

Building capacities. Adding value.

Better Everyday.





# Shri O. P. Jindal

August 7, 1930 to March 31, 2005  
Visionary and Founder - O. P. Jindal Group

**GREAT LEADERS  
INSPIRE COUNTLESS LIVES,  
LEAVE EVERLASTING MEMORIES,  
TO FOREVER GUIDE DESTINIES**

Way back in 1952, an age before the phrase entered public discourse Shri O. P. Jindal heralded 'Make in India' with a small scale manufacturing unit in his home town of Hisar in Haryana. In its ground-breaking wake came a pipe manufacturing company, the Jindal Group and an industrial folklore built with steel and power.

For more than five decades, as young India, born from colonial subjugation to democratic freedom built itself into a modern state, Shri O. P. Jindal epitomised enterprise, nationalism, innovation and social service. He sired and took his eponymous business organisation to stellar heights, strengthening at every step his commitment to social work and nation building.

On this day countless individuals in the Jindal family and beyond salute his spirit, which will forever guide our destiny.

With the government's unwavering focus on improving India's infrastructure, the port sector is poised for the next level of growth.

India's maritime transport facilitates 70% of the country's trading by value and 95% by volume.

With rise in trade, developing ports has become a key policy imperative, leading to an increase in private participation in the sector to enhance port infrastructure.

At JSW Infrastructure Group, we have always strived to align our goals with the nation's aspirations.

In pursuit of this we are  
**building capacities  
and adding value.**

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## Highlights FY19

**Cargo throughput (MMT)**

**5.25**

**Gross turnover (₹ in Million)**

**₹2,017**

**Net turnover (₹ in Million)**

**₹1,709**

**EBITDA (₹ in Million)**

**₹642**

**PBT (₹ in Million)**

**₹283**

**PAT (₹ in Million)**

**₹180**

**Cash profit (₹ in Million)**

**₹538**





# Corporate Information

## Board of Directors

**Mr. Nirmal Kumar Jain**  
Independent Non-Executive Director

**Mr. K N Patel**  
Non- Executive Director

**Mr. Gerard Da Cunha**  
Independent Non- Executive Director

**Ms. Ameeta Chatterjee**  
Independent Non- Executive Director

**Mr. Rashmi Ranjan Patra**  
Non- Executive Director

**Mr. Naveen Kumar**  
Whole-time Director

## Chief Financial Officer

**Mr. Brijmohan Mantri**

## Company Secretary

**Ms. Gazal Qureshi**

## Statutory Auditors

**M/s. H P V S & Associates**  
Chartered Accountants

## Bankers

**Axis Bank Limited**  
**ICICI Bank Limited**

## Registered Office

1st Floor, Port Users Complex,  
Mormugao Harbour, Goa – 403803  
Tel: 0832-2523000 Fax: 0832-2523006  
E-mail: [infra.mumbai@jsw.in](mailto:infra.mumbai@jsw.in) [www.jsw.in](http://www.jsw.in)  
CIN: U45203GA1997PLC002369

## Registrar & Share Transfer Agent

**Karvy Fintech Private Limited**  
Karvy Selenium, Tower – B, Plot No. 31& 32, Gachibowli  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032  
Tel: +91 40-6716 1500 Fax: +91 40-23001153

## Works

Berth No. 5A & 6A,  
Mormugao Harbour, Goa – 403803,  
Tel: 0832-2523000 Fax: 0832-2523006



# Notice

Notice is hereby given that the **Twenty Second Annual General Meeting** of the Shareholders of **South West Port Limited** will be held on **30th July, 2019, Tuesday at 11.00 a.m.** at 1st Floor, Port User Complex, Mormugao Harbour, Goa - 403 803 to transact the following businesses:

## Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 and Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint the Director in place of Mr. K N Patel (DIN: 00019414), who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, the remuneration of ₹ 70,000 (Rupees Seventy Thousand) plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. Kishore Bhatia & Associates., Cost Accountants, for the conduct of the audit of the cost accounting records of the Company, for the financial year 2018-19, be and is hereby ratified and confirmed."

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, ('the Rules') including any statutory modification(s) or re-enactment thereof, Mr. Nirmal Kumar Jain (DIN: 00019442) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th October, 2018 and who holds office up to the date of this Annual

General Meeting in terms of Section 161 of the Act and the Articles of Association of the Company and who is eligible for appointment as a Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules read with Schedule IV to the Act Mr. Nirmal Kumar Jain (DIN: 00019442), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years with effect from 30th October, 2018 to 29th October, 2023."

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

**"RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('the Rules') including any statutory modifications, or re-enactments thereof, the consent of the Company be and is hereby accorded to authorise the Board of Directors or any Committee of the Board of Directors to renew the loan of ₹ 55 crores (Rupees Fifty Five Crores) granted to JSW Jaigarh Port Limited (Fellow Subsidiary Company) for a tenure of five years on such terms and conditions as may be mutually agreed upon."

By order of the Board of Directors  
For **South West Port Limited**

**Gazal Qureshi**

Company Secretary  
(M. No.: A16843)

**Place:** Mumbai

**Date:** 8th May, 2019

**Registered Office:**

1st Floor, Port User Complex,  
Mormugao Harbour,  
Goa - 403 803

**CIN:** U45203GA1997PLC002369

**Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under Item Nos. 3 to 5 set out above and the details under Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/re-appointment as Director at the Annual General Meeting, is annexed hereto.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.
3. Shareholders/Proxies should bring their attendance slip duly filled in for attending the meeting.
4. Copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.
5. Corporate members are requested to send a duly certified copy of the resolution authorising their representatives to attend and vote at the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold Shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
8. The instrument(s) appointing the Proxy, if any, shall be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of Proxy shall be treated as invalid. Proxies shall not have any right to speak at the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, be issued by the Shareholder organisation.
9. Shareholders are requested to intimate the Company at its registered office, immediately of any change in their mailing address or e-mail address in respect of equity shares held.
10. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days if the Company, during office hours, up to the date of the Annual General Meeting.
11. Members desirous of having any information regarding Accounts of the Company are requested to address their queries to the CFO - Accounts at the Company's Registered Office at 1st Floor, Port Users Complex, Mormugao Harbour, Goa - 403 803 or e-mail the queries to [infra.mumbai@jsw.in](mailto:infra.mumbai@jsw.in) with "Query on Accounts" in the subject line, atleast 7 days before the date of the meeting, so that requisite information is made available at the meeting.

**Explanatory Statement in Respect of the Special Business Pursuant to Section 102(1) of the Companies Act, 2013**

**ITEM NO. 3**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

The rules have prescribed maintenance of cost records and cost audit for companies providing port services regulated by the Tariff Authority Of Major Ports (TAMP) and having annual turnover from all its product and services during the immediately proceeding financial year is Rupees fifty crore or more and the aggregate turnover from such product or service is rupees twenty five crore or more.

The Company is regulated by TAMP authority, hence cost records and cost audit is applicable as per this rules.

Section 148 *inter alia* provides that the Central Government may direct audit of cost records of class of Companies as may be prescribed. In pursuance of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor, on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor.

Accordingly, on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 31st July, 2018, approved appointment of M/s. Kishore Bhatia & Associates., Cost Accountants for the conduct of the audit of the cost accounting records of the Company, at a remuneration of ₹ 70,000 plus Goods and Service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March, 2019, subject to ratification by the Members pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014.

None of the Directors and Key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

## Notice (Contd.)

Your directors recommend the resolution at Item No. 3 for your approval and ratification in terms of Section 148 of the Companies Act, 2013.

### ITEM NO. 4

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mr. Nirmal Kumar Jain (DIN: 00019442) as an Additional Director of the Company with effect from 30th October, 2018 and he holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Articles of Association of the Company.

The Board of Directors also appointed Mr. Jain as an Independent Director for a term of 5 consecutive years from 30th October, 2018 to 29th October, 2023, subject to the approval of the Members of the Company.

As required under Clause 1.2.5 of the Secretarial Standard-2, Mr. Nirmal Kumar Jain brief resume and other requisite information is annexed to and forms a part of notice.

In view of his rich, varied & vast experience and distinguished career, the appointment of Mr. Jain, would be in the best interest of the Company.

Except Mr. Jain, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

Your Directors recommend the resolution as at Item No. 4 for your approval.

### ITEM NO. 5

The Company has provided ICD/Loan to JSW Jaigarh Port Limited (Fellow Subsidiary) in tranches since 2014, which as on date outstanding is ₹ 55 crores (Rupees Fifty Five Crores), renewed on yearly basis. The rate of interest charged by the Company is reset every year on 1st April. Due to recent changes in the composition of Board of Directors of the Company, there are majority of common directors in JSW Jaigarh Port Limited.

In view of the recent amendments to Section 185 of the Act, vide the Companies (Amendment) Act, 2017, no Company shall grant any loan to any person or body corporate or give any guarantee or provide any security to any loan taken by any person or body corporate the Board of Directors whereof are accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company without the prior approval of the Shareholders by means of a Special Resolution.

The consent of the members is accorded to renew the loan of ₹ 55 crores availed from JSW Jaigarh Port Limited for a tenure of five years on such terms and conditions as may be decided by the Board or Committee.

Your Directors recommends the special resolution set out at Item No. 5 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

By order of the Board of Directors  
For **South West Port Limited**

**Gazal Qureshi**

Company Secretary  
(M. No.: A16843)

**Registered Office:**

1st Floor, Port User Complex,  
Mormugao Harbour,  
Goa - 403 803  
**CIN:** U45203GA1997PLC002369

**Pursuant to Clause 1.2.5 of the Secretarial Standards-2, the details for the Directors proposed to be re-appointed/appointed at the ensuing Annual General Meeting are given below:**

Name of Director	Mr. Nirmal Kumar Jain	Mr. Kantilal Narandas Patel
<b>Category/Designation</b>	Independent Non-Executive Director	Non-Executive Director
<b>DIN</b>	00019442	00019414
<b>Age</b>	73 years	68 years
<b>Date of Birth</b>	03-05-1946	30-05-1951
<b>Date of Original Appointment</b>	30-10-2018	29-10-2005
<b>Qualification</b>	Mr. Jain holds a Bachelor's degree in Commerce. He is a Fellow member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India.	Mr. Patel is a Commerce Graduate from Mumbai University and Fellow Member of Institute of Chartered Accountants of India.
<b>Expertise in specific functional areas</b>	Mr. Jain has over 40 years of experience in the areas of mergers and acquisition, finance, legal, capital structuring. He has contributed tremendously to JSW Group in many areas, including leading JSW Group in its new ventures.	Mr. Patel possess over 42 years of rich and varied experience in the areas of Corporate Finance, Accounts, Taxation & Legal and has an outstanding performance record during his association with the JSW Group, since August, 1995
<b>Directorship in other Public Limited Companies</b>	<ul style="list-style-type: none"> <li>• JSW Holdings Limited</li> <li>• JSW Energy Limited</li> <li>• JSW Cement Limited</li> <li>• JSW Energy (Barmer) Limited</li> <li>• JSW Hydro Energy Limited</li> <li>• JSW Infrastructure Limited</li> <li>• JSW Jaigarh Port Limited</li> <li>• JSW Industrial Gases Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• JSW Holdings Limited</li> <li>• JSW Cement Limited</li> <li>• JSW Infrastructure Limited</li> <li>• JSW Jaigarh Port Limited</li> </ul>
<b>Chairmanship/Membership of Committees* in other Public Companies (C = Chairman; M = Member)</b>	<p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>• JSW Holdings Limited (M)</li> <li>• JSW Energy Limited (M)</li> <li>• JSW Cement Limited (M)</li> <li>• JSW Hydro Energy Limited (M)</li> <li>• JSW Infrastructure Limited (M)</li> <li>• JSW Jaigarh Port Limited (C)</li> <li>• JSW Industrial Gases Private Limited (M)</li> </ul>	<p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>• JSW Infrastructure Limited (C)</li> </ul>
	<p><b>Corporate Social Responsibility Committee</b></p> <ul style="list-style-type: none"> <li>• JSW Holdings Limited (C)</li> <li>• JSW Energy Limited (M)</li> <li>• JSW Cement Limited (M)</li> <li>• JSW Energy (Barmer) Limited (C)</li> <li>• JSW Infrastructure Limited (M)</li> <li>• JSW Jaigarh Port Limited (M)</li> <li>• JSW Industrial Gases Private Limited (C)</li> </ul>	<p><b>Corporate Social Responsibility Committee</b></p> <ul style="list-style-type: none"> <li>• JSW Holdings Limited (M)</li> <li>• JSW Cement Limited (C)</li> </ul>

## Notice (Contd.)

Name of Director	Mr. Nirmal Kumar Jain	Mr. Kantilal Narandas Patel
<b>Nomination &amp; Remuneration Committee</b>	<b>Nomination &amp; Remuneration Committee</b>	
<ul style="list-style-type: none"> <li>• JSW Holdings Limited (M)</li> <li>• JSW Energy Limited (M)</li> <li>• JSW Cement Limited (M)</li> <li>• JSW Energy (Barmer) Limited (M)</li> <li>• JSW Infrastructure Limited (M)</li> <li>• JSW Jaigarh Port Limited (M)</li> <li>• JSW Industrial Gases Private Limited (M)</li> </ul>	<ul style="list-style-type: none"> <li>• JSW Cement Limited (M)</li> <li>• JSW Infrastructure Limited (M)</li> </ul>	
<b>No. of Equity Shares</b>	Nil	Nil
<b>Relationship between Directors <i>inter-se</i> with other Directors and Key Managerial Personnel of the Company</b>	None	None
<b>Terms &amp; Conditions of appointment or re-appointment</b>	To be appointed as an Independent Director for a term of 5 years not liable to retire by rotation.	Tenure as director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013.
<b>Remuneration last drawn</b>	Not Applicable	Nil as a Director
<b>Remuneration proposed to be paid</b>	Sitting fees and commission payable in accordance with the provision of Companies Act, 2013	Nil
<b>Number of Meeting of the Board attended during the year</b>	2/2	4/4

\* Only three committees mainly Audit, Corporate Social Responsibility and Nomination & Remuneration Committee have been considered.

By order of the Board of Directors  
For **South West Port Limited**

**Gazal Qureshi**  
Company Secretary  
(M. No.: A16843)

**Place:** Mumbai  
**Date:** 8th May, 2019

**Registered Office:**  
1st Floor, Port User Complex,  
Mormugao Harbour,  
Goa - 403 803  
**CIN:** U45203GA1997PLC002369

# Director's Report

To the Members of  
**SOUTH WEST PORT LIMITED,**

Your Directors take pleasure in presenting the Twenty Second Annual Report of the Company, with the Standalone Audited Financial Statement for the year ended 31st March, 2019.

## 1. Financial summary or highlights/Performance of the Company

### a) Financial Results

Particulars	2018-19	2017-18
Revenue from Operations	17,090.54	27,892.93
Other Income	2,576.96	3,564.87
Total Revenue	19,667.50	31,457.80
Profit before Interest, Depreciation and Tax Expenses (EBIDTA)	6,423.06	11,638.56
Finance costs	21.84	279.60
Depreciation & amortisation expenses	3,574.58	3,785.76
Profit before Tax (PBT)	2,826.64	7,573.20
Provision for Tax	1,029.74	2,669.22
Profit after Tax (PAT)	1,796.89	4,903.98
Other Comprehensive income/(loss) for the year	11.35	5.57
Total Comprehensive Income/(loss) for the year	1,808.24	4,909.56
Add: Profit brought forward from previous year	54,651.37	49,152.98
Less: Transfer from ESOP Reserve	-	588.82
Amount available for Appropriation	56,459.62	54,651.37
Balance Carried to Balance Sheet	56,459.62	54,651.37

### b) Performance highlights

#### Standalone

- The operating revenue and other income of your Company for fiscal 2019 was ₹ 19,667.50 lakhs as against ₹ 31,457.80 lakhs for fiscal 2018 showing a decrease of 37.48%.
- The EBIDTA for fiscal 2019 stood ₹ 6,423.06 lakhs as against ₹ 11,638.56 lakhs for fiscal 2018, showing a decrease by 44.81%
- Profit before Tax for the year was ₹ 2,826.64 lakhs as against ₹ 7,573.20 lakhs in fiscal 2018, showing a decrease by 62.68%
- The net worth of your Company increased to ₹ 61,683.17 lakhs at the end of fiscal 2019 from ₹ 59,811.61 lakhs at the end of fiscal 2018.

The Ministry of Corporate Affairs vide Notification No. G.S.R. 742(E) dated 27th July, 2016 notified the Companies

(Accounts) Amendment Rules, 2016 ("Rules") as per which it has been provided that a company is not required to prepare consolidated financial statements if its holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards. As JSW Infrastructure Limited, holding company of the Company, files consolidated financial statements with the Registrar, the Company is not required to prepare consolidated financial statements as per the said Rules.

### 2. Operations & Expansion Plan

The Company continues to be engaged in the activities pertaining to Port services. There was no change in nature of the business of the Company, during the year under review.

During the FY 2018-19, your Company has handled 107 vessels (Import: 65 and Export: 42), the biggest import cargo vessel B/L quantity of 117324 MT and biggest export cargo vessel B/L quantity of 37494 MT and 1514 rakes (Import: 1182 and Export: 332)

## Director's Report (Contd.)

through the in motion wagon loading silo system in an environment friendly way through the usage of closed loop pipe conveyor (first of its kind in the State of Goa) and capacity enhancement of 2 numbers staker reclaimers.

The Company's performance has been limited to the allowed consent to operate volumes.

Your Company is getting ready for giant leap to handle 15 MMT per annum by continuing berthing of cape size vessel. Considering future growth plans, various capacity enhancement projects have been initiated and they are in the process of completion.

Awaiting environment clearance for handling the enhanced cargo volume of 15 MMT per annum, after conducting the necessary public hearing, consent to establish (CtE) for construction of coal covered shed at berth 5A and 6A as signed by an affidavit with Ministry of Environment and Forest (MoEF) and all the necessary soil investigations, engineering drawings & designs, identifying the suitable prospective vendors etc. have been finalised.

### 3. Transfer to Reserves

The Board of directors has decided to retain the entire amount of profit to profit and loss account.

### 4. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended 31st March, 2019, in order to conserve the resources for future growth.

### 5. Change in Capital Structure

#### Share Capital

During the financial year under review, the Company has not issued further share capital in any mode. The equity share capital of the Company stands at ₹ 4,620 lakhs (Previous Year ₹ 4,620 lakhs).

During the year under review your Company has not issued any:

- a) shares with differential rights
- b) further issue of shares
- c) sweat equity shares
- d) preference shares

### 6. Report on Performance of Subsidiaries, Associates and Joint Venture Companies

Paradip East Quay Coal Terminal Private Limited (Paradip EQ) was incorporated on 19th April, 2016 for the purpose of development of mechanised Coal Terminal berth handling thermal coal exports and coastal movement at Paradip, Odisha. The authorised share capital of Paradip EQ is ₹ 10,000 lakhs and paid-up share capital is ₹ 6,501 lakhs

JSW Paradip Terminal Private Limited (JSW Paradip) was incorporated on 9th March, 2015 for the purpose of taking up implementation of Iron Ore Export Terminal at Paradip, Odisha. The Project being developed on Build Operate Transfer (BOT) basis. The authorised share capital of JSW Paradip is ₹ 10,000 lakhs and paid-up share capital of JSW Paradip is ₹ 6,001 lakhs.

Your Company holds 26% of the paid-up share capital of Paradip EQ and JSW Paradip and 74% of paid-up share capital is held by JSW Infrastructure Limited.

The report on performance of associate company is annexed as Annexure A to this report.

### 7. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits as required to be furnished in compliance with Chapter V of the Act is not applicable.

### 8. Material Changes and Commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

### 9. Significant and Material Orders Passed by Regulators or Courts or Tribunal

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

## 10. Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the notes of standalone financial statement.

## 11. Particulars of Contracts or Arrangement with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence provisions of Section 188 of the Companies Act, 2013 are not applicable.

All related party transactions which are in the ordinary course of business and on arm's length basis, of repetitive nature and proposed to be entered during the financial year are placed before the Audit Committee and the Board for prior approval at the commencement of the financial year and also annexed to this report as Annexure B in Form AOC-2.

The details of transactions/ contracts/ arrangements entered by the Company with related parties are set out in the Notes to the Financial Statements.

## 12. Disclosure Under Section 67(3) of The Companies Act, 2013

During the year under review, there were no special resolution passed pursuant to the provisions of Section 67(3) of the Companies Act, 2013 and hence no information as required pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

## 13. Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. K N Patel (DIN:00019414) retires by rotation at the ensuing AGM and being eligible offers himself for reappointment.

During the year under review, under the recommendation of Nomination & Remuneration Committee, Mr. Nirmal Kumar Jain (DIN: 00019442) was appointed as an Additional Director designated as Independent Director by the Board of Directors w.e.f. 30th October, 2018 subject to the shareholders approval at the ensuing Annual General Meeting.

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013

As disclosed above, there was no other change in the of the Company during the year.

## 14. Corporate Social Responsibility Initiative

The Company firmly believes that in order to be a responsible corporate citizen in its true sense, its role is much more than providing port services. As such, the Company aims to continuously foster inclusive growth and a value based empowered society. For this, the Company engages in such initiatives for the welfare of the society.

The Company continues to strengthen its relationship with the communities in the Direct Influence Zone (DIZ) of its location and beyond, through a meaningful and purposeful engagement, implementation of a range of programmes covering all important aspects of their lives from education, health and sanitation to skill development, livelihoods, environment and water management and augmenting arts and cultural heritage.

### Strategy

- The Company administers the planning and implementation of all the CSR interventions. It is guided by the CSR Committee appointed by the Board, which reviews the progress from time to time and provides guidance as necessary.
- Taking a note of the importance of synergy and interdependence at various levels, the CSR programmes are carried out directly as well as through strategic partnerships and in close coordination with the concerned Governments.
- Priority is given to the villages in the immediate vicinity of the location, in order to get maximum effectiveness.

### Thematic Areas

The Company has aligned its CSR programmes under education, health, nutrition, agriculture, environment & Water, Skill Enhancement. This helps the Company cover the following thematic interventions as per Schedule VII of the Companies Act, 2013:

## Director's Report (Contd.)

- Improving Living Conditions (Health Initiatives to mentally challenged and special children)
- Promoting Social Developments (Development of Anganwadis)
- Ensuring Environmental Sustainability
- Swachh Bharat Mission

As per the Companies Act, 2013, all Companies having net worth of ₹ 500 Crores or more, or turnover ₹ 1,000 Crores or more or a net profit of ₹ 5 crores or more during the financial year are required to spend 2% of the average net profit of their three immediately preceding financial years on CSR related activities. Accordingly, the Company was required to spend ₹ 137 lakhs towards CSR activities. Your Company has successfully spent ₹ 140 lakhs towards the CSR activities for FY 2018-19.

The disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure C.

### 15. Disclosures related to Board, Committees and Policies

#### a) Board Meetings

The Board of Directors comprised of the following members:

Name	Designation
Mr. N K Jain	Independent Director
Mr. K N Patel	Non-Executive Director
Ms. Ameeta Chatterjee	Independent Director
Mr. Gerard Da Cunha	Independent Director
Mr. Rashmi Ranjan Patra	Non-Executive Director
Mr. Naveen Kumar	Whole-time Director

The Board of Directors met four times during the financial year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

Sr. No.	Date of Board Meeting
1.	4th May, 2018
2.	31st July, 2018
3.	30th October, 2018
4.	8th February, 2019

#### b) Committees and Policies

##### 1. Audit Committee

The Audit Committee is comprised of four members as follows:

Name	Designation
Mr. K N Patel	Chairman
Mr. N K Jain	Member
Mr. Gerard Da Cunha	Member
Ms. Ameeta Chatterjee	Member

The Audit Committee met four times during the financial year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Audit Committee met during the financial year under review are as under:

Sr. No.	Date of Audit Committee Meeting
1.	4th May, 2018
2.	31st July, 2018
3.	30th October, 2018
4.	8th February, 2019

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

##### 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is comprised of three members as follows:

Name	Designation
Ms. Ameeta Chatterjee	Chairperson
Mr. N K Jain	Member
Mr. Gerard Da Cunha	Member

The Nomination and Remuneration Committee met two time during the financial year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Nomination and Remuneration Committee met during the financial year under review are as under:

Sr. No	Date of NRC Meeting
1.	4th May, 2018
2.	30th October, 2018

Your Company's Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, and pursuant to recommendation of Nomination and Remuneration Committee formulated the policy relating to appointment and remuneration for Directors, Key Managerial Personnel and other employees which is available on our website (<http://www.jsw.in/sites/default/files/assets/industry/infrastructure/southwest/Final%20Nomination%20Policy%20SWPL.pdf>). There has been no change in the policy since the last financial year.

### 3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is comprised of three members as follows:

Name	Designation
Ms. Ameeta Chatterjee	Chairperson
Mr. N K Jain	Member
Mr. Gerard Da Cunha	Member

The Corporate Social Responsibility Committee met two times during the financial year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Corporate Social Responsibility Committee met during the financial year under review are as under:

Sr. No	Date of CSR Committee Meeting
1.	4th May, 2018
2.	8th February, 2019

The CSR Policy of the Company is available on the Company's web-site and can be accessed at link ([http://www.jsw.in/sites/default/files/assets/industry/infrastructure/southwest/CSR\\_POLICY\\_SOUTH\\_WEST\\_PORT\\_LIMITED.pdf](http://www.jsw.in/sites/default/files/assets/industry/infrastructure/southwest/CSR_POLICY_SOUTH_WEST_PORT_LIMITED.pdf))

### 4. Whistle-Blower Policy (Vigil Mechanism) for the Directors and Employees

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle Blower Policy and Vigil Mechanism" ("the Policy").

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

This Policy has been framed with a view to *inter alia* provide a mechanism enabling stakeholders, including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

Naveen Kumar, Whole-time Director is designated as the Ethics Counsellor.

The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at the link [www.jsw.in](http://www.jsw.in)

### 5. Risk Management Policy

The Board of Directors of the Company has designed a Risk Management Policy.

The policy aims to ensure for Resilience for sustainable growth & sound corporate governance by having an identified process of risk identification and management in compliance with the provisions of the Companies Act, 2013.

Your Company follows the Committee of Sponsoring Organisations (COSO) framework of Enterprise Risk Management (ERM) to classify, communicate, respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability and ensure resilience such that -

a) Intended risks, like for growth, are taken prudently so as to plan for the best and be prepared for the worst through de-risking strategies clearly

## Director's Report (Contd.)

defined priorities across strategic purposes, consistent rationale for resource allocation, stress testing on what if kind of scenarios on critical factors even if source is indirect, probability is uncertain and impact is immeasurable, better anticipation, flexibility and due diligence.

- b) Execution of decided plans is handled with action focus.
- c) Unintended risks like related to performance, operations, compliance, systems, incident, process and transaction are avoided, mitigated, transferred (like in insurance), shared (like through sub-contracting) or probability, or impact thereof is reduced through tactical and executive management, code of conduct, competency building, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc. No threshold limits are defined as objective will be to do the best possible.
- d) Knowable unknown risks in fast changing Volatile, Uncertain, Complex and Ambiguous (VUCA) conditions are managed through timely sensitisation of markets trends, shifts and stakeholders sentiments.
- e) Adequate provision is made for not knowable unknown risks.
- f) Overall risk exposure of present and future risks remains within Risk capacity.

All risks including investment risks be reviewed in the Board of Directors' meeting and risks related to operations, compliances and systems be reviewed in detail in the Audit Committee.

### 16. Annual Evaluation of Directors, Committee and Board

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

Committee performance was evaluated on the basis of their effectiveness in carrying out respective mandates.

The performance evaluation of the Non-Independent Directors, the Board as a whole of the Company was carried out by the Independent Directors.

### 17. Internal Control Systems

#### Internal Control

A robust system of internal control and audit, commensurate with the size and nature of the business, forms an integral part of the Company's policies. Internal control systems are an integral part of the Company's corporate governance structure. A well-established multidisciplinary Management Audit & Assurance Services consists of qualified accountants, engineers and SAP experienced executives. They carry out extensive audits throughout the year, across all functional areas, and submit their reports to the Management and Audit Committee about compliance with internal controls and efficiency and effectiveness of operations, and key processes and risks. Some significant features of the internal control systems are:

- Adequate documentation of policies, guidelines, authority and approval procedures covering all the important functions of the Company
- Deployment of an ERP system which covers most of its operations and is supported by a defined on-line authorisation protocol
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems

- De-risking the Company's assets and resources as well as protecting them from any loss
- Ensuring the integrity of the accounting systems and proper and authorised recording and reporting of all transactions
- Preparation and monitoring of annual budgets for all operating and services' functions
- Ensuring reliability of all financial and operational information
- The Audit Committee of the Board of Directors, where Independent Directors comprise the majority, regularly reviews audit plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards
- A comprehensive Information Security Policy and continuous updation of IT Systems

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliances as well as an enhanced control consciousness.

### **Internal Audit**

The Company has an internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong internal audit department reporting to the Audit Committee comprising Independent Directors who are experts in their fields. The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps. The internal audit team has access to all information in the organisation which has been a largely facilitated by ERP implementation across the organisation.

### **18. Directors' Responsibility Statement**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts for the year under review, on a 'going concern' basis;
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **19. Auditors and Auditors Reports**

#### **a) Statutory Auditors**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2019 read with the explanatory notes therein are self explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs. Accordingly no resolution is to be proposed for ratification of the appointment of Auditors at the ensuing Annual General Meeting.

M/s. HPVS & Associates, Chartered Accountants, the Auditors of the Company, have been appointed by the shareholders at the 20th Annual General Meeting dated 29th July, 2017 until the conclusion of 25th Annual General Meeting. They have confirmed their eligibility to the effect that their appointment would be within the prescribed limits under the Act and that they are not disqualified for the continuance of their appointment.

#### **b) Secretarial Auditor and Secretarial Standards**

The Board had appointed M/s. Sunil Agarwal & Co., Company Secretaries to issue Secretarial Audit Report for the financial year 2018-19. Secretarial Audit Report issued by M/s. Sunil Agarwal & Co., Company Secretaries in Form MR-3 for the financial year 2018-19 forms part to this report. The said report does not contain any observation or qualification requiring

## Director's Report (Contd.)

explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and is annexed as Annexure D.

During the year, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### c) Cost Accounts and Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, your Board has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as the cost auditors to conduct the cost audit of the Company for the Financial year 2018-19, subject to ratification of the remuneration payable to the cost auditor by the shareholders to be done in the ensuing Annual General Meeting.

### 20. Extract of Annual Return

The extract of annual return in MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 for the year ended 31st March, 2019 is attached as Annexure E and is also available on the website of the Company at [www.jsw.in](http://www.jsw.in)

### 21. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are as under:

1. Part A and B of the Rules, pertaining to conservation of energy and technology absorption are not presently applicable.
2. In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 the

information relating to foreign exchange earnings and outgo is provided in the notes forming part of financial statements.

### 3. Foreign Exchange Earnings and Outgo:

Total foreign exchange used and earned during the year

	(₹ in lakhs)	
	FY 2018-19	FY 2017-18
Foreign Exchange earned	4,644.99	5,747.22
Foreign Exchange used	53.71	247.61

### 22. Environment & Pollution Control

In order to protect the environment in and around the Port premises / township, following activities have been undertaken:

1. Installation of Dust Suppression System: Since the Terminal is situated near to the city Limits of Vasco-da-gama, the Company has taken utmost care in controlling pollution by installing pressurised closed loop Aqua dyne Dust Suppression System with water sprinkling arrangement which ensures lowest pollution levels at all transfer points and stock yards. There is also an ambient air monitoring station installed very next to the storage area and Goa State Pollution Control Board records the data from this station. The Company is also taking additional steps for maintaining the air pollution at near-zero levels by covering the cargo with tarpaulins at all times. The Company has also erected wind-shields to control pollution.
2. The Company is following the practice of covering the loaded wagons with tarpaulin before dispatch.
3. The Company is conscious of the environmental sensitivity of Goa. It had planned and executed the project in such a way that the coal cargo is designed to be handled only by mechanical means. With successful implementation of mechanical handling systems supported by suitable dust suppression through multiple numbers of sprinklers; the Company has been able to maintain the target of reduced coal pollution in and around Port Area. The commissioning of in-motion wagon loading system will contribute immensely to pollution control.

4. The areas surrounding Berth Nos. 5A and 6A up to the gate are being continuously cleaned by a Dulevo (imported) make Road Sweeping Machine. Landscaping and greenery including tall trees, flower beds have been put in place on both sides of the Port approach road from the main gate and in the available open areas in the Port.
5. To further strengthen environment control measures, the Company will be exploring the possibility of installation of covered shed over the stockpiles.

### **23. Other Declaration**

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, the Company has complied with the provisions relating to constitution of "Internal

Complaints Committee" under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **24. Appreciation and Acknowledgements**

Your Directors would like to express their appreciation for the co-operation and assistance received from banks, financial institutions, vendors, customers and the shareholders.

Your Directors also wish to place on record their gratitude for the co-operation and guidance provided by Mormugao Port Trust, TAMP Authority, Ministry of Shipping, Ministry of Railways and the Government of Goa and other regulatory authorities.

Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees and officers for the progress of the Company.

### **For and on behalf of the Board of Directors**

**Place:** Mumbai  
**Date:** 8th May, 2019

**K N Patel**  
 Director  
 (DIN: 00019414)

**Naveen Kumar**  
 Whole-time Director  
 (DIN: 07099121)

## Annexure A

### Form AOC-1

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associate	Shares of Associate held by the Company on the year end		Description of how there is significant influence	Reason why the associate is not consolidated	Attributable to Shareholding as per latest audited Balance Sheet (₹ in lakhs)	Networth (₹ in lakhs)	Profit/Loss for the year (₹ in lakhs)
		Latest audited Balance Sheet Date	No. of Investment in Associate (₹)					
1.	JSW Paradip Terminal Private Limited	31st March, 2019	15,60,26,000	26	A	B	1,527.85	-
2.	Paradip East Quay Coal Terminal Pvt. Ltd.	31st March, 2019	16,90,26,000	26	A	B	2,042.66	-

Notes:

- A) There is significant influence due to % of holding in the networth of the Company.
- B) The Ministry of Corporate Affairs vide Notification No. G.S.R. 742(E) dated 27th July, 2016 notified the Companies (Accounts) Amendment Rules, 2016 ("Rules") as per which it has been provided that a company is not required to prepare consolidated financial statements if its holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards. As JSW Infrastructure Limited, holding company of the Company, files consolidated financial statements with the Registrar, the Company is not required to prepare consolidated financial statements as per the said Rules.

#### For and on behalf of the Board of Directors

**K N Patel**  
Director  
(DIN: 000119414)

**Naveen Kumar**  
Whole-time Director  
(DIN: 07099121)

**Gazal Qureshi**  
Company Secretary  
(M No. A16843)

**Place:** Mumbai  
**Date:** 8th May, 2019

**Brijmohan Mantri**  
Chief Financial Officer  
(PAN: AJPPM1778B)

## Annexure B

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2019 which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Date of Audit Committee/Board Approval	Amount paid as advance, if any	
<b>Nature of Contract</b>						
<b>Purchase of Services</b>						
JSW Infrastructure Limited	Holding Company	12 months	Cargo handling services	Approved by Audit committee of Board of Directors of the company on March 30, 2018	-	
JSW IP Holdings Private Limited	Others	12 months	Brand royalty fees		-	
<b>Sale of Services</b>						
JSW Jaigarh Port Limited	Fellow Subsidiary Company	12 months	Cargo Services Rendered		-	
JSW Steel Limited	Others	12 months	Cargo Services Rendered		-	
JSW Energy Limited	Others	12 months	Cargo Services Rendered		-	
<b>Lease Rental Income</b>						
JSW Jaigarh Port Limited	Fellow Subsidiary Company	36 months	Lease Rent		-	

\* Purchase of services is including service tax

\*\* All transaction are in ordinary course of business and at arm's length basis

**For and on behalf of the Board of Directors**

**Place:** Mumbai  
**Date:** 8th May, 2019

**K N Patel**  
 Director  
 (DIN: 00019414)

**Naveen Kumar**  
 Whole-time Director  
 (DIN: 07099121)

## Director's Report (Contd.)

### Annexure C

#### Annual Report on CSR Activities

A brief outline of the Company's policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and the programs and composition of CSR Committee.	Refer Section: Corporate Social Responsibility in this Report
The Composition of CSR Committee	Refer Section: Corporate Social Responsibility in this Report

Particulars	Amount (₹ In Lakhs)
Average net profit of the Company for last three financial years	6,828.00
Prescribed CSR Expenditure (2% of the average net profit)	137.00
Details of CSR Expenditure during the financial year:	
Total amount to be spent for the financial year	137.00
Amount Spent	140.00
Amount Unspent	-
Excess Spent	3.00

#### Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Locality	Amount Outlay	Amount Spent	Cumulative Expenditure	Amount Spent: Direct or through Implementing Agency
1	Promoting Health Care – Health facility to mentally challenged and special children	Improving Living Conditions	Mormugao and nearby villages	8.00	8.00	8.00	Implementing agency – Sethu
2	New water filters at 114 AWCs of our DIZ	Promoting Social Development	Sada, Bogada and other villages	1.50	1.50	1.50	Direct
3	Training aid, stationery aid, provision of helpers and Anganwadi worker at selected AWC	Promoting Social Development	2 DIZ villages	7.78	7.78	7.78	Direct
4	Educational activities- counselling sessions	Promoting Social Development	Mormugao, Sada and other villages	11.00	11.00	11.00	Direct
5	Educational activities at Laxman Rao mankar Smriti Sansthan,Nagpur	Promoting Social Development	25 villages of Nagpur	48.40	48.40	48.40	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Locality	Amount Outlay	Amount Spent	Cumulative Expenditure	Amount Spent: Direct or through Implementing Agency
6	Plantation and maintenance in the range of 6 kms of green strip at Goa Airport Highway Median, Vasco City Garden and Vaddem Park will ensure. Around 15,000 trees are being maintained	Addressing Environmental Issues	Vasco, Vadeem	38.83	38.83	38.83	Direct
7	80 tonnes garbage is being collected every year. 36,500 populations are benefitted. Mormugao Municipal Council is the partner for this initiative.	Swach Bharat Abhiyan	Mormugao	14.00	14.00	14.00	Direct
8	Awareness to the community	Swach Bharat Abhiyan	Mormugao, Sada and other 5 villages	6.00	6.00	6.00	Direct
9	Administration & Capacity Building Expenses	Admin & Capacity Building Expenses	For project implementation	4.49	4.49	4.49	Direct
<b>Total</b>				<b>140.00</b>	<b>140.00</b>	<b>140.00</b>	

### CSR Responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR Objectives.

### For and on behalf of the Board of Directors

**Place:** Mumbai  
**Date:** 8th May, 2019

**Ameeta Chatterjee**  
 Chairperson of CSR Committee  
 (DIN: 03010772)

**Naveen Kumar**  
 Whole-time Director  
 (DIN: 07099121)

## Director's Report (Contd.)

### Annexure D

#### FORM NO. MR-3

#### **Secretarial Audit Report for the Financial Year Ended 31st March, 2019**

**(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To,  
The Members of  
**South West Port Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by South West Port Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verifications of the Company's books, papers, minute books, forms and returns led and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns led and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Indian Ports Act, 1908
2. Land Policy for Major Ports, 2014
3. Major Port Trust Act, 1963
4. Guidelines for Regulation of Tariff at Major Ports Act, 2004 (TAMP Guidelines, 2004)
5. Policy for preventing Private Sector Monopoly in Major Ports, 2010
6. Inland Vessels Act, 1917
7. Indian Contract Act, 1872
8. Contract Labour (Regulation and Abolition) Act, 1970

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not Applicable to the Company).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings were taken unanimously wherever it was warranted.

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

I further report that during the audit period no major decision, specific events/actions occurred having a major bearing on the Company affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Sunil Agarwal & Co.**  
Company Secretaries

**Sunil Agarwal**  
(Proprietor)  
FCS No. 8706  
C.P. No. 3286

**Place:** Mumbai  
**Date:** 2nd May, 2019

## Director's Report (Contd.)

To,  
The Members  
**South West Port Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of account of the company. I relied on the statutory report provided by the Statutory Auditor as well as Internal Auditor of the company for the financial year ending 31st March, 2019.
4. I have obtained the management representation wherever required about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit reports neither an assurance as to the future liability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Sunil Agarwal & Co.**  
Company Secretaries

**Place:** Mumbai  
**Date:** 2nd May, 2019

**Sunil Agarwal**  
(Proprietor)  
FCS No. 8706  
C.P. No. 3286

# Annexure E

EXTRACT OF ANNUAL RETURN

**As on financial year ended on 31st March 2019**

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

## I. Registration and Other Details

CIN	: U45203GA1997PLC002369
Registration Date	: 26th June, 1997
Name of the Company	: South West Port Limited
Category / Sub-Category of the Company	: Public Limited
Address of the Registered office and contact details	: 1st Floor, Port Users Complex, Mormugao Harbour, Goa - 403 803
Whether listed company	: No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Fintech Private Limited Karvy Selenium, Tower- B, Plot No 31 & 32., Gachibowli Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, 500 032 Tel : 040-33211500, Fax : 040-23001153

## II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1	Port Services	501 - Sea and coastal water transport	100

## III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1.	JSW Paradip Terminal Private Limited	U74999MH2015PTC262561	Associate Company	26.00	Section 2(6)
2.	Paradip East Quay Coal Terminal Private Limited	U74999MH2016PTC280001	Associate Company	26.00	Section 2(6)

## Director's Report (Contd.)

### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

#### i. Category-Wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	-	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	4,15,79,998	46,20,002	4,62,00,000	100	4,15,79,998	46,20,002	4,62,00,000	100	0.00	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any other (Trust)	-	-	-	-	-	-	-	-	-	
<b>Sub-total(A)(1):</b>	<b>4,15,79,998</b>	<b>46,20,002</b>	<b>4,62,00,000</b>	<b>100</b>	<b>4,15,79,998</b>	<b>46,20,002</b>	<b>4,62,00,000</b>	<b>100</b>	<b>0.00</b>	
(2) Foreign										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	4,15,79,998	46,20,002	4,62,00,000	100	4,15,79,998	46,20,002	4,62,00,000	100	0.00	
<b>B. Public Shareholding</b>										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FII	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Trust)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)</b>	-	-	-	-	-	-	-	-	-
<b>(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,15,79,998</b>	<b>46,20,002</b>	<b>4,62,00,000</b>		<b>100</b>	<b>4,15,79,998</b>	<b>46,20,002</b>	<b>4,62,00,000</b>	<b>100</b>

Notes: 1) Bodies Corporate under the head "Promoters" holds shares along with its nominees

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
	<b>Total</b>	-	-	-	-	-	-	-

## Director's Report (Contd.)

### iii. Change In Promoters' Shareholding (Please Specify, If There Is No Change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>*Starlog Enterprises Limited</b>				
	At the beginning of the year	46,20,000	10.00	46,20,000	10.00
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	46,20,000	10.00	46,20,000	10.00
<b>2.</b>	<b>Dhamankhol Fintrade Private Limited</b>				
	At the beginning of the year	84,20,000	18.23	84,20,000	18.23
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	84,20,000	18.23	84,20,000	18.23
<b>3.</b>	<b>JSW Jaigarh Infrastructure Development Private Limited</b>				
	At the beginning of the year	1,10,00,000	23.81	1,10,00,000	23.81
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	1,10,00,000	23.81	1,10,00,000	23.81
<b>4.</b>	<b>Vanity Fintrade Private Limited</b>				
	At the beginning of the year	1,02,43,062	22.17	1,02,43,062	22.17
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	1,02,43,062	22.17	1,02,43,062	22.17
<b>5.</b>	<b>*Nalwa Fintrade Private Limited</b>				
	At the beginning of the year	45,24,938	9.79	45,24,938	9.79
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	45,24,938	9.79	45,24,938	9.79
<b>6.</b>	<b>Dhamankhol Engineering &amp; Construction Co. Private Limited</b>				
	At the beginning of the year	22,58,872	4.89	22,58,872	4.89
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	22,58,872	4.89	22,58,872	4.89
<b>7.</b>	<b>Tranquil Homes &amp; Holdings Private Limited</b>				
	At the beginning of the year	28,74,257	6.22	28,74,257	6.22
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	28,74,257	6.22	28,74,257	6.22
<b>8.</b>	<b>Nalwa Chrome Private Limited</b>				
	At the beginning of the year	22,58,871	4.89	22,58,871	4.89
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	22,58,871	4.89	22,58,871	4.89

\*Body Corporates hold shares along with its nominees.

**iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	-	-	-	-
	Purchase/Sale during the year	-	-	-	-
	At the End of the year	-	-	-	-

**v. Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	11,31,76,733.90	-	-	11,31,76,733.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21,31,280.82	-	-	21,31,280.82
<b>Total (i+ii+iii)</b>	<b>11,53,08,014.72</b>	-	-	<b>11,53,08,014.72</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction/Repayment	(11,53,08,014.72)	-	-	(11,53,08,014.72)
<b>Net Change</b>	<b>(11,53,08,014.72)</b>	-	-	<b>(11,53,08,014.72)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	-	-	<b>-</b>

## Director's Report (Contd.)

### VI. Remuneration of Directors and Key Managerial Personnel:

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	*Naveen Kumar (Whole-time Director)
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	77,98,537
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
<b>Total (A)</b>		<b>77,98,537</b>
Ceiling as per the Act		*NA

\* Mr. Naveen Kumar is in receipt of remuneration from JSW Infrastructure Limited, holding company of the Company. As there is no remuneration paid from the Company, ceiling as per the Act is not applicable.

#### B. Remuneration to Other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			<b>Total Amount</b>
		Mr. N K Jain	Mr. Gerard Da Cunha	Ms. Ameeta Chatterjee	
<b>1. Independent Directors</b>					
	• Fee for attending board / committee meetings	40,000	2,40,000	2,40,000	5,20,000
	• Commission	-	1,00,000	1,00,000	2,00,000
	• Others, please specify	-	-	-	-
<b>Total (1)</b>		<b>40,000</b>	<b>3,40,000</b>	<b>3,40,000</b>	<b>7,20,000</b>
<b>2. Other Non-Executive Directors</b>					
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
<b>Total (2)</b>		-	-	-	-
<b>Total (B)=(1+2)</b>		<b>40,000</b>	<b>3,40,000</b>	<b>3,40,000</b>	<b>7,20,000</b>
Total Managerial Remuneration					NA
Overall Ceiling as per the Act					NA

**C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		<b>Total</b>
		CS (Gazal Qureshi)	CFO (Mr. Brijmohan Mantri)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	20,21,229	21,29,392	41,50,621
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
<b>Total</b>		<b>20,21,229</b>	<b>21,29,392</b>	<b>41,50,621</b>

**VII. Penalties/ Punishment/ Compounding of Offences**

There were no Penalties/ Punishment/ Compounding of Offences during the year ended 31st March, 2019.

# Independent Auditors' Report

## To the Members of South West Port Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of South West Port Limited ("the Company"), which comprise the balance sheet as at March 31, 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 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, changes in equity and its cash flows for the year ended on that date.

#### 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.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion & Analysis and Business Responsibility 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 during the course of our 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.

#### Responsibilities of Management and Those Charged with Governance for the 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 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 judgements 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.

## 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 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.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## Independent Auditors' Report (Contd.)

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 (A) of the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section 16 of Section 197 of the Act, as amended:

The Company has not paid any remuneration to its directors during the year in accordance with the provisions of Section 197 of the Act.

**For HPVS & Associates**

Chartered Accountants

Firm Registration No.: 137533W

**Hitesh R. Khandhadia**

Partner

M. No. 158148

Place: Mumbai

Date: 8th May, 2019

## Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
1. (b) The Company has a program of verification of its fixed assets through which all the fixed assets are verified in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
1. (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting under the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable.
4. Based on information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 [except for sub-section(1)] are not applicable to it.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed thereunder.
6. The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

## Independent Auditors' Report (Contd.)

7. (a) According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of dues of income tax, duty of customs, duty of excise, value added tax and cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax liability	59.71	A.Y. 2011-12	ITAT – (remanded back to assessing officer)
		8.52	A.Y. 2012-13	CIT (A)
		1.95	A.Y. 2014-15	Rectification application filed to ITO
		8.23	A.Y. 2015-16	Rectification application filed to ITO

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the banks during the year. The Company has not taken any loan from a financial institution, government or by way of issue of debentures.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provision of clause 3(ix) of the Order is not applicable to the Company.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officer or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the whole-time director of the Company is holding place of profit in the Holding Company and remuneration is paid to him by the Holding Company. However, the Company has not paid/provided for any managerial remuneration during the year in accordance with the provisions of Section 197 read with Schedule V of the Act. Accordingly, the provision of clause 3(xi) of the Order is not applicable to the Company.

12. In our opinion, the Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

13. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, and hence, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Hence, reporting under paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

**For HPVS & Associates**

Chartered Accountants

Firm Registration No.: 137533W

**Hitesh R. Khandhadia**

Partner

M. No. 158148

Place: Mumbai

Date: 8th May, 2019

## Independent Auditors' Report (Contd.)

### **Annexure B to the Independent Auditors' Report of Even Date on the Financial Statements of South West Port Limited**

#### **Report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of South West Port Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, 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 over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at

March 31, 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.

**For HPVS & Associates**

Chartered Accountants

Firm Registration No.: 137533W

**Hitesh R. Khandhadia**

Partner

M. No. 158148

Place: Mumbai

Date: 8th May, 2019

# Balance Sheet

as at 31st March, 2019  
CIN: U45203GA1997PLC002369

Particulars	Note No.	(₹ in Lakhs)		
		As at 31st March, 2019	As at 31st March, 2018	
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	2	119.74	69.78	
Other intangible assets	3	33,745.38	36,616.59	
Intangible assets under development	4	172.75	961.11	
Financial assets				
Investments	5	3,313.44	2,013.44	
Others financial assets	6	4.62	4.21	
Other non-current assets	7	101.11	97.01	
Deferred tax assets (net)	15	3,117.15	3,286.62	
<b>Total Non-Current Assets</b>		<b>40,574.19</b>	<b>43,048.76</b>	
<b>Current Assets</b>				
Inventories	8	819.65	935.45	
Financial assets				
Investments	9	3,186.01	777.99	
Trade receivables	10	4,541.73	6,712.22	
Cash and cash equivalents	11	105.48	861.36	
Bank balances other than cash and cash equivalents	12	349.34	349.20	
Loans	13	16,877.53	15,233.78	
Others financial assets	14	2,077.20	2,444.04	
Current tax assets (Net)	15	240.54	-	
Other current assets	16	710.44	523.10	
<b>Total Current Assets</b>		<b>28,907.92</b>	<b>27,837.14</b>	
<b>Total Assets</b>		<b>69,482.11</b>	<b>70,885.90</b>	
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	17	4,620.00	4,620.00	
Other equity	18	57,063.17	55,191.61	
<b>Total Equity</b>		<b>61,683.17</b>	<b>59,811.61</b>	
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial liabilities				
Other financial liabilities	19	59.97	62.49	
Provisions	20	89.31	99.50	
Other non current liabilities	21	2,291.77	2,530.63	
<b>Total Non-Current Liabilities</b>		<b>2,441.05</b>	<b>2,692.62</b>	
<b>Current Liabilities</b>				
Financial liabilities				
Borrowings	22	-	1,131.77	
Trade payables	23	2,653.68	3,860.60	
Other financial liabilities	24	2,113.76	2,822.46	
Other current liabilities	25	558.80	391.51	
Provisions	26	31.65	35.69	
Current tax liabilities (net)	15	-	139.64	
<b>Total Current Liabilities</b>		<b>5,357.89</b>	<b>8,381.67</b>	
<b>Total Equity and Liabilities</b>		<b>69,482.11</b>	<b>70,885.90</b>	
<b>Significant accounting policies and key accounting estimates and judgements</b>				

The accompanying notes form an integral part of financial statements.

As per our attached report of even date

For and on behalf of the Board of Directors

**For H P V S & Associates**

Chartered Accountants  
Firm Registration No. 137533W

**Hitesh R Khandhadia**

Partner  
Membership No. 158148

**K N Patel**

Director  
DIN: 00019414

**Gazal Qureshi**

Company Secretary  
Membership No. A16843

**Naveen Kumar**

Whole-time Director  
DIN: 07099121

**Brijmohan Mantri**

Chief Financial Officer

Place: Mumbai

Date: 8th May, 2019

# Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in Lakhs) (Except EPS)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Income</b>			
Revenue from operations	27	17,090.54	27,892.93
Other income	28	2,576.96	3,564.87
<b>Total income (1)</b>		<b>19,667.50</b>	<b>31,457.80</b>
<b>Expenses</b>			
Operating expenses	29	10,946.79	17,636.80
Employee benefits expense	30	1,146.82	1,106.87
Finance costs	31	21.84	279.60
Depreciation and amortisation expense	32	3,574.58	3,785.76
Other expenses	33	1,150.83	1,075.57
<b>Total expenses (2)</b>		<b>16,840.86</b>	<b>23,884.60</b>
<b>Profit before tax (1-2)</b>		2,826.64	7,573.20
<b>Tax expense</b>			
Current tax	15	1,139.23	2,698.95
Deferred tax	15	(109.48)	(29.73)
<b>Profit for the year (3)</b>		<b>1,796.89</b>	<b>4,903.98</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of employee benefits expenses		17.45	8.57
Income tax relating to items that will not be reclassified to profit or loss		(6.10)	(2.99)
<b>Total other comprehensive income for the year (4)</b>		<b>11.35</b>	<b>5.57</b>
<b>Total comprehensive income for the year (3+4)</b>		<b>1,808.24</b>	<b>4,909.56</b>
<b>Earnings per equity share (₹)</b>			
(Face value of equity share of ₹ 10 each)			
<b>Basic (₹)</b>	52	3.89	10.61
<b>Diluted (₹)</b>	52	3.89	10.61
<b>Significant accounting policies and key accounting estimates and judgements</b>	1		

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For **H P V S & Associates**

Chartered Accountants

Firm Registration No. 137533W

**K N Patel**

Director

DIN: 00019414

**Naveen Kumar**

Whole-time Director

DIN: 07099121

**Hitesh R Khandhadia**

Partner

Membership No. 158148

**Gazal Qureshi**

Company Secretary

Membership No. A16843

**Brijmohan Mantri**

Chief Financial Officer

Place: Mumbai

Date: 8th May, 2019

# Statement of Changes in Equity

for the year ended 31st March, 2019

## A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance as at 1st April, 2018	Movement during the year	Balance as at 31st March, 2019
4,620.00	-	4,620.00
(₹ in Lakhs)		
Balance as at 1st April, 2017	Movement during the year	Balance as at 31st March, 2018
4,620.00	-	4,620.00

## B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Retained Earnings	ESOP Compensation Reserves	Other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
<b>Balance as at 1st April, 2018</b>	54,648.06	540.27	3.29	55,191.61
Profit for the year	1,796.89	-	-	1,796.89
Remeasurements gains on defined benefit plans	-	-	11.35	11.35
Additions/Transfer during the year	-	63.32	-	63.32
<b>Balance as at 31st March, 2019</b>	<b>56,444.95</b>	<b>603.58</b>	<b>14.64</b>	<b>57,063.17</b>

(₹ in Lakhs)

Particulars	Retained Earnings	ESOP Compensation Reserves	Other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at 1st April, 2017	49,155.26	1,381.79	(2.28)	50,534.77
Profit for the year	4,903.98	-	-	4,903.98
Remeasurements gains on defined benefit plans	-	-	5.57	5.57
Additions/Transfer during the year	588.82	(841.52)	-	(252.70)
<b>Balance as at 31st March, 2018</b>	<b>54,648.06</b>	<b>540.27</b>	<b>3.29</b>	<b>55,191.61</b>

As per our attached report of even date

For and on behalf of the Board of Directors

### For H P V S & Associates

Chartered Accountants  
Firm Registration No. 137533W

### Hitesh R Khandhadia

Partner  
Membership No. 158148

Place: Mumbai

Date: 8th May, 2019

### K N Patel

Director  
DIN: 00019414

### Gazal Qureshi

Company Secretary  
Membership No. A16843

### Naveen Kumar

Whole-time Director  
DIN: 07099121

### Brijmohan Mantri

Chief Financial Officer

# Statement of Cash Flows

for the year ended 31st March, 2019

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>[A] Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>2,826.64</b>	<b>7,573.20</b>
Adjustments for:		
Depreciation and amortisation expense	3,574.58	3,785.76
Allowance for doubtful debts and advances	21.84	279.60
Finance costs	63.32	(138.45)
Share based payment expenses	(1,884.13)	(1,399.18)
Interest income	(2.52)	(40.20)
Corp guarantee income	(238.86)	(238.86)
Profit on sale of investments (net)	(123.30)	(557.39)
Impact of fair valuation of mutual fund	(27.31)	(2.71)
(Profit)/ loss on sale of fixed assets (net)	1,128.33	(0.55)
<b>Operating profit before working capital changes</b>	<b>5,338.58</b>	<b>9,261.22</b>
Adjustments for:		
(Increase)/ decrease in trade and other receivables	2,569.30	(4,137.07)
(Increase)/ decrease in inventories	115.80	(230.19)
Increase/ (decrease) in trade and other payables	(1,899.72)	2,527.71
Increase/ (decrease) in provisions	(4.04)	108.77
	<b>781.34</b>	<b>(1,730.78)</b>
<b>Cash generated from operating activities</b>	<b>6,119.92</b>	<b>7,530.44</b>
Direct taxes paid	(490.00)	(1,040.00)
Non-controlling in loss	-	-
<b>Net cash generated from operating activities [A]</b>	<b>5,629.92</b>	<b>6,490.44</b>
<b>[B] Cash Flow from investing Activities</b>		
<b>Inflows</b>		
Sale of property, plant and equipment	-	0.55
Sale of current investments	19,816.60	43,853.84
Interest received	1,063.38	1,149.51
	<b>20,879.98</b>	<b>45,003.90</b>
<b>Outflows</b>		
Purchase of property, plant and equipment and intangible assets	1,093.31	4,298.45
Purchase of investments (net)	22,074.00	37,653.75
Investment in FD	0.14	22.00
Investment in associate companies	1,300.00	1,950.00
	<b>24,467.45</b>	<b>43,924.20</b>
<b>Net cash used in investing activities [B]</b>	<b>(3,587.47)</b>	<b>1,079.71</b>
<b>[C] Cash Flow from Financing Activities</b>		
<b>Inflows</b>		
Proceeds from short-term borrowings	-	1,101.62
	<b>-</b>	<b>1,101.62</b>
<b>Outflows</b>		
Repayments of short-term borrowings	1,131.77	8,502.73
Interest paid	22.81	194.97
Loan given	1,643.75	
	<b>2,798.33</b>	<b>8,697.70</b>
<b>Net cash generated from financing activities [C]</b>	<b>(2,798.33)</b>	<b>(7,596.08)</b>
<b>Net increase / (decrease) in cash and bank balances (A+B+C)</b>	<b>(755.89)</b>	<b>(25.93)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>861.36</b>	<b>887.29</b>
<b>Cash and cash equivalents at end of the year</b>	<b>105.48</b>	<b>861.36</b>

# Statement of Cash Flows

for the year ended 31st March, 2019

## Notes:

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flows.
- (b) Cash and cash equivalents comprises of

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	0.51	0.89
Balances with banks:		
In current accounts	104.97	56.36
Fixed deposits with banks with maturity less than 3 months	-	804.11
<b>Cash and cash equivalents in Statement of Cash Flows</b>	<b>105.48</b>	<b>861.36</b>

- (c) Amendment to IND AS 7

The amendments to IND AS 7 cash flow statements requires 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 a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	Cash Flows
	As at 31st March, 2019	
Short-term borrowings	1,131.77	(1,131.77)
<b>Total liabilities from financing activities</b>	<b>1,131.77</b>	<b>(1,131.77)</b>

The accompanying notes form an integral part of financial statements.

As per our attached report of even date

For and on behalf of the Board of Directors

**For H P V S & Associates**

Chartered Accountants  
Firm Registration No. 137533W

**K N Patel**

Director  
DIN: 00019414

**Naveen Kumar**

Whole-time Director  
DIN: 07099121

**Hitesh R Khandhadia**

Partner  
Membership No. 158148

**Gazal Qureshi**

Company Secretary  
Membership No. A16843

**Brijmohan Mantri**

Chief Financial Officer

Place: Mumbai

Date: 8th May, 2019

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Company Overview

South West Port Limited is a public limited company, domiciled in India and incorporated in under the provision of Companies Act applicable in India.

The Company is engaged in developing and operating mechanised modern ports at suitable locations over the country to support JSW Group in addition to catering to third party cargo handling requirement. Apart from this, the Company is also planning to undertake various logistic related activities like Shipping, Roads, Railways, Marine Infrastructures, etc.

## 1. Significant Accounting Policies and Key Accounting Estimates and Judgements

### 1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 1.2 Significant Accounting Policies

#### 1. Business Combination

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic

benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

#### 2. Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Goodwill is considered to have indefinite useful lives and hence is not subject to amortisation

# Notes to the Financial Statements

for the year ended 31st March, 2019

but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### 3. Property, Plant and Equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful life estimated by the management. The Identified components of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.

The Company has estimated the following useful lives to provide depreciation on its certain fixed assets based on assessment made by experts and management estimates.

Assets	Estimated useful lives
Building	5-28 Years
Plant and Machinery	2-18 Years
Office equipment	3-20 Years
Computer equipment	3-6 Years
Furniture and fixtures	10-15 Years
Vehicles	8-10 Years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Freehold land is not depreciated and Leasehold land is amortised over the period of lease. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

### 4. Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful lives of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortisation methods and useful lives are reviewed periodically including at each financial year end.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## **Port concession rights arising from Service**

### **Concession/Sub-Concession**

The Company recognises port concession rights as "Intangible Assets" arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, even if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Company as part of the service concession arrangement. The Company acts as the operator in such arrangement. Such an intangible asset is recognised by the Company at cost which is fair value of the consideration received or receivable for the construction services delivered and is capitalised when the project is complete in all respects and the Company receives the completion certificate from the authorities as specified in the concession agreement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with Appendix A of Ind AS 11 'Service Concession Arrangement'.

These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss when the assets is de-recognised.

The estimated period of port concession arrangement ranges within a period of 25-30 years.

### **5. Impairment of Property, plant and equipment and intangible assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated

in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of revaluation reserve.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### **6. Cash and Cash Equivalents**

Cash and short-term deposits in the Balance Sheet comprise cash at banks, cheque on hand, short-term deposits with a maturity of three

# Notes to the Financial Statements

for the year ended 31st March, 2019

months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

## 7. Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 8. Leases

Assets given/taken on lease in which a significant portion of the risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Lease payment/income made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the Payments/Receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

### Company as lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the assets is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Lease are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## 9. Investment in subsidiaries, associates

Investment in subsidiaries, associates are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

## 10. Fair Value Measurement

The Company measures financial instruments at fair value in accordance with accounting policies

# Notes to the Financial Statements

for the year ended 31st March, 2019

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:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of asset or a liability is measured using the assumptions that market participants would use in pricing the asset or liability, assuming that market participant act in their economic best interest.

A fair value measurement of a non-financing asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 11. Financial Instruments

For assets and liabilities that are recognised in the Balance Sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Investments and other financial assets:

#### Classification

The Company classifies its financial assets in the following measurement categories:

- i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- ii) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets

# Notes to the Financial Statements

for the year ended 31st March, 2019

are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

### **Subsequent measurement**

After initial recognition, financial assets are measured at:

- i) fair value (either through other comprehensive income or through profit or loss) or,
- ii) amortised cost

### **Debt instruments**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

**Measured at fair value through other comprehensive income (FVTOCI):** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses,

if any are recognised in the Statement of Profit and Loss.

### **Gains or Losses on De-recognition**

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

### **Measured at fair value through profit or loss (FVTPL):**

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

### **Gains or Losses on De-recognition**

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

### **De-recognition**

A financial asset is de-recognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised.

# Notes to the Financial Statements

for the year ended 31st March, 2019

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount

equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision

# Notes to the Financial Statements

for the year ended 31st March, 2019

matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

## **Income recognition**

### **Effective Interest Method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the 'Other income' line item.

## **b) Financial liabilities & Equity Instruments**

### **Equity Instruments**

The Company subsequently measures all investments in equity instruments at fair value. The Management of the Company has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Financial liabilities**

Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

Subsequent measurement Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### **De-recognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes

which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

## 12. Provisions, Contingent liabilities, Contingent assets and Commitments

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# Notes to the Financial Statements

for the year ended 31st March, 2019

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

## 13. Earnings per Equity Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 14. Taxes

Tax expense comprises current and deferred income tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax [including Minimum Alternate Tax (MAT)] is measured at the amount expected to be paid to the tax

authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Current income tax relating to items recognise outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underline transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions where appropriate.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax relating to items recognised outside the statement of profit and loss are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income taxes are not provided on the undistributed earnings of Company where it

# Notes to the Financial Statements

for the year ended 31st March, 2019

is expected that the earnings of the Company will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

The Company is eligible and claiming tax deduction available under Section 80IA of Income Tax Act, 1961 for a period of 10 years w.e.f. FY 2007-08. The Company is eligible for tax deduction available under Section 80IA of the Income Tax Act, 1961 for a period of 10 years out of eligible period of 15 years. In view of the Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognised in respect of temporary difference, which reverses after the tax holiday period in the year in which the temporary difference originates and no deferred tax (assets or liabilities) is recognised in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax the temporary difference which originates first are considered to reverse first.

The Company recognises tax credit in the nature of Minimum Alternative Tax (MAT) credit as assets only to the extent that there is sufficient taxable temporary difference/ convincing evidence that Company will pay normal income tax during the specified period, i.e. the period for which tax credit is allowed to be carried forward. In the year in which Company recognises tax credits as an asset, the said assets are created by way of tax credit to the statement of profit and loss. The Company reviews the such tax credit assets at each reporting date and rights down the asset to the extent the company does not have sufficient taxable temporary difference/convincing evidence that it will pay normal tax during the specified period. Deferred Tax credit includes MAT tax credit.

## 15. Foreign Currency Translation

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign currency borrowing is a long-term foreign currency monetary item which is re-measured at each period end date at the exchange rate.

## 16. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

## 17. Employee Benefits

### Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### Post-employment Benefits

Payments to defined contribution schemes are recognised as an expense when employees have rendered the service entitling them to the contribution. The cost of providing benefits under the defined benefit scheme is determined using

# Notes to the Financial Statements

for the year ended 31st March, 2019

the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme for all applicable employees.

## **Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments is recognised in net profit in the Statement of Profit and Loss.

## **Provident fund**

Eligible employees of Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

## **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost

of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

## **Stock based compensation**

The compensation cost of the stock options granted to employees is calculated using the Fair value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

## **18. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of the when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from port operations services/multi-modal service including cargo handling and storage are recognised on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognised for the quantity that is difference between annual agreed tonnage and actual quantity of cargo handled.

Income from fixed price contract – Revenue from infrastructure development project/services under fixed price contract. Where there is no uncertainty as to measurement or collectability of consideration is recognised based on milestones reached under the contract.

## **19. Other Income**

Other income is comprised primarily of interest income, mutual fund income, exchange gain/loss. All debts instrument measured either at amortised cost or at fair value through other

# Notes to the Financial Statements

for the year ended 31st March, 2019

comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate exactly discounts the estimated cash payments or receipt over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of financial liability. When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Mutual fund is recognised at fair value through Profit and Loss.

## 20. **Inventory**

Consumables, construction materials and stores and spares are valued at lower of cost and net realisable value. Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for. Cost is determined by the weighted average cost method.

## 21. **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets. Borrowing costs are capitalised as part of the cost of such asset up to the date when the asset is ready for its intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 22. **Government Grant**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of profit

and loss over the expected useful lives of the assets concerned.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## 23. **Segment Reporting**

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

## 24. **Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

## 1.3 **Recent Accounting Pronouncements**

### **Standards issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, *Revenue from Contract with Customers*, Appendix B to Ind AS 21, *Foreign Currency Translations and Advance Consideration* and amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the company from 1st April, 2018. The Company will be adopting these amendments from their effective date.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## a) Ind AS 115, *Revenue from Contract with Customers:*

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The principles of Ind AS 115 is that an entity should recognise revenue that demonstrate the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with the recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

## b) Appendix B to Ind AS 21, *Foreign Currency Translations and Advance Consideration:*

The Appendix clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiply payment or receipts in advance, then an entity must determine transaction date for each payment or receipt of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

### Other amendments

Following amendments to other Ind ASs which are issued but are not effective in FY 2018-19.

a) Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112.

b) Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice.

The impact of the above amendment on the financial statements, as assessed by the Company, is expected to be not material.

## 1.4 Key accounting estimates and Judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its lives. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Impairment of investments in subsidiaries and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines,

# Notes to the Financial Statements

for the year ended 31st March, 2019

discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

## Taxes

The Company has tax jurisdiction at India, significant judgements are involved in determining the provision for income taxes.

## Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making

various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

As per our attached report of even date

### For **H P V S & Associates**

Chartered Accountants  
Firm Registration No. 137533W

### **Hitesh R Khandhadia**

Partner  
Membership No. 158148

Place: Mumbai

Date: 8th May, 2019

For and on behalf of the Board of Directors

### **K N Patel**

Director  
DIN: 00019414

### **Naveen Kumar**

Whole-time Director  
DIN: 07099121

### **Gazal Qureshi**

Company Secretary  
Membership No. A16843

### **Brijmohan Mantri**

Chief Financial Officer

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 2: Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	" Office equipments "	Computers	Vehicles	Total
<b>Cost:</b>					
<b>As at 1st April, 2017</b>	14.02	60.78	14.45	28.64	117.89
Additions	-	3.00	1.95	-	4.95
Disposals/transfers	-	-	-	-	-
Less: translation adjustments	-	-	-	-	-
<b>As at 31st March, 2018</b>	<b>14.02</b>	<b>63.78</b>	<b>16.40</b>	<b>28.64</b>	<b>122.84</b>
Additions	-	69.40	6.50	-	75.90
Disposals/transfers	-	4.01	-	-	4.01
Less: translation adjustments	-	-	-	-	-
<b>As at 31st March, 2019</b>	<b>14.02</b>	<b>129.17</b>	<b>22.90</b>	<b>28.64</b>	<b>194.73</b>
<b>Accumulated Depreciation:</b>					
<b>As at 1st April, 2017</b>	-	19.67	12.82	3.03	35.52
Depreciation charge for the year	-	12.44	1.53	3.57	17.54
Disposals/transfers	-	-	-	-	-
Less: translation adjustments	-	-	-	-	-
<b>As at 31st March, 2018</b>	<b>-</b>	<b>32.11</b>	<b>14.35</b>	<b>6.60</b>	<b>53.06</b>
Depreciation charge for the year	-	21.56	0.60	3.57	25.73
Disposals/transfers	-	3.80	-	-	3.80
Less: translation adjustments	-	-	-	-	-
<b>As at 31st March, 2019</b>	<b>-</b>	<b>49.87</b>	<b>14.95</b>	<b>10.18</b>	<b>74.99</b>
Net book value					
<b>As at 1st April, 2017</b>	<b>14.02</b>	<b>41.11</b>	<b>1.63</b>	<b>25.61</b>	<b>82.38</b>
<b>As at 31st March, 2018</b>	<b>14.02</b>	<b>31.67</b>	<b>2.05</b>	<b>22.04</b>	<b>69.78</b>
<b>As at 31st March, 2019</b>	<b>14.02</b>	<b>79.30</b>	<b>7.96</b>	<b>18.47</b>	<b>119.74</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 3: Other Intangible Assets

(₹ in Lakhs)

Particulars	Port infrastructure rights (Refer Note 1.2.4)				Computer Software	Total
	Buildings	Plant and Machinery	Furniture and Fittings			
<b>Cost:</b>						
<b>As at 1st April, 2017</b>	<b>13,851.44</b>	<b>28,201.51</b>	<b>32.90</b>	<b>91.42</b>	<b>42,177.27</b>	
Additions	-	3,761.15	2.67	0.63	3,764.45	
Disposals /transfers	-	-	-	-	-	
Add/Less: translation adjustments	-	-	-	-	-	
<b>As at 31st March, 2018</b>	<b>13,851.44</b>	<b>31,962.66</b>	<b>35.57</b>	<b>92.05</b>	<b>45,941.72</b>	
Additions	179.27	479.30	0.95	29.37	688.89	
Disposals /transfers	3.15	32.11	-	-	35.26	
<b>Impairment of goodwill</b>	-	-	-	-	-	
<b>Impairment of intangible asset under development</b>	-	-	-	-	-	
Add/Less: translation adjustments	-	-	-	-	-	
<b>As at 31st March, 2019</b>	<b>14,027.56</b>	<b>32,409.85</b>	<b>36.52</b>	<b>121.42</b>	<b>46,595.35</b>	
Accumulated amortisation:						
<b>As at 1st April, 2017</b>	<b>1,955.20</b>	<b>3,522.05</b>	<b>8.52</b>	<b>71.13</b>	<b>5,556.90</b>	
Amortisation charge for the year	986.06	2,762.96	4.02	15.19	3,768.23	
<b>Disposals/transfers</b>						-
Add/Less: translation adjustments	-	-	-	-	-	
<b>As at 31st March, 2018</b>	<b>2,941.26</b>	<b>6,285.01</b>	<b>12.54</b>	<b>86.32</b>	<b>9,325.13</b>	
Amortisation charge for the year	981.68	2,558.80	3.73	4.64	3,548.85	
<b>Disposals /transfers</b>	2.55	21.46	-	-	24.02	
<b>As at 31st March, 2019</b>	<b>3,920.39</b>	<b>8,822.35</b>	<b>16.27</b>	<b>90.95</b>	<b>12,849.96</b>	
Net book value:						
<b>As at 1st April, 2017</b>	<b>11,896.24</b>	<b>24,679.46</b>	<b>24.38</b>	<b>20.29</b>	<b>36,620.37</b>	
<b>As at 31st March, 2018</b>	<b>10,910.18</b>	<b>25,677.65</b>	<b>23.03</b>	<b>5.73</b>	<b>36,616.59</b>	
<b>As at 31st March, 2019</b>	<b>10,107.17</b>	<b>23,587.50</b>	<b>20.26</b>	<b>30.47</b>	<b>33,745.38</b>	

\* Refer note 22 for the details in respect of certain intangible assets hypothecated/mortgaged as security for borrowings.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 4: Intangible Assets Under Development

Particulars	(₹ in Lakhs)
<b>Cost:</b>	
<b>As at 1st April, 2017</b>	530.88
Additions	4,293.49
Disposals /transfers	3,863.26
Add/Less: translation adjustments	-
<b>As at 31st March, 2018</b>	<b>961.11</b>
Additions	328.52
Disposals /transfers	1,116.88
Impairment of goodwill	-
Impairment of intangible asset under development	-
Add/Less: translation adjustments	-
<b>As at 31st March, 2019</b>	<b>172.75</b>
<b>Accumulated amortisation:</b>	
<b>As at 1st April, 2017</b>	-
Amortisation charge for the year	-
Disposals /transfers	-
Add/Less: translation adjustments	-
<b>As at 31st March, 2018</b>	<b>-</b>
Amortisation charge for the year	-
Disposals /transfers	-
<b>As at 31st March, 2019</b>	<b>-</b>
Net book value:	
<b>As at 1st April, 2017</b>	<b>530.88</b>
<b>As at 31st March, 2018</b>	<b>961.11</b>
<b>As at 31st March, 2019</b>	<b>172.75</b>

## Note 5: Non-Current Financial Assets - Investments

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Investment in Equity Instruments</b>		
<b>Unquoted</b>		
<b>Associates (At cost)</b>		
JSW Paradip Terminal Private Limited	1,560.26	650.26
1,56,02,600 Equity shares of ₹ 10/- each (PY 65,02,600 Equity shares of ₹ 10/- each)		
Paradip East Quay Coal Terminal Private Limited	1,690.26	1,300.26
1,69,02,600 Equity shares of ₹ 10/- each (PY 1,30,02,600 Equity shares of ₹ 10/- each)		
Corporate Guarantee Issued on behalf of JSW Paradip Terminal Private Limited	62.92	62.92
	<b>3,313.44</b>	<b>2,013.44</b>
Aggregate amount of carrying value of unquoted investments	3,313.44	2,013.44
Aggregate amount of impairment in value of investments	-	-

## Note 6: Non-Current Financial Assets - Others

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
Security deposits		
Security deposits	4.62	4.21
	<b>4.62</b>	<b>4.21</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 7: Non-Current Assets – Others

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered Good</b>		
Capital advances	-	4.48
Security deposits	101.11	92.53
	<b>101.11</b>	<b>97.01</b>

## Note 8: Inventories

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Inventories (At lower of cost or net realisable value)</b>		
Stores, spares and packing materials	819.65	935.45
	<b>819.65</b>	<b>935.45</b>

Cost of inventory recognised as an expense for the year ended March 31, 2019 ₹ 326.27 lakhs (PY ₹ 672.93 lakhs).

## Note 9: Current Financial Assets – Investments

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Investment measured at fair value through profit and loss		
In mutual funds (Quoted)	<b>3,186.01</b>	<b>777.99</b>
<b>Aggregate amount of Quoted investments</b>		
Book value	3,158.70	775.28
Market value	3,186.01	777.99

## Note 10: Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
a) Secured, considered good	-	-
b) Unsecured, considered good	4,541.73	6,712.22
c) Unsecured, considered doubtful	1.81	1.81
	<b>4,543.54</b>	<b>6,714.03</b>
Less: Allowance for unsecured doubtful debts	1.81	1.81
	<b>4,541.73</b>	<b>6,712.22</b>

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Ageing of receivables that are past due

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Within the credit period	3,508.00	2,632.74
31-60 days	495.98	1,622.00
61-90 days	112.65	585.34
91-180 days	412.61	1,827.45
181-365 days	12.49	44.68
	<b>4,541.73</b>	<b>6,712.21</b>

The credit period on rendering of services ranges from 1 to 30 days with or without security.

## Note 11: Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
<b>Balances with banks:</b>		
In current accounts	104.97	56.36
In term deposits with maturity less than 3 months at inception	-	804.11
Cash on hand	0.51	0.89
	<b>105.48</b>	<b>861.36</b>

## Note 12: Bank Balances Other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
In term deposits with maturity more than 3 months but less than 12 months at inception	349.34	349.20
	<b>349.34</b>	<b>349.20</b>

## Note 13: Current Financial Assets - Loans

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
<b>Unsecured, Considered Good</b>		
Loans to related parties (Refer note 42)*	14,376.88	12,732.78
Loans to others	2,500.00	2,500.00
Advances to employees	0.65	1.00
	<b>16,877.53</b>	<b>15,233.78</b>

\* for business purpose

## Note 14: Current Financial Assets - Others

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
<b>Unsecured, considered good</b>		
Security deposits	10.29	10.29
Interest receivable	1,867.95	1,047.20
Other receivables	-	560.01
From related parties (Refer note 42)	198.96	826.54
From others		
	<b>2,077.20</b>	<b>2,444.04</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 15: Taxation

Income tax related to items charged or credited directly to profit or loss during the year:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current income tax	1,139.23	2,698.95
Tax (credit) under Minimum Alternative Tax	-	-
Current Tax (a)	1,139.23	2,698.95
Deferred Tax (b)	(109.48)	(29.73)
<b>Total Expenses reported in the statement of profit and Loss (a+b)</b>	<b>1,029.75</b>	<b>2,669.22</b>

## Income Tax expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Reconciliation</b>		
Profit before tax	<b>2,826.64</b>	<b>7,573.20</b>
Enacted tax rate in India	34.94%	34.61%
Expected income tax expense at statutory tax rate	987.74	2,620.93
Expenses not deductible in determining taxable profit	159.90	93.88
Tax allowances and concession	(4.97)	(18.07)
Other temporary differences	(112.93)	(27.52)
Tax expense for the year	<b>1,029.75</b>	<b>2,669.22</b>
Effective income tax rate	<b>36.43%</b>	<b>35.25%</b>
<b>MAT Credit</b>		
Book Profit	2,826.64	7,573.20
Adjustment due to Ind AS	1,176.42	1,240.59
MAT Rate	21.55%	21.34%
MAT Liability (115JB)	1,139.23	2,698.95
MAT Credit entitlement	-	-
Current tax	<b>1,139.23</b>	<b>2,698.95</b>

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 34).

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	Balance Sheet		Recognised in statement of profit or loss		Recognised in/reclassified from other comprehensive income	
	As at 31st March, 2019	As at 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018 "
Expenses allowable on payment basis	(2.52)	57.87	(60.39)	(10.60)	-	-
Other items giving rise to temporary differences		-		(6,533.59)	-	-
Accelerated depreciation for tax purposes	(9,743.61)	(10,074.49)	330.88	(9,207.65)	-	-
Fair valuation of property, plant and equipment (PP&E)	(27.31)	(2.71)	(24.60)	15,972.30	-	-
Provisions for employee benefit	3.22	(3.14)	-	-	(6.10)	(2.99)
Deferred tax asset / (liability)	(3,413.71)	(3,517.10)	109.48	29.73	-	-
<b>Net (income)/expense</b>			<b>109.48</b>	<b>29.73</b>	<b>(6.10)</b>	<b>(2.99)</b>

## Reconciliation of deferred tax assets / (liabilities) net

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Opening balance as of 1st April, 2018	(3,517.10)	(3,543.84)
Tax income / (expense) during the period recognised in profit or loss	109.48	29.73
Income tax relating to items that will not be reclassified to profit or loss from OCI	(6.10)	(2.99)
<b>Closing balance</b>	<b>(3,413.71)</b>	<b>(3,517.10)</b>

## Movement in MAT credit entitlement

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Balance at the beginning of the year	6,803.72	7,630.39
Add: MAT credit entitlement availed during the year	-	-
Less: MAT credit utilised during the year	(272.86)	(826.67)
<b>Balance at the end of the year</b>	<b>6,530.86</b>	<b>6,803.72</b>

## Note 16: Other Current Assets

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
<b>Unsecured, considered good</b>		
Advance to suppliers	30.88	41.10
Prepaid expenses	164.02	161.70
Balance with government authorities	260.39	194.32
Indirects tax balances/ receivables/ credits	255.15	125.98
<b>710.44</b>	<b>523.10</b>	

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 17: Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Authorised:</b>		
4,70,00,000 Equity shares of ₹10 each	4,700.00	4,700.00
2,00,00,000 Preference shares of ₹10 each	2,000.00	2,000.00
	<b>6,700.00</b>	<b>6,700.00</b>
<b>Issued, Subscribed and Paid-up:</b>		
4,62,00,000 Equity shares of ₹ 10 each, fully paid-up	4,620.00	4,620.00
	<b>4,620.00</b>	<b>4,620.00</b>

### (a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

(₹ in Lakhs)

Issued Subscribed and paid up share capital	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amounts	No. of Shares	Amounts
Balance at the beginning of the year	4,62,00,000	4,620.00	4,62,00,000	4,620.00
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	<b>4,62,00,000</b>	<b>4,620.00</b>	<b>4,62,00,000</b>	<b>4,620.00</b>

### (b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e. equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (c) Details of shares held by holding companies and fellow subsidiaries

(₹ in Lakhs)

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amounts	No. of Shares	Amounts
1. Starlog Enterprises Limited (Previously known as ABG Infralogistics Limited) along with its nominee shareholders	46,20,000	462.00	46,20,000	462.00
2. Dhamankhol Fintrade Private Limited	84,20,000	842.00	84,20,000	842.00
3. JSW Jaigarh Infrastructure Development Private Limited	1,10,00,000	1,100.00	1,10,00,000	1,100.00
4. Nalwa Fintrade Private Limited along with its nominee shareholders	45,24,938	452.49	45,24,938	452.49
5. Vanity Fintrade Private Limited	1,02,43,062	1,024.31	1,02,43,062	1,024.31
6. Tranquil Homes And Holdings Private Limited	28,74,257	287.42	28,74,257	287.42
7. Dhaman Khol Engineering & Construction Private Limited	22,58,872	225.89	22,58,872	225.89
8. Nalwa Chrome Private Limited	22,58,871	225.89	22,58,871	225.89
<b>Total</b>	<b>4,62,00,000</b>	<b>4,620.00</b>	<b>4,62,00,000</b>	<b>4,620.00</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## (d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% Holdings in the Lakhs	No. of Shares	% Holdings in the Lakhs
1. Starlog Enterprises Limited (Previously known as ABG Infraclogistics Limited) along with its nominee shareholders	46,20,000	10.00	46,20,000	10.00
2. Dhamankhol Fintrade Private Limited	84,20,000	18.23	84,20,000	18.23
3. JSW Jaigarh Infrastructure Development Private Limited	1,10,00,000	23.81	1,10,00,000	23.81
4. Nalwa Fintrade Private Limited along with its nominee shareholders	45,24,938	9.79	45,24,938	9.79
5. Vanity Fintrade Private Limited	1,02,43,062	22.17	1,02,43,062	22.17
6. Tranquil Homes And Holdings Private Limited	28,74,257	6.22	28,74,257	6.22
<b>Total</b>	<b>4,16,82,257</b>	<b>90.22</b>	<b>4,16,82,257</b>	<b>90.22</b>

## Note 18: Other Equity

Particulars	(₹ in Lakhs)			
	Retained Earnings	ESOP Compensation Reserves	Other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at 1st April, 2018	54,648.06	540.27	3.29	55,191.61
Profit for the year	1,796.89	-	-	1,796.89
Other comprehensive income for the year	-	-	-	-
Remeasurements gains on defined benefit plans	-	-	11.35	11.35
Additions / Transfer during the year	-	63.32	-	63.32
<b>Balance as at 31st March, 2019</b>	<b>56,444.95</b>	<b>603.58</b>	<b>14.64</b>	<b>57,063.17</b>

Particulars	(₹ in Lakhs)			
	Retained Earnings	ESOP Compensation Reserves	Other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at 1st April, 2017	49,155.26	1,381.79	(2.28)	50,534.77
Profit for the year	4,903.98	-	-	4,903.98
Other comprehensive income for the year	-	-	-	-
Remeasurements gains on defined benefit plans	-	-	5.57	5.57
Additions / Transfer during the year	588.82	(841.52)	-	(252.70)
<b>Balance as at 31st March, 2018</b>	<b>54,648.06</b>	<b>540.27</b>	<b>3.29</b>	<b>55,191.61</b>

## Note 19: Non-Current Financial Liabilities - Others

Particulars	As at 31st March, 2019		As at 31st March, 2018
Corporate Guarantee	59.97	62.49	
	<b>59.97</b>	<b>62.49</b>	

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 20: Non-Current Provisions

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Provision for gratuity (Refer Note No 43)	13.97	14.54
Provision for leave encashment	75.34	84.96
	<b>89.31</b>	<b>99.50</b>

## Note 21: Non-Current Liabilities – Others

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Export obligation deferred income	2,291.77	2,530.63
	<b>2,291.77</b>	<b>2,530.63</b>

## Note 22: Current Financial Liabilities – Borrowings

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Secured loans</b>		
Buyer's Credit	-	1,131.77
(Company had availed buyers credit facility from Axis Bank amounting to USD 17,40,000 at interest rate of 1.9882% against hypothecation of movable fixed assets of the company which is repayable on demand)		
	-	<b>1,131.77</b>

## Note 23: Current Financial Liabilities – Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Due to Micro, Small and Medium Enterprises (Refer Note No 23.1)	9.80	2.59
Due to others	2,643.88	3,858.01
	<b>2,653.68</b>	<b>3,860.60</b>

Payables other than acceptances are normally settled within 1 to 180 days

## Note 23.1: Details of Dues to Micro, Small and Medium Enterprises as Defined Under the MSMED Act, 2006

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro, small and medium enterprises	9.80	2.59
Interest due on above	-	-
	<b>9.80</b>	<b>2.59</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note: 24: Current – Other Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Payables for capital projects	-	613.03
Interest accrued but not due on borrowing	-	21.31
Security deposit	68.10	66.73
Employee dues	175.97	160.26
Other payables	1,869.69	1,961.13
	<b>2,113.76</b>	<b>2,822.46</b>

## Note 25: Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Advances from customers	37.86	33.07
Export obligation deferred income	238.86	238.86
Statutory liabilities	282.08	119.58
	<b>558.80</b>	<b>391.51</b>

## Note 26: Short-Term Provisions

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Provision for gratuity (Refer Note No. 43)	24.84	27.97
Provision for leave encashment	6.81	7.72
	<b>31.65</b>	<b>35.69</b>

## NOTE 27: REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cargo handling income	9,618.78	18,544.11
Berth hire income	4,701.94	7,819.55
Storage income	2,348.26	1,219.76
Other port service income	421.56	309.51
	<b>17,090.54</b>	<b>27,892.93</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 28: Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest income	1,884.13	1,399.18
Gain on sale of investments (net)	123.30	557.39
Fair Valuation of mutual fund	27.31	2.71
Exchange gain (net)	-	347.81
Sale of Scrap	115.51	152.66
Profit on sale of fixed assets	-	0.55
Gain on fair valuation of guarantee	2.52	40.20
SEIS income	185.33	824.68
Export obligation deferred income amortisation	238.86	238.86
Miscellaneous income	0.00	0.83
	<b>2,576.96</b>	<b>3,564.87</b>

## Note 29: Operating Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cargo handling expenses	6,761.29	11,408.33
Fuel expenses	242.02	326.77
Repair and maintenance	313.46	328.07
Power	492.71	741.19
Stores and spares consumed	326.26	672.93
Royalty to Mormugao Port Trust	2,154.16	3,554.06
Licence fee to Mormugao Port Trust	656.89	605.45
	<b>10,946.79</b>	<b>17,636.80</b>

## Note 30: Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, wages and bonus	964.86	1,115.06
Contributions to provident funds and other funds	52.87	57.36
Gratuity expense (Refer Note No. 43)	16.55	17.92
ESOP expenses (Refer Note No. 44)	63.32	(138.45)
Staff welfare expenses	49.22	54.98
	<b>1,146.82</b>	<b>1,106.87</b>

## Note 31: Finance Costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on buyer's credit	1.50	182.39
Foreign exchange loss on buyers credit	12.41	40.98
Other finance costs	7.93	56.23
	<b>21.84</b>	<b>279.60</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 32: Depreciation and Amortisation Expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	25.73	116.35
Depreciation on tangible assets	25.73	116.35
Amortisation on intangible assets	3,548.85	3,669.41
	<b>3,574.58</b>	<b>3,785.76</b>

## Note 33: Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	30.08	11.35
Rates & taxes	30.08	11.35
Rent	128.10	41.19
Insurance	130.08	117.54
Legal, professional & consultancy charges	225.49	209.52
Vehicle hiring & maintenance	21.90	30.19
Security charges	68.56	84.74
CSR expenses (refer note no. 40)	140.01	138.00
Directors sitting fees	7.20	7.60
Remuneration to auditors (refer note no. 35)	9.15	8.56
Loss on sale of fixed assets	11.45	-
Business support services	163.50	205.17
General office expenses and overheads	215.31	221.71
	<b>1,150.83</b>	<b>1,075.57</b>

## Note 34: Contingent Liabilities and Commitments

### A. Contingent Liabilities (to the extent not provided for):

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Bank guarantee given to:</b>		
Customs for bonded storage facility	400.00	400.00
Paradip Port Trust	605.00	605.00
Electricity dept Goa	104.25	975.00
Mormugao Port Trust	125.92	125.92
Commissioner of Customs	887.51	887.51
Goa State Pollution Control Board	105.00	5.00
Demand raised by Mormugao Port Trust towards capital dredging of an approach channel at Berth No. 5A & 6A	846.20	846.20
Disputed income tax liability in respect of Assessment Year 2011-12	59.71	46.30
Disputed Income tax liability in respect of Assessment Year 2012-13	8.52	8.52
Disputed income tax liability in respect of Assessment Year 2014-15	1.95	1.95
Disputed income tax liability in respect of Assessment Year 2015-16	8.23	8.23
	<b>3,152.29</b>	<b>3,909.63</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## B. Commitments: (net of advances)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	113.96	165.02
<b>Other commitments</b>		
The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to	11,156.29	15,801.28

## Note 35: Payment to Auditors (exclusive of service tax /GST)

Nature of transaction/relationship	(₹ in Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Statutory Audit fees	8.75	8.50
Tax Audit fees	-	-
Out of pocket expenses	0.35	0.06
Others	0.05	-
	<b>9.15</b>	<b>8.56</b>

## Note 36: Imported and Indigenous Raw Materials, Components and Spare Parts Consumed

Name of the Shareholder	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	% of total consumptions	Value	% of total consumptions	Value
<b>Spare parts</b>				
Imported	0.54	3.10	0.03	0.29
Indigenous	99.47	575.83	99.97	1,042.83
	<b>100.00</b>	<b>578.92</b>	<b>100.00</b>	<b>1,043.13</b>

## Note 37: Value of Imports Calculated on CIF Basis

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Components and spare parts	53.71	-
Capital goods	-	218.10
	<b>53.71</b>	<b>218.10</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 38: Expenditure in Foreign Currency (Accrual Basis)

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
Professional and technical services	-	29.51
Capital goods	-	218.10
	<b>-</b>	<b>247.61</b>

## Note 39: Earnings in Foreign Currency

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
Berth hire income (including service tax/GST)	4,644.99	5,747.22
	<b>4,644.99</b>	<b>5,747.22</b>

## Note 40: Corporate Social Responsibility (CSR)

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
Amount required to be spent as per Section 135 of the Act	140.01	138.00
Amount spent during the year on :		
(i) Construction / acquisition of an asset	-	-
(ii) On purchase other than (i) above	140.01	138.00
	<b>140.01</b>	<b>138.00</b>

## Note 41: Segment Reporting

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 42: Disclosures as Required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures

### List of related parties

Name of the related party	Nature of relation
JSW Infrastructure Limited	Ultimate Holding Company
JSW Jaigarh Port Limited	Fellow Subsidiary Company
Dharmatar Port Private Limited	Fellow Subsidiary Company
JSW IP Holdings Private Limited	Other related party
JSW Steel Limited	Other related party
JSW Steel Coated Products Limited	Other related party
JSW Energy Limited	Other related party
JSW Foundation	Other related party
JSW Paradip Terminal Private Limited	Associate
Paradip East Quay Coal Terminal Private Limited	Associate
Nirmal Kumar Jain	Independent Director
Kantilal Narandas Patel	Non-Executive Director
Gerard Earnest Paul Da Cunha	Independent Director
Ameeta Chatterjee	Independent Director
Rashmi Ranjan Patra	Non-Executive Director
Naveen Kumar	Whole-time Director
Gazal Qureshi	Company Secretary
Brijmohan Mantri	Chief Financial Officer

### Key management personnel:

### Designation

Naveen Kumar	Whole Time Director
Gazal Qureshi	Company Secretary
Brijmohan Mantri	Chief Financial Officer

### The following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Lakhs)

Nature of transaction/relationship	For the year ended	
	31st March, 2019	31st March, 2018
<b>Purchase of services</b>		
Other Related Parties		
JSW Infrastructure Ltd.	6,151.03	11,378.47
JSW IP Holdings Pvt. Ltd.	14.73	34.78
JSW Foundation	0.06	-
<b>Total</b>	<b>6,165.82</b>	<b>11,413.25</b>
<b>Sales of services</b>		
JSW Steel Ltd.	11,622.86	18,275.66
JSW Steel Coated Products Limited	-	6.11
JSW Energy Limited	375.84	1,482.26
JSW Jaigarh Port Ltd.	649.24	2,804.56
<b>Total</b>	<b>12,647.94</b>	<b>22,568.59</b>
<b>Investments (equity infusion)</b>		
JSW Paradip Terminal Pvt. Ltd.	910.00	650.00
Paradip East Quay Coal Terminal Private Limited	390.00	1,300.00
<b>Total</b>	<b>1,300.00</b>	<b>1,950.00</b>
<b>Loan given</b>		
JSW Paradip Terminal Pvt. Ltd.	1,134.00	3,532.00
Paradip East Quay Coal Terminal Private Limited	510.00	3,221.80
<b>Total</b>	<b>1,644.00</b>	<b>6,753.80</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

Nature of transaction/relationship	(₹ in Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Rent received</b>		
JSW Jaigarh Port Limited	300.00	300.00
<b>Total</b>	<b>300.00</b>	<b>300.00</b>
<b>Interest income on ICD</b>		
<b>Other related party</b>		
JSW Jaigarh Port Limited	544.50	537.37
JSW Dharamtar Port Pvt. Ltd.	-	48.35
JSW Paradip Terminal Pvt. Ltd.	400.15	231.89
Paradip East Quay Coal Terminal Private Limited	350.68	119.13
<b>Total</b>	<b>1,295.33</b>	<b>936.74</b>
<b>Other income</b>		
JSW Paradip Terminal Private Limited	2.52	0.43
<b>Total</b>	<b>2.52</b>	<b>0.43</b>
<b>Reimbursement of expenses incurred on our behalf</b>		
JSW Infrastructure Ltd.	166.87	284.19
JSW Jaigarh Port Limited	-	12.66
<b>Total</b>	<b>166.87</b>	<b>296.85</b>
<b>Reimbursement of expenses incurred on other's behalf</b>		
JSW Paradip Terminal Pvt. Ltd.	-	33.28
<b>Total</b>	<b>-</b>	<b>33.28</b>
<b>Compensation to key management personnel</b>		
Short-term employee benefits	43.22	41.52
Post employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payment	-	-
	<b>43.22</b>	<b>41.52</b>

- (1) As future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
- (2) The Company has accrued ₹ 3.43 lakhs (FY 2017-18: ₹ 14.04 lakhs) in respect of employee stock options granted to key managerial personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Amount due to / from related parties

(₹ in Lakhs)

Nature of transaction/relationship	As at 31st March, 2019	As at 31st March, 2019
<b>Accounts Payable</b>		
Other Related Parties		
JSW Infrastructure Ltd.	1,885.84	3,551.84
	<b>1,885.84</b>	<b>3,551.84</b>
<b>Accounts Receivable</b>		
JSW Steel Ltd.	4,001.91	3,745.61
JSW Steel Coated Products Limited	7.14	7.20
JSW Energy Ltd.	117.01	124.01
JSW Jaigarh Port Limited	126.61	2,324.09
	<b>4,252.67</b>	<b>6,200.92</b>
<b>Amount due to / from related parties</b>		
Loans and advances receivables Other Related Party		
JSW Jaigarh Port Limited	5,500.00	5,500.00
JSW Paradip Terminal Pvt. Ltd.	4,666.00	3,532.00
Paradip East Quay Coal Terminal Private Limited	3,731.80	3,221.80
South West Port Employees Welfare Trust	375.68	375.58
JSW Infrastructure Employees Welfare Trust	103.40	103.40
	<b>14,376.88</b>	<b>12,732.78</b>
<b>Investments (equity infusion)</b>		
JSW Paradip Terminal Pvt. Ltd.	1,560.26	650.26
Paradip East Quay Coal Terminal Private Limited	1,690.26	1,300.26
<b>Total</b>	<b>3,250.52</b>	<b>1,950.52</b>
<b>Guarantee issued</b>		
Paradip East Quay Coal Terminal Private Limited	59.97	62.49
<b>Total</b>	<b>59.97</b>	<b>62.49</b>
(Guarantees provided to the lenders of the associates are for availing term loans and working capital facilities from the lender banks)		
<b>Interest receivable from related party</b>		
JSW Jaigarh Port Limited	490.05	570.05
JSW Dharamtar Port Pvt. Ltd.	-	-
JSW Paradip Terminal Pvt. Ltd.	581.68	221.55
Paradip East Quay Coal Terminal Private Limited	346.22	30.61
	<b>1,417.95</b>	<b>822.20</b>

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

\* The above figures do not include provision for gratuity and leave encashment as the same is not determined.

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 43: Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits

### (a) Defined contribution plans:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Benefits (contribution to):		
Provident fund	37.82	42.51
Superannuation fund	-	-
Employee state insurance scheme	0.14	0.05
	<b>37.96</b>	<b>42.56</b>

### (b) Defined benefit plans:

#### Gratuity (funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days' salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. The Company makes annual contributions to the Life Insurance Corporation, which is funded defined benefit plan for qualifying employees.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

#### Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.

#### Interest Risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

#### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

# Notes to the Financial Statements

for the year ended 31st March, 2019

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	Gratuity		(₹ in Lakhs)
	For the year ended 31st March, 2019	For the year ended 31st March, 2019	
	(Funded)	(Funded)	
<b>Change in present value of defined benefit obligation during the year</b>			
Present value of benefit obligation at the beginning of the period	140.73	137.05	
Interest cost	10.95	9.87	
Current service cost	13.24	14.14	
Benefit paid from the fund	(1.42)	(11.15)	
Actuarial (gains)/losses on obligations - Due to change in financial assumptions	(0.08)	(5.65)	
Actuarial (gains)/losses on obligations - Due to experience	(18.39)	(3.53)	
Present value of benefit obligation at the end of the period	145.03	140.73	
<b>Change in fair value of plan assets during the year</b>			
Fair Value of Plan Assets at the Beginning of the Period	98.23	84.56	
Interest Income	7.64	6.09	
Contributions by the Employer	2.79	19.34	
Benefit paid from the fund	(1.42)	(11.15)	
Return on Plan Assets, Excluding Interest Income	(1.02)	(0.61)	
Fair Value of Plan Assets at the End of the Period	106.22	98.23	
<b>Net asset / (liability) recognised in the balance sheet</b>			
(Present value of benefit obligation at the end of the period)	(145.03)	(140.74)	
Fair value of plan assets at the end of the period	106.22	98.23	
Funded status (surplus/ (deficit))	(38.81)	(42.51)	
Net (liability)/asset recognised in the balance sheet	(38.81)	(42.51)	
<b>Expenses recognised in the statement of profit and loss for the year</b>			
Current service cost	13.24	14.14	
Net interest cost	3.31	3.78	
Past service cost	-	-	
(Gains)/losses on curtailments and settlements	-	-	
<b>Total expenses included in employee benefits expense</b>	<b>16.55</b>	<b>17.92</b>	
<b>Recognised in other comprehensive income for the year</b>			
Actuarial (gains)/losses on obligation for the period	(18.47)	(9.18)	
Return on plan assets, excluding interest income	1.02	0.61	
<b>Net (income)/expense for the period recognised in OCI</b>	<b>(17.45)</b>	<b>(8.57)</b>	
<b>Maturity profile of defined benefit obligation</b>			
Within the next 12 months (next annual reporting period)	4.03	3.82	
Between 2 and 5 years	98.50	87.04	
Between 6 and 10 years	20.82	40.08	
11 years and above	141.84	142.69	
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>			
Projected benefit obligation on current assumptions	145.03	140.73	
One percentage point increase in discount rate	(7.95)	(8.84)	
One percentage point decrease in discount rate	9.00	10.01	
One percentage point increase in rate of salary Increase	9.08	10.08	
One percentage point decrease in rate of salary Increase	(8.14)	(9.05)	
One percentage point increase in employee turnover rate	0.98	1.03	
One percentage point decrease in employee turnover rate	(1.10)	(1.16)	

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

# Notes to the Financial Statements

for the year ended 31st March, 2019

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior period.

(₹ in Lakhs)

Particulars	Gratuity	
	For the year ended 31st March, 2019	For the year ended 31st March, 2019
	(Funded)	(Funded)
<b>Actuarial assumptions</b>		
Expected return on plan assets	7.79%	7.78%
Rate of discounting	7.79%	7.78%
Rate of salary increase	6.00%	6.00%
Rate of employee turnover	2.00%	2.00%
Mortality rate during employment	2006-08	2006-08
Mortality post retirement rate	N.A.	N.A.
<b>Other details</b>		
No of active members	50.00	67.00

## Experience adjustments

(₹ in Lakhs)

Particulars	Current Year	2017-18	2016-17	2015-16	2014-15
Defined benefit obligation	145.03	140.74	137.05	115.45	89.9
Plan assets	106.22	98.23	84.56	77.34	69.70
Surplus / (deficit)	(38.81)	(42.51)	(52.49)	(38.11)	(20.20)
Experience adjustments on plan liabilities - loss / (gain)	18.39	3.53	10.12	10.12	16.20
Experience Adjustments on plan assets - loss / (gain)	1.02	0.61	0.99	0.99	1.60

**The Company expects to contribute ₹ 24.84 lakhs (previous year ₹ 27.92 lakhs) to its gratuity plan for the next year.**

## Compensated absences

Assumptions used in accounting for compensated absences

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of unfunded obligation (₹ in lakhs)	82.15	92.69
Expense recognised in statement of profit and loss (₹ in lakhs)	10.45	4.51
Discount rate (p.a.)	7.79%	7.78%
Salary escalation rate (p.a.)	6.00%	6.00%

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Provident Fund

The Company makes contribution towards provident fund which is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company has obtained actuary valuation and based on the below provided assumption there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

## Note 44: Employee Stock Option Plan (ESOP)

The board of directors of JSW Infrastructure Limited approved the Employee Stock Option Plan 2016 on March 23, 2016 for issue of stock options to the employee of the Company and its subsidiaries. According to ESOP plans, the employee selected by the ESOP committee from time to time will be entitled to option based upon the CTC/fixed pay, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grant are as follows:

Particulars	ESOP plan 2016		
	First grant	Second grant	Third grant
	13th June, 2016	17th May, 2017	3rd July, 2018
Vesting period	1 year	3.5 years	3.5 years
Exercise period	1 year	1 year	1 year
Expected life	5.5 years	5.63 years	5 years
Weighted average Exercise price on the date of grant	₹ 897	₹ 996	₹ 869
Weighted average fair value as on grant date	₹ 516.82	₹ 685.00	₹ 585.02

Particulars	ESOP plan 2016		
	First grant	Second grant	Third grant
	13th June, 2016	17th May, 2017	3rd July, 2018
Options granted	46,622	37,186	46,338
Option vested	36,630	22,900	28,267
Options exercised	-	-	-
Options lapsed	8,444	14,286	18,071
Transfer arising from transfer of employees within group companies	(1,548)	-	-
Options bought-out during the year	-	-	-
<b>Total number of options outstanding</b>	<b>36,630</b>	<b>22,900</b>	<b>28,267</b>

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹ 10 each.

The following table exhibits the net compensation expenses arising from share based payment transaction:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Expense arising from equity settled share based payment transactions	63.32	(138.45)

# Notes to the Financial Statements

for the year ended 31st March, 2019

For options granted under ESOP 2016 Scheme, the weighted average fair values have been determined using the Black Scholes Option Pricing Model considering the following parameters:

(₹ in Lakhs)

Particulars	ESOP plan 2016		
	First grant	Second grant	Third grant
<b>Grant Date</b>	<b>13th June, 2016</b>	<b>17th May, 2017</b>	<b>3rd July, 2018</b>
Weighted average share price on the date of grant	₹ 997	₹ 1,245	₹ 1,086
Weighted average Exercise price on the date of grant	₹ 897	₹ 996	₹ 869
Expected volatility (%)	38.33%	37.71%	37.09%
Expected life of the option (years)	5.5 years	5.63 years	5 years
Expected dividends (%)	0%	0%	0%
Risk-free interest rate (%)	7.43%	6.98%	7.97%
Weighted average fair value as on grant date	₹ 516.82	₹ 685.00	₹ 585.02

The activity in the ESOP Plans for equity-settled share based payment transactions during the year ended March 31, 2019 is set out below:

(₹ in Lakhs)

Particulars	ESOP plan 2016		
	First grant	Second grant	Third grant
<b>Grant Date</b>	<b>13th June, 2016</b>	<b>17th May, 2017</b>	<b>3rd July, 2018</b>
Oustanding as at 1st April, 2017	39,140	-	-
Granted during the year	-	37,186	-
Forfeited during the year	962	-	-
Exercised during the year	-	-	-
Transfer arising from transfer of employees within group companies	-	-	-
Bought-out during the year			
Oustanding as at 31st March, 2018	<b>38,178</b>	<b>37,186</b>	-
Granted during the year	-	-	46,338
Forfeited during the year	-	14,286	18,071
Exercised during the year	-	-	-
Transfer arising from transfer of employees within group companies	(1,548)	-	-
Bought-out during the year	-	-	-
Oustanding as at 31st March, 2019	<b>36,630</b>	<b>22,900</b>	<b>28,267</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Note 45: Financial Instruments – Accounting Classifications and Fair Value Measurements

### Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

Particulars	₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Short-term borrowings	-	1,131.77
Less: Cash and cash equivalent	-	861.36
Less: Bank balances other than cash and cash equivalents	-	349.20
Less: Current investments	-	777.99
<b>Net debt</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>61,683.17</b>	<b>59,811.61</b>
Gearing ratio	-	-

- (i) Equity includes all capital and reserves of the Company that are managed as capital.
- (ii) Debt is defined as long and short-term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 20.

### Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Carrying Amount		Fair Value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Financial assets at amortised cost: (Level 3)</b>				
Trade receivables	4,541.73	6,712.22	4,541.73	6,712.22
Others financial assets (Non-current)	4.62	4.21	4.62	4.21
Loans (current)	16,877.53	15,233.78	16,877.53	15,233.78
Others financial assets (current)	2,077.20	2,444.04	2,077.20	2,444.04
Investments (Non-current)	3,313.44	2,013.44	3,313.44	2,013.44
Cash and bank balances	105.48	861.36	105.48	861.36
Bank deposit	349.34	349.20	349.34	349.20
	<b>27,269.34</b>	<b>27,618.25</b>	<b>27,269.34</b>	<b>27,618.25</b>
<b>Financial assets at fair value through profit or loss: (Level 1)</b>				
Investments	3,186.01	777.99	3,186.01	777.99
	<b>3,186.01</b>	<b>777.99</b>	<b>3,186.01</b>	<b>777.99</b>
<b>Financial liabilities at amortised cost: (Level 3)</b>				
Borrowings (current)	-	1,131.77	-	1,131.77
Trade and other payables	2,653.68	3,860.60	2,653.68	3,860.60
Other financial liabilities (current)	2,113.76	2,822.46	2,113.76	2,822.46
	<b>4,767.44</b>	<b>7,814.83</b>	<b>4,767.44</b>	<b>7,814.83</b>

# Notes to the Financial Statements

for the year ended 31st March, 2019

## Fair Value Hierarchy

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices or indirectly (i.e. derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

## Note 46: Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk. The Company forecast is to foresee the unpredictability of the financial markets and to seek to minimise potential adverse effects on its financial performance.

### Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

### Foreign currency risk management:

The Company operates only in domestic market.

Foreign currency exposure	USD In Lakhs		₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Buyers Credit	-	17.73	-	1,153.08
Trade Payables for capital goods	-	9.70	-	630.93

Foreign currency sensitivity 1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

Particulars	For the year ended 31st March 2019		For the year ended 31st March 2018	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD (₹)	-	-	65.69	64.39
Increase/ (decrease) in profit or loss (₹ in lakhs)	-	-	(17.84)	(65.69)

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

### The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Floating rate borrowings	-	1,131.77
Fixed rate borrowings	-	-

# Notes to the Financial Statements

for the year ended 31st March, 2019

**A change of 25 basis points in interest rates would have following impact on profit before tax.**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
25 bp increase - Decrease in profit	-	(2.83)
25 bp decrease - Increase in profit	-	2.83

## Credit risk management:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 4,541.73 lakhs and ₹ 6,712.21 lakhs as of March 31, 2019 and March 31, 2018, respectively. The Company has its major revenue from group companies, revenue from third party majorly consist of Berth Hire charges for which credit risk is not perceived as credit is not allowed to third party customers.

The following table gives details in respect of percentage of revenues generated from Group companies and others:

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	% of total revenue	% of total revenue	% of total revenue	% of total revenue
Revenue from group companies	12,647.94	74.01	22,868.59	81.99
Revenue from third parties	4,442.60	25.99	5,024.34	18.01
	<b>17,090.54</b>	<b>100.00</b>	<b>27,892.93</b>	<b>100.00</b>

## Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was ₹ 1.81 lakhs and ₹ 1.81 lakhs respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units with high credit rating mutual funds.

## Liquidity risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As of March 31, 2019, the Company had a working capital of ₹ 23,550.03 lakhs, As of March 31, 2018, the Company had a working capital of ₹ 19,455.47 lakhs. The Company is confident of managing its financial obligation through short-term borrowing and liquidity management.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

As at 31st March, 2019	Less than one year	1 to 5 years	> 5 years	Total
	-	-	-	
Borrowings (current)	-	-	-	-
Trade Payables	2,653.68	-	-	2,653.68
Other financial liabilities	2,113.76	59.97	-	2,173.73

# Notes to the Financial Statements

for the year ended 31st March, 2019

	(₹ in Lakhs)			
	Less than one year	1 to 5 years	> 5 years	Total
As at 31st March, 2018				
Borrowings (current)	1,131.77	-	-	1,131.77
Trade Payables	3,860.60	-	-	3,860.60
Other financial liabilities	2,822.46	62.49	-	2,884.95

## Collateral

The Company has pledged its ship unloader in order to fulfill its collateral requirement for the buyers credit.

## Note 47: Pursuant to Ind AS-17 – Leases, the following Information is Disclosed:

### I. Assets taken on operating lease

- (i) The Company has taken assets of Port Premises on operating lease. The lease rentals are payable by the Company on an annual basis.
- (ii) Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not Later than 1 year	672.97	643.59
Later than 1 year and not later than 5 years	2,791.51	2,714.73
Later than 5 years	5,354.74	6,104.49
<b>8,819.22</b>	<b>9,462.81</b>	

### II. Assets given on operating lease

- (i) The Company has given mobile harbour crane on operating lease. The lease rentals are receivable by the company on a monthly basis.
- (ii) Lease rental recognised as an income in the period

Particulars	As at 31st March, 2019	As at 31st March, 2018
Mobile harbour crane on operating lease	300.00	300.00
<b>300.00</b>	<b>300.00</b>	

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gross carrying amount of assets	3,312.16	3,312.16
Accumulated depreciation	1,108.94	843.78
Depreciation for the year	265.16	281.26

**Note 48:** The Company was charged a levy (CHLD Charges) by The Mormugao Port Trust, since November, 2007 for not using the labour of Cargo Handling Labour Department (CHLD) for loading and unloading at the time of use of Ship's Gear at the Berth/s 5A and 6A. The Company had contested this levy with a sole Arbitrator. The sole Arbitrator vide his order dated 8th November, 2014 has given the award in favour of the Company and asked the Mormugao Port Trust to refund the entire CHLD collected till date of the order along with interest of 9% per annum. However, the Mormugao Port Trust has preferred an appeal against the order of the Arbitrator with the District Court, Goa under Section 34 of the Arbitration and Conciliation Act, 1996. The Mormugao Port Trust had deposited ₹ 6,08,18,067/- being the amount contested with the Hon'ble District Court. The Company had filed an application to the Hon'ble District Court for withdrawal of the amount deposited by the Port

# Notes to the Financial Statements

for the year ended 31st March, 2019

Trust. The Hon'ble District Court had issued an Order accepting the request of the company, based on an undertaking and Bank Guarantee given by company to return the same along with Interest @ 9%, in case, final decision goes in favour of the Mormugao Port Trust. The Company has received an amount of ₹ 6.08 crores from the Hon'ble District Court based on the conditions specified, during the year.

**Note 49:** South West Port Limited (SWPL) had received a Consent to Operate (CTO) valid till March 31, 2020 vide order no. 12/2019-PCB/95781/R000719 dated 01/04/2019.

**Note 50:** In the opinion of the management the current assets, loans and advances (including capital advances) have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

**Note 51:** The Company is yet to receive balance confirmation in respect of certain sundry creditors, advances and debtors. The management does not expect any material difference affecting the current years financial statements due to the same.

## Note 52: Disclosures as Required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Earnings per share has been computed as under		
Profit for the year (₹)	17,96,88,812.87	49,03,98,161.18
Face Value of Equity Shares (₹)	10.00	10.00
Weighted average number of equity shares outstanding	4,62,00,000.00	4,62,00,000.00
<b>Earnings per equity share</b>		
<b>Basic (₹)</b>	3.89	10.61
<b>Diluted (₹)</b>	3.89	10.61

**Note 53:** The additional information pursuant to Schedule III of Companies Act, 2013 is either NIL or Not Applicable.

**Note 54:** Previous year's figures have been reclassified and regrouped wherever necessary to confirm with the current year classification.

As per our attached report of even date

For and on behalf of the Board of Directors

### For H P V S & Associates

Chartered Accountants

Firm Registration No. 137533W

### K N Patel

Director

DIN: 00019414

### Naveen Kumar

Whole-time Director

DIN: 07099121

### Hitesh R Khandhadia

Partner

Membership No. 158148

### Gazal Qureshi

Company Secretary

Membership No. A16843

### Brijmohan Mantri

Chief Financial Officer

Place: Mumbai

Date: 8th May, 2019

## Route Map



**1st Floor, Port Users Complex,  
Mormugao Harbour,  
Goa - 403 803.**

# Financial Highlights

Particulars	2014-15	2015-16	2016-17	2017-18	in Millions <b>2018-19</b>
	As per I GAAP	As per Ind As	As per Ind As	As per Ind As	<b>As per Ind As</b>
Throughput (MMT)	9.12	11.03	11.77	10.62	5.25
Operating Income	2,180.49	2,417.14	3,021.50	2,789.29	1,709.05
Other Income	180.77	165.28	185.85	356.49	257.70
Total Income	2,361.26	2,582.42	3,207.35	3,145.78	1,966.75
EBIDTA	836.27	761.52	1,123.50	1,163.86	642.31
Depreciation	116.37	250.91	318.23	378.58	357.46
Interest	1.25	0.88	23.97	27.96	2.18
PBT	718.65	509.73	781.30	757.32	282.66
Tax	49.76	24.51	143.14	266.92	102.97
PAT	668.90	485.22	638.16	490.40	179.69
Other Comprehensive Income	-	-0.26	0.03	0.56	1.14
Total Comprehensive Income	668.90	484.96	638.19	490.96	180.82
EPS (in Rupees)	14.48	10.50	13.81	10.61	3.89
Shares in issue (nos)	4,62,00,000.00	4,62,00,000.00	4,62,00,000.00	4,62,00,000.00	4,62,00,000.00

Particulars	2014-15	2015-16	2016-17	2017-18	in Millions <b>2018-19</b>
<b>CAPITAL ACCOUNTS</b>					
Gross Block	3,305.97	2,867.21	4,229.52	4,606.46	4,679.01
Net Block	2,125.88	2,626.09	3,670.27	3,668.64	3,386.51
Capital Work in Progress	25.20	71.37	53.09	96.11	17.28
Total Debt	-	-	853.29	113.18	-
Equity Capital	462.00	462.00	462.00	462.00	462.00
Reserves & Surplus	3,433.59	4,370.54	5,053.48	5,519.16	5,706.32
Shareholders' Funds	3,895.59	4,832.54	5,515.48	5,981.16	6,168.32

RATIOS	2014-15	2015-16	2016-17	2017-18	in Millions <b>2018-19</b>
<b>Profitability Ratios</b>					
Operating Profit Margin	38.35%	31.51%	37.18%	41.73%	37.58%
Net Profit Margin	28.33%	18.79%	19.90%	15.59%	9.14%
Return on Capital Employed (EBIT / Cap emp)	18.48%	10.57%	12.64%	12.89%	4.62%
Return on Net Worth (PAT / Net Worth)	17.17%	10.04%	11.57%	8.20%	2.91%
<b>Book value per Share (₹)</b>	84.32	104.60	119.38	129.46	133.51

## South West Port Limited

CIN: U45203GA1997PLC002369

### Registered Office

1st Floor, Port Users Complex,  
Mormugao Harbour, Goa – 403803  
Tel: 0832-2523000 Fax: 0832-2523006  
E-mail: [infra.mumbai@jsw.in](mailto:infra.mumbai@jsw.in) [www.jsw.in](http://www.jsw.in)