashok Kumar during the year amounts to ₹ 36.08 Lakhs				
Sitting fees paid to Non-executive Directors				
Ms. Nisha Srivastava, Independent Director	-	2.43	-	-
Mr. Virendra Kumar Roy, Independent Director	-	2.70		
Dr. Rabinarayan Patnaik, Independent Director	-	2.15	-	-
Mr. Rajiv Kumar Lal, Independent Director	-	2.15	-	-
Total	-	**9.43**	-	-
Gujarat Pipavav Port Limited				
Manpower cost charged	41.19	31.05	-	-
Equity Share Capital (760 lakhs shares of ₹ 10 each/-)		-	7600.00	7600.00
Trade receivable		-	1931.40	1921.25
Provision for Receivable		-	1890.20	1890.20
Pipavav Railway Corporation Limited Employees' Group Gratuity Trust.				
Contribution made	19.32	5.62	-	-
Others	0.12	0.12	-	-
Total	**19.44**	**5.74**	-	-

35.5 Compensation of Key Managerial Person Comprises of (including the Post Employees Benefit):

(Amount in ₹ Lakhs)

Particulars	2018-19	2017-18
Short Term Employee Benefits	92.61	94.44
Post-Employment Benefits (as per actuarial valuation)	49.73	41.68
Other-Long term benefits	-	-
Termination Benefits (Given to Mr. Amitabh Lal on completion of his tenure)	7.54	-
Share-based payment	-	-
Total	**149.88**	**136.12**

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Note 36: Capital Commitment and Contingent Liabilities

(i) Capital commitment (net of advance, if any) by the Company as on 31st March 2019 was ₹ 22,631.96 lakhs (Previous year: ₹28,947.23 Lakhs). Capital commitment as on 31.3.2019 represents total estimated cost of Rail Electrification work on PRCL section (as reduced by cost booked by the Company up-to 31.3.2019). The total estimate cost given by the agency for the work is ₹ 28,947.23 Lakhs, which the Company accepted. The Company manages the funding this project from its own funds & earnings.

(ii) Claims against the Company not acknowledged as debts:

a. The Company received a Show Cause Notice during financial year 2011-12 from the office of Director General of Foreign Trade under section 14 read with section 11(2) of the Foreign Trade (Development and Regulation) Act, 1992, for non-fulfillment of export obligations in respect of EPCG license issued to the Company under the Category "RAIL TRANSPORT SERVICE". The Company has filed an application for redemption of EPCG License before DGFT. Pending the decision thereon by DGFT, the liability on this account if any, is not ascertainable and hence not been provided for.

b. The Company has received following Show Cause Notices (SCNs) from service tax authorities in the matter of applicability of service tax on the Company in respect of apportioned freight earning received by the Company from Railway:

Period of the Show Cause Notices	Amount of tax involved	Forum where Dispute is pending
April 2009 to March 2014	₹ 7,639.48 lakhs plus interest & penalties	Principle Commissioner of Service Tax, New Delhi
April 2014 to March 2015	₹ 2,800.51 lakhs plus interest & penalties	Principle Commissioner of Service Tax, New Delhi
April 2015 to June 2017 (received in April 2018)	₹ 7,418.19 lakhs plus interest & penalties	Commissioner of Central Tax, Central Excise & Service Tax, Delhi-South
Total	**₹17858.18 Lakhs plus interest & penalties**	

The Company has not agreed with the department's contention and submitted the detailed reply to the above SCNs requesting the adjudicating authorities to withdraw said SCNs. The Company has not received any adjudication order in the matter. Further, the issue was also referred to Ministry of Railways for taking up the case with the Finance Ministry.

With effect from 1st July 2017, service tax had been subsumed by the Goods and Service Tax (GST). The Company has maintained the same stand, as was taken in the matter of service tax, with respect to applicability of the GST on the share of the freight earning received by the Company from Railways and the Operation & Maintenance costs recovered by Railways from the Company. The Company is of the view that no supply is involved by the Company to Railways and visa-versa in sharing of freight revenue & costs by Railways with the Company. Therefore, there are no GST obligations on the Company in respect to sharing of the freight revenue & costs by Railways with the Company including furnishing of the particulars & details for the same. Ministry of Railways has also taken up the issue with Finance Ministry for issuing clarification/exemption.

c. The Company received a writ petition during financial year 2011-12, filed by an employee named Shri S. S. Negi demanding the arrears of differential Pay + DA (i.e. ₹15,017/- per month) and the corresponding increase in allowances/other benefits resulting out of re-fixation of the Pay of the petitioner from the date of his joining after giving him protection along-with interest @18% p.a. and to award ₹55,000/- towards cost of litigation. The said employee joined the Company on absorption basis from MOR on 6th January 2010 and superannuated on 30th April, 2012. The case was also listed for regular hearing by Delhi High Court. The Company has not received any Court Order in the matter, pending the decision thereon, the liability on this account if any, has not been provided for.

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Note 37: Obligations under Operating lease

The Company has following operating leases:

37.1 Leases of office buildings

The Company has taken its corporate office on leases on payments of monthly rental of ₹ 5.15 lakhs plus taxes, for an initial lock-in-period of three (3) years which was up to 30th April 2018. The terms of the lease agreements provide that the leases can be renewed for another two terms of three years each at the option of the lessee with increase in the rent amounts. In terms of the lease agreements, the Company has exercised the option and renewed the leases for a period of three years from 1st May 2018 to 30th April 2021 with an increase of 12% in the rent amounts w. e. f. May 2018.

37.2 Leased Assets from Ministry of Railways

In terms of the lease agreement, Ministry of Railways (lessor) has leased to the Company (Lessee) all the existing assets i.e. assets which were already existing in the Project area at the time of the grant of concession, that were required to be used for construction of Broad Gauge railway line from Surendranagar to Pipavav in the State of Gujarat and land to be newly acquired for the Project. The term of lease is co-terminus with the term of the Concession (i. e. 33 years). Under the lease agreement, annual lease rent amount was fixed at ₹ 197.52 lakhs, which was based on the percentage of the book value of the leased assets and land to be newly acquired. The percentage was taken equal to the State Bank of India's Prime Lending Rate at the time of entering into lease agreement. The book value of the existing assets and fresh land to be acquired was assessed at ₹ 14.06 crores and ₹2.4 crores respectively. On this value, annual lease rent was fixed as ₹ 197.52 lakhs taking State Bank of India's Prime Lending Rate. Railways recover the lease rent on quarterly basis from the Company's share of freight earnings.

37.3 The obligation under the above leases are as under:

Amount in ₹ Lakhs

Particulars	As on 31st March 2019	As on 31st March 2018
Payable within 1 year	266.76	266.14
Payable between 1 to 5 years	1,062.61	1,131.85
Payable beyond 5 years	1,824.22	2,021.74

Note 38: Operating and Maintenance Cost (O&M Cost)

38.1 Fixed Cost (Material)

(i) The Fixed Cost (Material), a component of O&M cost, was assessed by the Joint Survey Team, consisting representatives both from PRCL and Western Railway (WR), during the financial year 2015-16 for a period of five years. In assessment of the cost, the relevant data for financial year FY 2014-15 were used and the cost was fixed at ₹ 426.86 lakhs (previously assessed cost was ₹ 203.00 lakhs). WR has charged the Fixed Cost (Material) for FY 2018-19 to the Company based on this assessed cost after considering the impact of inflation index [Refer to Note 23(i)(a)]. WR has preferred the bill for Fixed Cost (Material) for month of March 2019 on a provisional basis pending the relevant inflation indices. The Company has booked the cost based on the provisional bill received from WR. This is however, subject to adjustment at the time of receipt actual bill from WR.

(ii) **Cost of additional works:** In addition to above Fixed Cost (Material), the Company also incurs the cost of certain works /activities, which Railways carry out on PRCL section on case to case basis as per requirement. The Company has booked net expenditure of ₹ 277.20 Lakhs during the current year (previous year ₹ 567.36 Lakhs) for such works/ activities as per the information/ advices received from Railways. The final amounts of the expenditure incurred on such works/activities are to be advised by WR. Accordingly, necessary adjustments for expenditures incurred on the works/activities will be made on receipt of final advice(s) from WR of the expenditures finally incurred on the works/activities. The Company has shown the expenditure incurred on these works/activities as "Cost for additional works" [Refer to Note 23(i)(c)].

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The Company filed a revised insurance claim of ₹ 493.73 Lakhs (excluding transportation cost) in July 2016 and a claim for Loss of Profit of ₹ 1159.07 lakhs in December 2015 with the insurance company in respect of damage of a portion of the Project assets, caused by flood occurred on PRCL section in June 2015. The expenditure incurred on flood restoration works were charged to revenue as "cost of the additional works" in the earlier year(s). The claim is to be settled by the Insurance Company. Pending the settlement of claim by Insurance company, no adjustment has been made in books during the current year for the same.

38.2 Fixed Cost (Staff)

The Company has booked the Fixed Cost (Staff) as per bills received from WR. The bills contain the category wise details of manpower deployed by WR on PRCL section [Refer to Note 23(i)(a)].

38.3 Variable Costs

The Company has booked the Variable Costs as per bills received from WR. In preparation of the bills of Variable Costs, WR uses the reconciled operating data (e.g. GTKM, wagon hours etc.) and applies unit costs with the reconciled operating data in computation of various components of Variable Costs.

During current financial year, WR has preferred the bill for month March 2019 on a provisional basis pending the determination of unit costs for said month. The Company has booked the variable costs for the said month after determining the same by applying latest available unit costs with the operating data compiled by it for said month. This is however, subject to adjustment at the time of receipt of the actual bill for said period from WR.

Note 39: Revenue Recognition and Reconciliation

Indian Railways collect the freight in respect of freight train operation on the Project Railway. Under the terms of the Operation and Maintenance agreement, Western Railway (WR) carries out the operation and maintenance of the Project Railway and maintains the records of freight generated from freight train operation on the Project Railway. Based on these records, WR makes apportionment of the freight earning on monthly basis and pays to the Company its share of freight earning in proportion of the distance traversed on Project Railway to the total distance traversed by the freight trains using Indian Railways' rules of financial adjustments. The Company also maintains records of freight train movement on the basis of railway receipts extracted from Freight Operating Information System maintained by Centre for Railway Information Systems (CRIS) of Indian Railways. The Company recognises its share of freight earning as Contract Revenue from Operation on the basis of records maintained by it. These records are reconciled by the Company with WR and the differences observed on reconciliation are adjusted in the books of accounts in the period of completion of reconciliation process. The reconciliation of Company's share of freight earning is under process with WR for current year.

During the current financial year, Railways has started to make apportionment of freight earnings to PRCL based on the system generated calculation of apportioned freight earnings. Railways makes apportionment of freight earning to PRCL on the basis of actual distance carried by freight trains and not on the basis of booked route distance (i.e. distance for which freight is charged by Indian Railways). The actual distance carried by freight train differs from the booked route distance where Railways run the freight trains through diverted route due to its operation requirements. The Company has booked its share of freight earnings based on diverted carried route after taking the impact of diverted route recoveries amounting to ₹ 1,320.37 lakhs (net) (Previous year: ₹ 1,087.31 lakhs). Consequently, the apportioned freight earning has come down to that extent.

Further, WR has not accepted the Company's claim of additional apportioned freight earning of ₹ 40.33 Lakhs and ₹48.61 lakhs for 2016-17 and FY 2017-18 respectively, which has arisen in case, where freight trains have run via shorter route than the booked route. Pending WR' acceptance, the same has not been recognized in line with Ind AS 115. However, WR has started giving the credit arising on account of running of the freight train via shorter route from current year.

The Company has been contesting for deduction/ recoveries being made by Railways which arises due to running of the freight trains via longer route (due to diversion) than the booked route.

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39.1 The Company has certain issues with WR in respect to apportionment of freight earning related to earlier years e.g. downwards rounding off of the percentage of distance used by WR for apportioning Company's share of freight, nonpayment of terminal charge on traffic originated from Pipavav station, recovery of maintenance charges on higher side etc. WR had not accepted the views of the Company on disputed items related to those years. Therefore, the exact amount pending reconciliation has not been recognized by the Company in accordance with Ind AS-115- "Revenue from Contracts with Customers". However, these issues for the subsequent years have been resolved so far except issue of recovery of maintenance charges on higher side in respect to container freight trains.

39.2 The revenue on account of shortfall in guaranteed traffic as per 'Transportation and Traffic Guarantee Agreement' entered into amongst GPPL, PRCL and WR is accounted for based on traffic handled by the Company. During the current year, there is no shortfall in traffic guarantee and therefore, no revenue on account of traffic guarantee shortfall has accrued to the Company during the current year.

39.3 The following outstanding dues of the Company receivable from GPPL on account of traffic guarantee shortfall amount, interest etc., under Traffic and Transportation Agreement, Shareholders Agreement, Pipavav Port Rail Siding Agreement, are not settled by GPPL. A Committee of directors constituted by Board of Directors (BOD) for onetime settlement of the said dues submitted its final report 8th January 2015 on these dues to the Board of Directors in their meeting held on 23rd January 2015 and recommended to facilitate One Time Settlement between PRCL and GPPL. There is no change in the status of recoveries of these dues during the current year. Details of these dues as on 31st March, 2019 and the recommendations of the Onetime Settlement Committee are given below:

Sr. No.	Particulars of Dues	Amount in ₹ Lakhs
A	**Recognized in books**	
1	Additional traffic guarantee shortfall amount (due to factor of revision in tonnage of container traffic)	1,175.64
2	Additional traffic guarantee shortfall amount (due to factor of change in variable cost)	315.78
3	Interest on traffic guarantee shortfall amount for FY 2008-09 and 2009-10	361.00
4	Other miscellaneous	37.77
	Subtotal (A)	**1,890.19**
B	**Un-recognized in books**	
5	Interest on traffic guarantee shortfall amount (calculated up-to 31.3.2008 on traffic guarantee shortfall amount for FY 2003-04 to 2007-08)	2,933.71
6	Further Interest (updated up-to 1.4.2010 on traffic guarantee shortfall amount for FY 2003-04 to 2007-08 as revised from earlier amount of ₹ 1,447.93 lakhs as per Committee direction)	1,129.18
7	Interest on delayed equity contribution (Revised from earlier amount of ₹700.93 lakhs as per committee recommendation)	484.74
8	Other miscellaneous dues	25.55
	Subtotal (B)	**4,573.18**
	Total dues unresolved by GPPL as on 31.3.2019	**6,463.37**

Based on the recommendations of the Onetime Settlement Committee, the Board of Directors in their meeting on 23rd January 2015 decided on these dues and item wise details are given below:

a. Traffic guarantees shortfall amount of (i.e. ₹ 1,175.64 lakhs at Sr. no. 1 above) and interest thereon (i.e. ₹ 25.55 lakhs at Sr. no. 8 above) shall be finalized after a proper JPO is agreed upon by all the signatories of the Transportation and Traffic Guarantee Agreement.

b. Board of Directors had also decided that additional traffic guarantee shortfall amount (i.e. ₹ 315.78 lakhs at Sr. no. 2 above) shall be payable by GPPL after finalization of variable cost as the dispute of variable cost is still pending with WR.

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c. Board of Directors accepted the recommendations of the Onetime Settlement Committee for waiver of interest on traffic guarantee shortfall amount (i. e. ₹ 2,933.71 lakhs & ₹1,129.18 lakhs as mentioned at Sr. no. 5 & 6 above respectively) and directed to make representation to MOR in this regard.

d. Board of Directors further decided that matter for waiver of interest on delayed payment of traffic guarantee shortfall amount (i.e. ₹361.00 lakhs mentioned at Sr. no. 3 above) also be referred to MOR.

e. Interest on delayed equity contribution amounting to ₹493.36 lakhs shall be paid by GPPL. Out of this amount, ₹8.61 lakhs were already recognized in earlier year and is included in other miscellaneous dues as mentioned at Sr. no. 4 above. The remaining amount of ₹484.74 lakhs is unrecognized (mentioned at Sr. no. 7 above).

f. Other miscellaneous dues amounting to ₹29.16 lakhs (included in other miscellaneous dues as mentioned at Sr. no. 4 above) shall also be paid by GPPL.

Later on, Good Faith Negotiation (GFN) under Transportation and Traffic Guarantee Agreement was initiated by GPPL with PRCL to settle to above dues. However, GFN had failed due to non-consensus between both the parties. Thereafter, PRCL and GPPL started the Conciliation under the Traffic and Transportation Agreement. Presently, the Conciliation is in process.

The Company had already recognized ₹1,890.19 lakhs, against which, provision for doubtful debt was made in earlier year(s) and ₹4,573.18 lakhs have not been recognized in the books pending the final decision on the items, which is contingent upon the final outcome of the conciliation proceedings.

Therefore, no financial adjustments arise during the current financial year in respect of the above dues.

Note 40: Settlement of dues with WR

WR has been recovering the O&M costs on a monthly basis by adjusting the same from the Company's monthly share of freight earning as per O&M agreement. The lease rental is recovered by WR on quarterly basis from the Company's share of freight earning of first month of the relevant quarter.

Note 41: Employee's Benefits

The Company has accounted for the employee's benefit expenses in accordance with Ind AS 19 "Employee Benefits" notified by the Ministry of Corporate Affairs, Government of India. The summarised position of Post-employment benefits and long-term employee benefits recognised in the Statement of Profit and Loss and Balance Sheet as per Ind AS 19 are as under:

41.1 Change in the present value of the obligations:

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Present value of obligation as at the beginning of the Year	79.32	70.44	30.48	60.32	50.54	22.30
Interest Cost	6.12	5.43	2.35	4.51	3.78	1.67
Current Service Cost	8.02	7.90	3.12	7.13	10.34	3.28
Past Service cost including curtailment Gains/ Losses	-	-	-	0.21	-	-
Benefits Paid	-	(6.40)	(1.78)	(0.76)	(2.94)	(0.21)
Re-measurements Obligations [Actuarial loss/(gain)]	0.41	3.00	0.06	7.91	8.72	3.44
Present value of obligation at year end	93.87	80.37	34.23	79.32	70.44	30.48

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41.2 Change in Fair Value of Plan Assets

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Fair value of Plan Assets at the beginning of the year	44.02	-	-	36.23	-	-
Expected return on Plan Assets	4.67	-	-	3.25	-	-
Employer's contribution	19.32	-	-	5.62	-	-
Fund Management Charges	(0.60)	-	-	(0.32)	-	-
Benefit Paid	-	-	-	(0.76)	-	-
Fair value of Plan Assets at the end of the year	67.41	-	-	44.02	-	-

41.3 Amount recognized in Balance Sheet

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Estimated Present Value of obligations as at the end of the year	93.87	80.37	34.23	79.32	70.45	30.48
Fair value of Plan Assets as at the end of the year	67.41	-	-	44.02	-	-
Net Assets/ (Net Liability) recognized in Balance Sheet	(26.46)	(80.37)	(34.23)	(35.30)	(70.45)	(30.48)

41.4 Expenditure recognized in the Statement of Profit and Loss

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Current Service Cost	8.02	7.90	3.12	7.34	10.34	3.28
Interest Cost	2.72	5.43	2.35	1.80	3.78	1.67
Net Actuarial (Gain) / Loss recognized in the year	-	3.00	0.06	-	8.72	3.44
Total expenses recognized in the Statement of Profit and Loss	10.74	16.33	5.53	9.14	22.84	8.39

41.5 Expenditure recognized in the Other Comprehensive Income

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Net cumulative unrecognized actuarial gain/ (loss) opening	-	-	-	-	-	-
actuarial gain/ (loss) for the year on PBO	(0.41)	-	-	(7.91)	-	-
actuarial gain/ (loss) for the year on the assets	0.67	-	-	0.21	-	-
Actuarial gain/ (loss) recognised during the year	0.26	-	-	(7.70)	-	-

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41.6 Principal actuarial assumption at the Balance Sheet Date

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Discount Rate	7.66%	7.66%	7.66%	7.71%	7.71%	7.71%
Rate of return on Plan Assets	7.59%	0%	0%	7.55%	0%	0%
Expected rate of Salary Increase	8%	8%	8%	8%	8%	8%
Method used	Projected unit credit					

41.7 Maturity profile of defined benefit obligation is as follow:

(Amount in ₹ Lakhs)

Period	Effect on Gratuity obligation	Effect on Earned Leave	Effect on Sick Leave
April 2019 to March 2020	1.53	1.98	0.55
April 2020 to March 2021	1.56	1.55	0.66
April 2021 to March 2022	4.86	1.51	0.63
April 2022 to March 2023	1.47	1.45	0.60
April 2023 to March 2024	1.49	4.58	2.47
April 2024 to March 2025	1.49	1.23	0.50
April 2025 onwards	81.46	68.07	28.82

(Amount in ₹ Lakhs)

Particulars	Change in assumptions	Effect on Gratuity obligation	Effect on Earned Leave obligations	Effect on Sick Leave Obligations
Discount Rate	+0.50 %	(6.02)	(5.81)	(2.33)
	-0.50%	6.57	8.30	3.36
Salary Growth	+0.50 %	6.51	8.21	2.29
	- 0.50 %	(6.03)	(5.82)	(3.33)

41.8 The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

41.9 The Company provides for Gratuity for employees as per the Payment of Gratuity Act 1972. Employees who are in continuous service for a period of five (5) years are eligible for gratuity. The amount of gratuity payable on retirement/termination of the employees is last drawn basic salary (including dearness allowance) per month computed proportionately for 15 days' salary multiplied for the number of years of service.

41.10 The Company has created a PRCL employees' Group Gratuity Trust which has taken a Group Gratuity Policy with Life Insurance Corporation of India for payment of gratuities. The approval of gratuity fund by Income Tax Authority is awaited.

41.11 The amount of liabilities is as per the report of a qualified Actuary and assets and return of planned assets are as per the details provided by the fund manager i.e. Life Insurance Corporation of India.

41.12 The Payment of Gratuity Act, 1972 has been modified and Government has notified the increase in Maximum Gratuity Limit from ₹ 10 lakhs to ₹ 20 lakhs. No other change in benefits has been made. Accordingly, Gratuity obligation has been determined considering this limit of ₹ 20 lakhs by the Actuary in the Actuary Valuation Report during the current year as well as previous year.

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Note 42: In the opinion of management, sufficient provisions have been made for all direct/indirect costs payable in terms of the Operation and Maintenance Agreement and for other expenses.

Note 43: Impairment of Assets

The management has carried out a review on impairment of all the assets of the Company including intangible assets in accordance with Ind AS-36 'Impairment of Assets'. On the basis of review, the management is of the opinion that the economic performance of property, plant and, equipment and intangibles, is not worse than expected and therefore, no impairment of any assets has been made as on the Balance Sheet date.

However, in case of license fee of ₹ 1,000.00 lakhs paid to MOR for obtaining license to run the container trains, the impairment loss equivalent to the net carrying amount of the license fee was already booked as expense and charged to Statement of Profit and Loss in the earlier year. The Company has reviewed the impairment test as on reporting date in respect of license fee and no further adjustment on account of impairment has been made in respect of license fee during the current year. However, in case there are the indications in the future that the impairment loss is required to be reversed considering economic performance of the Company from the use of said license, the impairment loss shall be reassessed and, accordingly be reversed on the basis of assessment at that time and the carrying amount of the license fee will be increased to that extent.

Note 44: In the opinion of Board of Directors, value on realization of current assets including other instruments in ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

Note 45: Auditors remuneration

(Amount in ₹ Lakhs)

Sl. No.	Particulars	2018-19	2017-18
Auditors' Remuneration			
1	Statutory Audit	5.00	5.00
2	Tax Audit	0.75	0.75
3	Taxes [including differential of taxes for earlier year(s)]	1.04	1.19
4	Out of Pocket Expenses	0.05	0.18

Note 46: The Company has only one reportable segment viz. Operation of freight traffic. Therefore, requirement for segment reporting is not applicable.

As per our Report of even date attached

for P K Chopra & Co.
Chartered Accountants
Firm Registration No.: 06747N

CA K. S. Ponnuswami
Partner
M. No. :070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR:60747 NEW DELHI

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN: 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M. No.: A20516

Place: New Delhi
Date: 9th May 2019

Pipavav Railway Corporation Limited New Delhi

P.K. Chopra & Co.
Chartered Accountants
N-Block, Bombay Life Building,
IInd Floor above Post Office Connaught Place,
New Delhi – 110001
Ph. 91-11-47072426,
Email: pkc@pkchopra.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIPAVAV RAILWAY CORPORATION LIMITED

1. Opinion

We have audited the standalone financial statements of **PIPAVAV RAILWAY CORPORATION LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and 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.

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 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, 2019, and its profit/loss, (changes in equity) and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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.

3. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

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4. **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements 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.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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.

5. **Auditor's Responsibilities for the Audit of the Financial Statements**

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 Standards on Auditing (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.

6. **Emphasis of Matters**

Attention is drawn to:

(a) Note No. 39 - Railway freight collection is controlled by Indian Railways on daily basis through an integrated online system developed by Central Rail Information System (CRIS), a railway organization. The system generates freight receipt (RR) for movement of container and bulk traffic from first mile to last mile destination. These transactions are initiated, recorded, processed, corrected as necessary and transferred to PRCL through dedicated online portal for arriving at the share of freight, as apportionment of income to PRCL, which books the monthly share of freight as trade receivables and as trade debtors (WR) in their accounts and reported in the Financial Statements. This procedure and system are relied upon by PRCL as user entity. CRIS has provided certificate for complying with their reporting information as per SA 402.

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(b) Note no. 27 - The Corporate Social Responsibility Policy (CSR Policy) of PRCL dated 23.01.2015 states the company shall spend, in every Financial Year, at least 2% of the average net profits of the company made during the immediately 3 preceding Financial Years and the said amount shall be transferred to the account of PRCL Fund". The unutilized amount, if any, will not lapse, if not spent in that year and will be carried over to next year which may accumulate. The above CSR fund and the accumulated unspent amount of ₹ 310.05 Lakhs as on 31st March 2019 are now reflected in terms of the revised CSR policy which has not made mandatory to transfer allocated CSR amount in a sperate bank account.

(c) Note no. 4 - The physical verification of the intangibles (amortizable) railway assets of PRCL is conducted by the Bhavnagar division of Western Railways who are the custodian of these assets as per railway rules and regulations. 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. Reconciliation of these two records based on capitalization of Projects Assets mainly Permanent Ways, Formation, Bridge & Buildings and Plant & Machinery is incomplete to the extent that the impact of the project assets which are partly capitalized and as reflected in the Fixed Asset Register. The assets register does not contain the cost wise break up of individual assets.

(d) Note no. 39- Recovery an account of route diversion of ₹ 1320.37 Lacs is the difference of share of freight between the booked route basis and the carried route basis. The terms of agreement for apportionment of freight is stipulated as per Indian Railways Financial Adjustment Rules but there is no mention to recover the diverted route recovery. In some cases, the diverted distance is lesser than the booked route distance which results in increase in freight has since been considered by Railways in the apportionment of freight. Attention is drawn to the minutes of the meeting of Audit Committee dated 17.04.2017 item no. 9, the decision of the chairman that the company to legally examine the terms of Concession Agreement and pursue with the Railways taking suitable action in the best interest of the company to stop for recoveries on account of route diversion.

(e) Note no. 36 (ii) (b)- PRCL is registered under GST Act for its registered office at New Delhi and registered for its office at Bhavnagar. GST Returns are filed as recipients under GST Rules for both offices. We find that GST Returns do not contain the taxable or taxed portion of freight received from Railways as turnover of the month. As per the information provided by PRCL, there is no obligation to pay GST because apportionment of freight is already taxed in the hands of WR. The share of freight whether taxable in the hands of PRCL is a matter of incidence of GST Law and dependent upon the orders of GST authorities, which is awaited. In that event, of such levy, liability that may arise to PRCL. The company has represented again to the Ministry of railway vide the representation dated 19th March 2019. There is no significant progress in getting the exemption in GST for the revenue apportionment to PRCL by western railway during the year. In case the exemption is denied it will result in additional liability of demand for GST from 01st July 2017 which is not quantifiable.

(f) Note No. 9- (i) There is an outstanding of ₹2938.73 Lacs receivable from Western Railways as on 31.03.2019 which is overdue for recovery on which an interest about ₹240 Lacs (Provisional) as per the terms of payment stipulated in the clause 6.2 of the O & M agreement.

Western Railway has not confirmed the outstanding amount of ₹2938.73 Lacs and interest leviable thereon.

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The matter still resting with the company to obtain decision from the legal point of view as per assurance given to audit in the 51st Meeting of the Audit Committee of the board vide item 3(a) dated 28.07.2017. As such the recovery of interest as applicable, inclusive of previous years, have not been reflected in the Financial Statements.

(ii) The charging of variable cost for operation of the section which is calculated on Gross Tone Kilometers (GTKM) basis including the operation of the empty runs of the wagons in case of Bulk cargoes results in loss of revenue to PRCL which is not quantifiable.

(g) Note no. 9 - GPPL has given confirmation of ₹34.91 Lakhs receivables on account of Manpower provided at their Port as on 31st March 2019. Railways have not confirmed the outstanding dues payable/receivable with the reference to the transactions with PRCL during the year.

(h) Note no. 5- We have made such enquiries as we consider necessary for the purpose of appropriately informing us about the contract procedure followed by PRCL in implementing the Railway Electrification project of Pipavav lines approved by Railway Administration. The documents relating to specifications, cost estimate, tender documents, letter of awards etc. are prepared by Central Organization for Railway Electrification (CORE). Allahabad and Ahmedabad divisions, which we have inspected and enquired with the concerned offices of CORE that these are authentic documentary evidences of following the compendium of tender and contracts issued by Railway Board. The letter of awards to Kalpatharu and others were issued by CORE on behalf of PRCL. The latest cost estimate concurred by Finance Division of CORE is ₹28947.23 Lacs on which the award is based. The source and terms of financing the project is not yet firmed up by PRCL but utilizing the internal resources/fund available with company to meet payments for invoices of electrification project.

(i) Note no. 38- The insurance claim for loss of project assets of PRCL section of ₹ 636.12 Lacs, against the policy issued by the United India Insurance Company, is still pending since 2015 for settlement. PRCL has complied with all the required documents connected with the claims. As per the claim procedure under IRDA (Protection of Policy Holder Interest) Regulations, 2017 "If there is delay on the part of the Insurer beyond the time lines, the insurer shall pay interest at a rate which is 2% above the bank rate from the last filed documents". The interest on account of delay has not been accounted for and there is no confirmation from insurance company about final payment of claim.

(j) Note No 15: - On 25th July 2018, the company has registered the transfer of its equity shares of 1,20,00,000 having face value ₹ 10 per share (distinct no. from 132000021 to 144000020) held in the name of IL& FS Transportation Networks Limited (ITNL) (Transferor) to IL&FS Financial Services Limited. ITNL has transferred these shares for a consideration of ₹54,00,00,000 against the Face value ₹12,00,00,000. The required documents for transfer of the above shares have been executed by the Company on request from ITNL. In the Statement of change in Equity for the period ended 31st March 2019, the change has been notified and the Face value of the Transferred shares remained at ₹10 per share in the financial of PRCL.

(k) Note no 4- The PRCL assets which were existing at the time of entering into Public to Private Services Concession Agreement, i.e. meter gauge railway line (including Land) were leased by MOR to PRCL. Railway is charging annual lease rental to the company for leased assets which will revert back to MOR without any financial consideration at the end of the concession period. The western railway operates passenger trains on the leased railway lines for which no revenue on account of for passenger freight is specified, except fixing an upper limit for railway coaches/wagons that will be deployed on this line leased to PRCL. During the year, Railways have added more passenger coaches beyond the

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excess upper limit mentioned in the Agreement. However, PRCL has not raised bill for expenditure incurred and also the portion of passenger freight collected by railways receivable for operating the leased lines. The impact of the unrealized freight is not determined and accounted for during the year.

(l) Note No 39.3: - PRCL raised a claim of ₹6463.37 Lacs to GPPL for non -performance of obligation to meet minimum guarantee shortfall, which was put up as recommended, to Onetime settlement committee of BOD. Out of the above amount, ₹1890.19 Lacs has been accounted and balance of ₹4573.18 Lacs is unaccounted in the books. The settlement Committee and the good faith negotiation committee of BOD formed later have not reached a conclusive settlement of the claims. Moreover, an amount of ₹1890.19 Lacs accounted for in the books was considered as doubtful. Thereafter, BOD has approved Conciliation Proceeding and Arbitration Proceedings by appointing an Arbitrator at the level of retired Chief Justice of India and to proceed with the settlement of the claims in tandem. BOD also resolved in 84th meeting held on 24th April 2018 that "all amounts are due as per the provisions of the agreement and GPPL is liable to pay the same. Thus, Board desired the MD to represent the company in the Conciliation Meetings accordingly".

Consequent to the above directives, the decision of the board during one-time settlement in the year 2015, an amount of ₹ 4573.18 Lacs unaccounted so far shall become receivable from GPPL and hence, the same should have been accounted for in the books which has not been done. The amount of ₹1890.19 Lacs accounted and also considered doubtful is required to be reviewed keeping in view GPPL has made a provision of ₹1570.40 Lacs in their books.

The above claim and its proceedings and the accounting of the receivables currently under conciliation proceedings are of transaction of circular nature and invokes conflict of interest within the group.

(m) Note No 5: - PRCL is formed as Public to Private Service Joint Sector Company of MOR and conferred with the rights of "Railway Administration" under the Railway Act and is bound under the service concession Agreement with the MOR for broad gage Railway line from Surender Nagar to Pipavav Project Railway. Upon expiry of the concession agreement in the year 2033, all the assets created in the project area shall be returned back to MOR as per the terms & conditions of the Agreement. These assets are considered as intangible assets as per Railway code of life of 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.

PRCL during the year has started the implementation of the project electrification of the railway lines of 289 Km as per orders of Ministry of Railway dated 28th November 2016. The work in progress completed at an estimated value of ₹6315.27 lacs as per the Technical Report submitted by project authorities is accounted for under the category of Intangible assets. However, the work in progress which will be the property of PRCL, as Property Plant and Equipment category, the company did not account for the same. The project is fully financed by PRCL and Public to Private Service participation is not specified in the concession agreement for electrification of the Railway lines of PRCL, considering the work in progress as Intangible Assets is not in order. As a result of the above, the depreciation chargeable as Intangible Assets and as Property Plant & Equipment Assets category will have varying effect on the Financial of the company.

(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.

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Internal controls are generally commensurate with the size of the Company 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 monitoring and reconciliation of traffic and its diversion. The rationalization of O & M cost, determining the unpaid dues beyond the due dates; the technical verification of estimates; the advance made to Railways for various works and settlement by Western Railway needs improvement.

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

7. Other Matters

(i) PRCL is registered as unlisted Non–Government company as per the Certificate of Registration issued by Registrar of Company, Delhi. The preparation and presentation of Standalone Ind-AS Financial Statements are in accordance with Section 133 of the Companies Act read with relevant rules issued thereunder. We invite reference to the report 2 of the Company's Secretarial Auditors for the year in their report dated 07.04.2019 which is reproduced herein:

"Further, the renewal of the terms of independent directors was kept on hold as the status of company "whether it is joint venture company or Not" is not clear according to MCA Notification dated 05th July, 2017 and MCA General Circular dated 05th September, 2017. The Board in its meeting on 30.07.2018 has constituted the committee to decide upon the status of the company whether it is a Joint Venture (JV) or not, The Committee in its 2nd meeting held on 26.11.2018 finalized and approved the status of the company as Joint Venture Company and puts its recommendation of committee that company is a joint venture company and accordingly provisions relating to appointment of independent Director, Constitution of Audit Committee and Nomination and Remuneration Committee are not applicable on the company in terms of MCA notification dated 5th and 13th July 2017 and further circular dated 5th September, 2017.

Since Board of Directors has approved the status of company as Joint Venture, constitution of Audit Committee and Nomination Remuneration Company is not required. However, in their absence, the Board of Directors have decided to constitute similar committee viz, Sub- Committee to review the financial stamens and Sub-Committee on HR.

Our opinion is not modified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order.

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 appears from our examination of those books;

(c). The Balance sheet, the Statement of Profit and Loss and the Statement of Cash flows and Statement of Changes in Equity dealt by this Report are in agreement with the Books of Accounts;

(d). In our Opinion, the aforesaid Standalone Ind AS financial statements comply with Accounting Standards including Ind AS 115 effective from 01-04-2018 and as specified under Section 133 of the Act, read with relevant rule issued thereunder and amended there on;

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(e). On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f). With respect to adequacy of the internal financial controls over financial reporting of the Company the operating effectiveness of such controls, refer to our separate report in "Annexure B";

(g). With respect to the other matters to be included in the Auditors Report in Accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31st March 2019 on its financial position in its Standalone Ind AS financial statements. Refer Note No. 36 to the Standalone Ind AS financial statements;

ii. The Company has no long-term contracts including derivative contracts as on 31st March, 2019 and no provision as required under the applicable law or Indian Accounting Standards (Ind AS), for material foreseeable losses to the standalone Ind AS financial statements;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March 2019.

For P.K. Chopra & Co.
Chartered Accountants
(Firm's Registration No.: 06747N)

CA K.S. Ponnuswami
Partner
Membership No.: 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR:60747 NEW DELHI

Place: New Delhi
Date: 9th May 2019

Annexure A to the Independent Auditor's Report referred to the members of the Company on the standalone Ind AS financial Statements for the year ended 31st March 2019

As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we report that:

As per Clause 3:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Fixed Assets of the Company have been physically verified by the management and as certified by the Western Railway for the Projects Assets as on 31st March, 2019, no material discrepancies were noticed on such physical verification.

(c) The title deeds of Immovable Property held in the name of the Company is certified by the management and the intangible assets held in the name of the Company as certified by the management is in terms of the Service Concession Agreement between Ministry of Railways and the Company.

According to the information provided to us by GPPL the Land value aggregating to ₹14.70 lacs was registered in the name of the PRCL for getting the rail connectivity from nearest station upto the Pipavav port boundary for which no valid registration document and title to this land has not been made available and hence we have not verified the title to the same.

(ii) The Company being an unlisted non-government company dealing in Railway Cargo Traffic with Ministry of Railways do not hold any inventory; as such this clause is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to any corporation, firms or other party covered in register-maintained u/s 189 of Companies Act, 2013. Accordingly, clause 3(iii) - (a), (b), (c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has no loans, guarantees and securities, secured or unsecured to any corporation, firms, any other party covered in the register maintained under the provision of Section 185, 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted deposits and not contravened the directives issued by the RBI covered under the provision of Section 73 to 76 or any other provisions of the Companies Act, 2013.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products/services of the Company, accordingly this clause of the order is not applicable.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues like payment of GST under section 9(3) on RCM basis only to the appropriate authorities and there are some slight delay in few cases of filing GST returns. There are no undisputed amounts outstanding for a period of more than six months from the date they became payable.

According to the information and explanation given to us and records of the company examined by us, there are demands shown on TDS of ₹1290/- for the Financial Year 2008-09 and ₹26800 for the financial year 2010-11 which is due to error on record pending for rectification. The matter has been taken with relevant authority for rectification which is pending.

(b) There are no cases of dues of Income-tax or sales-tax or service-tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except the dispute in respect of service tax as under:

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Name of Statute	Disputed Amount and nature of dues	Forum where Dispute is pending	Period to which amount relates to
Service tax	₹7639.48 lakhs	Principle Commissioner of Service Tax, New Delhi (against Show Cause Notice)	FY 2009-10 to FY2013-14
Service tax	₹2800.51 lakhs	Principle Commissioner of Service Tax, New Delhi (against Show Cause Notice)	FY 2014-15
Service tax	₹7418.19 lakhs (against Show Cause Notice)	Commissioner of Central Tax, Central Excise & Service Tax, Delhi-South	April 2015 to till June 2017

viii) In our opinion and according to the information and explanations given to us, the Company has no loans as on 31st March 2019 and hence not defaulted in repayment of loans or borrowings to Financial Institutions, Bank and Government.

ix) In our opinion and according to the information and explanations given to us, there are no money raised by Initial Public Offer or Further Public Offer (Including debt instruments).

x) In our opinion and according to the information and explanations given to us, no case of any fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid to the managing director of the Company as provided in accordance with the requisite approval mandated by the provision of section 197 read with Schedule V of the Companies Act, 2013.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company; and hence there is no liability as specified in the Nidhi Rules 2014.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, wherever applicable and the details have been disclosed in the Ind AS financial statements as required by the Indian Accounting Standards.

xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him as required u/s 192 of the Companies Act, 2013.

xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register u/s 45(1A) of the Reserve Bank of India Act, 1934.

For P.K. Chopra & Co.
Chartered Accountants
(Firm's Registration No.: 06747N)

CA K.S. Ponnuswami
Partner
Membership No.: 070276

Place: New Delhi
Date: 9th May 2019

Annexure B to the Independent Auditors' Report of even date to the members of Pipavav Railway Corporation Limited on the standalone financial statements for the year ended 31 March 2019

Report on the internal financial control under Clause (i) of subsection 3 of section 143 of the Companies Act,2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of Pipavav Railway Corporation Limited (the "Company") as of 31 March 2019 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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 Institute of Chartered Accountants of India. 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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.

Meaning of Internal Financial Controls with reference to Financial Statements

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

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principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, 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, read with our Independent Auditor's Report, item No. 6(n) of " Emphasis of matters" of the report of even date on the standalone financial statements.

For P.K. Chopra & Co.
Chartered Accountants
(Firm's Registration No.: 06747N)

CA K.S. Ponnuswami
Partner
Membership No.: 070276

CA. P.K. CHOPRA & CO. PARTNER K.S. PONNUSWAMI M.No. 70276 FAR.60747 NEW DELHI

Place: New Delhi
Date: 9th May 2019