

**SOUTH WEST PORT LIMITED**  
**NOTICE**

Notice is hereby given that the **Twentieth Annual General Meeting** of the Shareholders of **South West Port Limited** will be held on **July 29, 2017, Saturday at 11.00 am** at **1<sup>st</sup> Floor, Port Users 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 March 31, 2017 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.
3. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 140 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. HPVS & Associates, Chartered Accountants, Mumbai, Firm Registration No. 137533W, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this 20<sup>th</sup> Annual General Meeting till the conclusion of the 25<sup>th</sup> Annual General Meeting of the Company (subject to ratification of their appointment by Members at every intervening Annual General Meeting) at such remuneration as shall be fixed by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

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 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of Rs 60,000 (Rupees Sixty Thousand) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses as by the Board of Directors based on recommendations of Audit Committee of the Company, 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 2016-17, be and is hereby ratified and confirmed."

**Registered Office:** 1<sup>st</sup> Floor, Port Users Complex, Mormugao Harbour, Goa – 403 803  
**CIN:**U45203GA1997PLC002369  
**Place :** Mumbai  
**Dated :** July 1, 2017

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

*M. S. Jadhav*

**Manjinder Singh**  
Company Secretary  
(BCGPS3679Q)

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 3**

As per Section 139 and the rules made thereunder, any Audit Firm which has been functioning as an Auditor in the same company for 10 years or more, can be re-appointed only for period of 3 consecutive years. Furthermore, the said section states that a company shall appoint an individual or firm as an auditor who shall hold office for a term of five consecutive years.

Your Company had appointed M/s. Shah Gupta & Co., Chartered Accountants (Firm Registration No.:109574W), as Statutory Auditors of the Company for the Financial Year ended 2016-17 to hold office until the conclusion of the this Annual General Meeting (AGM).

M/s. Shah Gupta & Co., Chartered Accountants, have completed their term and tenure as envisaged in Section 139 of the Act making them ineligible for appointment as Statutory Auditors. Further, as per the Section 139 (1) of the Act, the Statutory Auditors shall hold office from the conclusion of this 20<sup>th</sup> Annual General Meeting till the conclusion of its 6<sup>th</sup> Annual General Meeting thereafter. Such appointment shall be placed before the Members for ratification at every intervening Annual General Meeting.

The Audit Committee and the Board of Directors of Company at its meeting held on 15<sup>th</sup> May, 2017 have recommended to the Members the appointment of M/s. HPVS & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company for a period of 5 years from the conclusion of this 20<sup>th</sup> Annual General Meeting till the conclusion of the 25<sup>th</sup> Annual General Meeting. The Company has received a certificate under Section 141(3) of the Act read with Rule 10 of the Companies (Audit and Auditors) Rules, 2014 from M/s. HPVS & Associates, Chartered Accountants, Mumbai, confirming their eligibility to be appointed as the Auditors of the Company and that they are free from any disqualifications and that they do not violate the limits as specified under the Act.

Consent of the Members is sought for the appointment of M/s. HPVS & Associates, Chartered Accountants, as the Statutory Auditors of the Company for a period of 5 years, from the conclusion of this 20<sup>th</sup> Annual General Meeting till the conclusion of the 25<sup>th</sup> Annual General Meeting at a remuneration to be determined by the Board of Directors.

None of the Directors/Managers/Key Managerial Personnel or relatives of any of the Directors/Managers/Key Managerial Personnel of your Company are in any way concerned or interested in the resolution set out in the Item no. 3.

Your Directors recommend the resolution set out in Item no. 3 for your approval.

#### ITEM NO. 4

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 net worth of Rupees Five Hundred Crore or more or the turnover from such product or such service of Rupees One Hundred Crore or more in immediate preceding financial year.

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 23 July 2016, 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 Rs 60,000 plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March, 2017, 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. 4.

Your directors recommend the resolution at Item No. 4 for your approval and ratification in terms of Section 148 of the Companies Act, 2013.

**Registered Office:** 1<sup>st</sup> Floor, Port  
Users Complex, Mormugao  
Harbour, Goa – 403 803  
**CIN:**U45203GA1997PLC002369  
**Place :** Mumbai  
**Dated :** July 1, 2017

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

  
**Manjinder Singh**  
Company Secretary  
(BCGPS3679Q)

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under item no. 4 set out above with reasons proposing the Resolution as stated in the Notice 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 authorizing 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 organization.
9. Shareholders are requested to intimate the Company at its registered office, immediately of any change in their mailing address or email address in respect of equity shares held.
10. Shareholders desirous of having any information regarding Accounts are requested to address their queries to the Chief Financial Officer at the Registered Office of the Company at least seven days before the date of the Annual general Meeting, so that the requisite information can be made available at the Annual General Meeting.
11. 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, upto the date of the Annual General Meeting.
12. 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 1<sup>st</sup> 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.

## Directors' Report

To the Members of  
SOUTH WEST PORT LIMITED,

Your Directors take pleasure in presenting the Twentieth Annual Report of the Company, together with the Standalone Audited Financial Statement for the year ended March 31, 2017.

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

#### a) Financial Results

(Rs in million)

| Particulars  | Standalone |         |
|--|------------|---------|
|  | 2016-17    | 2015-16 |
| Revenue from Operations (gross)                                | 3473       | 2749    |
| Less: Service Tax  | 451        | 332     |
| Revenue from Operations (net)                                  | 3022       | 2417    |
| Other Income   | 185        | 165     |
| Total Revenue  | 3207       | 2582    |
| Profit before Interest, Depreciation and Tax Expenses (EBIDTA) | 1123       | 762     |
| Finance costs  | 24         | 1       |
| Depreciation & amortization expenses                           | 318        | 251     |
| Profit before Tax (PBT)  | 781        | 510     |
| Provision for Tax  | 143        | 25      |
| Profit after Tax (PAT)   | 638        | 485     |
| Add: Profit brought forward from previous year                 | 3919       | 3434    |
| Less: Depreciation on transition                               | -          | -       |
| Amount available for Appropriation                             | 4557       | 3919    |
| Balance Carried to Balance Sheet                               | 4557       | 3919    |

## b) Performance highlights

### Standalone

- The operating revenue and other income of your Company for fiscal 2017 was Rs 3207 million as against Rs 2582 million for fiscal 2016 showing an increase of 24.20%.
- The EBIDTA increased by 47.37 % from Rs 762 million in fiscal 2016 to Rs. 1123 million in fiscal 2017.
- Profit Before Tax for the year increased by 53.13 % from Rs 510 million in fiscal 2016 to Rs. 781 million in fiscal 2017.
- The net worth of your Company increased to Rs. 5515 million at the end of fiscal 2017 from Rs. 4833 million at the end of fiscal 2016.

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

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 2016-17 your company has achieved a rake loading performance of an average of 8.1 rakes/day improving upon the average of 7.5 rakes/day in the previous financial year. This enhancement in performance has been achieved through the newly installed In Motion Wagon Loading system and in an environment

friendly way through the usage of closed loop pipe conveyor and capacity enhancement of 1 no. Stacker-Reclaimer

Goa Port is getting ready for giant leap to handle 12 MMT per annum and is aiming for berthing of Cape size vessels. Keeping this in mind feasibility study has been carried out for deepening of the channel from 14m to 18.5m draft. Considering future growth plan, various capacity enhancement projects have been initiated to improve on vessel discharge/ rake loading facilities.

Your company has procured 2 Nos. Grab Ship Unloaders having discharge capacity of 2000 TPH (tones per hour) each replacing 2 Nos. Mobile harbor cranes having lesser capacity. These GSUs are technically found to be more reliable and after arriving at the Port in April 2016 has been commissioned in June 2016.

Your company is in the process of increasing the capacity of the Stacker-Reclaimers with the stacking capacity being increased from 2500 TPH to 3000 TPH and Reclaiming capacity from existing 1800 TPH to 2000 TPH. Phase 1 implementation for one Stacker-Reclaimer has been completed in July 2016. Phase 2 for the second Stacker-Reclaimer is expected to be completed by July 2017.

### **3. Transfer to Reserves**

The Company proposes to transfer an amount of Rs Nil to the General Reserve and the amount of Rs. 638 million is proposed to be carried forward to the Statement of Profit and Loss.

### **4. Dividend**

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended March 31, 2017, 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 Rs. 462 millions (Previous Year Rs. 462 millions).

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

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

Paradip East Quay Coal Terminal Private Limited (Paradip EQ) was incorporated on April 19, 2016 for the purpose of development of mechanized Coal Terminal berth handling thermal coal exports and coastal movement at Paradip, Orissa. The authorised and paid up share capital of Paradip EQ is Rs 0.1 million.

JSW Paradip Terminal Private Limited (JSW Paradip) was incorporated on March 09, 2015 for the purpose of taking up implementation of Iron Ore Export Terminal at Paradip, Orissa. The Project being developed on Build Operate Transfer (BOT) basis. The authorized Capital is Rs 250 million and paid up share capital of JSW Paradip is Rs 0.1 million.

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 SWPL (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 also requirement for furnishing of details of deposits which are not 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 utilized 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

During the year under review, there was no change in the Directors and Key Managerial Personnel of the Company.

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed.

In accordance with the provisions of the Companies Act, 2013 and 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.

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

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

#### a) Board Meetings

The Board of Directors comprised of the following members:

| <b>Name</b>           | <b>Designation</b>     |
|-----------------------|------------------------|
| Mr. Lalit Singhvi     | Whole-time-Director    |
| Ms. Ameeta Chatterjee | Independent Director   |
| Mr. Gerard Da Cunha   | Independent Director   |
| Mr. K N Patel         | Non-Executive Director |
| Mr. Naveen Kumar      | Non-Executive Director |

The Board of Directors met five times during the financial year ended March 31, 2017 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.     | April 28, 2016        |
| 2.     | July 23, 2016         |
| 3.     | November 14, 2016     |
| 4.     | January 17, 2017      |
| 5.     | March 30, 2017        |

## b) Committees and Policies

### 1. Audit Committee

The Audit Committee is comprised of three members as follows:

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

The Audit Committee met four times during the financial year ended March 31, 2017 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.     | April 28, 2016                  |
| 2.     | July 23, 2016                   |
| 3.     | November 14, 2016               |
| 4.     | January 17, 2017                |

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 |
|-----------------------|-------------|
| Mr. Naveen Kumar      | Chairman    |
| Mr. Gerard Da Cunha   | Member      |
| Ms. Ameeta Chatterjee | Member      |

The Nomination and Remuneration Committee met one time during the financial year ended March 31, 2017 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.     | March 30, 2017      |

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/Fin%20Nomination%20Policy%20SWPL.pdf> . There has been no change in the policy since the last financial year.

### 3. Corporate Social Responsibility Committee

As per the Companies Act, 2013, all Companies having net worth of Rs 500 crore or more, or turnover Rs 1000 crore or more or a net profit of Rs 5 or more during the financial year are required 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 Rs 13.4 million towards CSR activities. Your Company has successfully spent Rs 13.4 million towards the CSR activities for FY 2016-2017.

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

| Name                  | Designation |
|-----------------------|-------------|
| Mr. Naveen Kumar      | Chairman    |
| Mr. Gerard Da Cunha   | Member      |
| Ms. Ameeta Chatterjee | Member      |

The Corporate Social Responsibility Committee met three times during the financial year ended March 31, 2017 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 Meeting |
|--------|---------------------|
| 1.     | April 28, 2016      |
| 2.     | November 14, 2016   |
| 3.     | March 30, 2017      |

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))

The Annual Report on CSR activities is annexed herewith marked as Annexure C.

#### **4. 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 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.

## **15. 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 and Chairman of the Company was carried out by the Independent Directors at a separate meeting of the Independent Directors.

#### **16. Internal Control Systems**

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

#### **17. 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company 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.

## **18. Auditors and Auditors Reports**

### **a. Statutory Auditors**

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2017 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.

M/s. Shah Gupta & Co., Chartered Accountants, the Auditors of the Company were appointed at the 19th AGM for a term of one year till the conclusion of 20th AGM.

In view of the mandatory requirement for rotation of auditors upon completion of 10 years of association with a company, in terms of Section 139 of the Companies Act, 2013, M/s. Shah Gupta & Co. Chartered Accountants will retire as Company's Auditors at the conclusion of the ensuing 20th AGM. It is proposed to appoint M/s. HPVS & Associates as the new Statutory Auditors of the Company. M/s. HPVS & Associates, Chartered Accountants are proposed



to be appointed for a period of 5 continuous years i.e. from the conclusion of 20th AGM till the conclusion of 25th AGM of the Company. M/s. HPVS & Associates, have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. They have also furnished a declaration in terms of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under the Company Act 2013. A brief profile of the Auditors is provided in the Notice of the Annual General Meeting.

The Board recommends appointment of M/s. HPVS & Associates as Statutory Auditors of the Company from the conclusion of 20th AGM up to the conclusion of 25th AGM of the Company, subject to ratification at every Annual General Meeting.

**b. Secretarial Auditor**

The Board had appointed M/s. Rishikesh Vyas and Associates, Company Secretaries to issue Secretarial Audit Report for the financial year 2016-17. Secretarial Audit Report issued by M/s. Rishikesh Vyas and Associates, Company Secretaries in Form MR-3 for the financial year 2016-17 forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and is annexed as Annexure D.

**c. Cost Auditor**

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 2016-17, subject to ratification of the remuneration payable to the cost auditor by the shareholders to be done in the ensuing Annual General Meeting.

## 19. Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Act is attached as Annexure E which forms part of this Report.

## 20. 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

(Rs in Millions)

|                         | FY 2016-17 | FY 2015-16 |
|-------------------------|------------|------------|
| Foreign Exchange earned | 1283.46    | 1113.69    |
| Foreign Exchange used   | 1171.17    | 14.76      |

## 21. 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 pressurized 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 has 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 upto 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.

**22. 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.

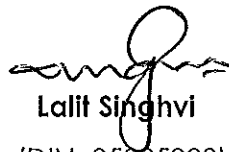
**23. Appreciation and Acknowledgements**

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



**Lalit Singhvi**

(DIN: 05335938)

Whole-time Director



**Naveen Kumar**

(DIN: 07099121)

Director

Place: Mumbai

Date : May 15, 2017



## 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                    | Latest audited Balance Sheet Date | 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 | Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in millions) | Profit/Loss for the year (Rs in millions) |                             |
|---------|--------------------------------------|-----------------------------------|---|--|---|--|--|---|-----------------------------|
|         |                                      |                                   | No.   | Amount of investment in Associate (Rs) |   |  |  | Extent of Holding %                       | Considered in Consolidation |
| 1.      | JSW Paracip Terminal Private Limited | March 31, 2017                    | 2600  | 26,000                                 | A   | B  | (2.50)   | -   | -                           |
| 2.      | Paracip East Quay Terminal Pvt Ltd   | March 31, 2017                    | 2600  | 26,000                                 | A   | B  | (0.00)   | -   | -                           |

**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

  
Lalit Singhvi  
(DIN: 05833938)  
Whole-time Director

  
Naveen Kumar  
(DIN: 07099121)  
Director

Place: Mumbai  
Date : May 15, 2017

  
Vijay Sardesai  
(AAVPS2144Q)  
Chief Financial Officer

  
Manjinder Singh  
(BCGPS3679Q)  
Company Secretary



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 March 31, 2017 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 | Sallent Terms           | Date of Approval by the Board/Audit Committee | Amount (Rs in millions) |
|---|------------------------|----------------------|-------------------------|---|-------------------------|
| <u>Nature of Contract</u>                     |                        |                      |                         |   |                         |
| <u>Purchase of Services</u>                   |                        |                      |                         |   |                         |
| JSW Infrastructure Limited                    | Holding Company        | 12 months            | Cargo handling services | March 23, 2016                                | 1201.09                 |
| JSW Jaigarh Port Limited                      | Fellow Subsidiary      | 12 months            | Services Rendered       | March 23, 2016                                | 95.93                   |
| JSW IP Holdings Private Limited               | Fellow Subsidiary      | 12 months            | Brand royalty fees      | March 23, 2016                                | 4.07                    |
| Purchase of services is including service tax |                        |                      |                         |   |                         |

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 15, 2017

  
Lalit Singhvi  
(DIN: 05335938)  
Whole-time Director

  
Naveen Kumar  
(DIN: 07099121)  
Director



**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. | <b>Refer Section:</b><br>Corporate Social Responsibility in this Report |
| The Composition of CSR Committee   | <b>Refer Section:</b><br>Corporate Social Responsibility in this Report |

|  |                         |
|--|-------------------------|
| Particulars  | Amount<br>(Rs in Lakhs) |
| Average net profit of the Company for last three financial years | 6711                    |
| Prescribed CSR Expenditure (2% of the average net profit)        | 134                     |
| Details of CSR Expenditure during the financial year:            |                         |
| Total amount to be spent for the financial year                  | 134                     |
| Amount spent   | 134                     |
| Amount unspent   | -                       |
| Excess spent   | -                       |

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


| Sr. No | CSR Projects or Activities                                  | Sector in which initiatives were covered  | Locality | Amount Outlay | Amount Spent | Cumulative Expenditure | (Rs in Lakhs)                                     |
|--------|---|---|----------|---------------|--------------|------------------------|---|
|        |   |   |          |               |              |                        | Amount Spent Directly/through implementing agency |
| 1      | Health Camps  | Improving living conditions (eradicating hunger, poverty, malnutrition, etc.)   | Goa      | 5.17          | 5.17         | 5.17                   | Directly spent                                    |
| 2      | Water treatment plants (Anganwadi Filters)                  | Improving living conditions (eradicating hunger, poverty, malnutrition, etc.)   | Goa      | 0.93          | 0.93         | 0.93                   | Directly spent                                    |
| 3      | Formal educational institution infrastructure & development | Promoting Social development (promoting education, skill development, livelihood enhancement, etc.) and livelihood enhancement projects | Goa      | 65.00         | 65.00        | 65.00                  | Directly spent                                    |
| 4      | Development of Anganwadis in our Diz (114 Anganwadi's)      | Promoting Social development (promoting education, skill development, livelihood enhancement, etc.) and livelihood enhancement projects | Goa      | 6.71          | 6.71         | 6.71                   | Directly Spent                                    |


| Sr. No       | CSR Projects or Activities  | Sector in which initiatives were covered | Locality | Amount Outlay | Amount Spent  | Cumulative Expenditure | Amount Spent Directly/through implementing agency |
|--------------|---|--|----------|---------------|---------------|------------------------|---|
| 5            | Cleanliness drive at Sada and Bogda                                     | Swachcha Bharat Abhiyan                  | Goa      | 17.24         | 17.24         | 17.24                  | Directly spent                                    |
| 6            | Support to parks and forests reserves (5 municipal gardens+green strip) | Addressing Environmental Issues          | Goa      | 32.91         | 32.91         | 32.91                  | Directly spent                                    |
| 8            | Admin Overheads   | Admin Overheads                          | Goa      | 6.04          | 6.04          | 6.04                   | Directly spent                                    |
| <b>Total</b> |   |  |          | <b>134.00</b> | <b>134.00</b> | <b>134.00</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.

Place : Mumbai  
Date : May 15, 2017

  
Mr. Naveen Kumar  
(DIN: 07099121)  
Chairman CSR Committee

  
Lalit Singhvi  
(DIN: 05335938)  
Whole Time Director







Rishikesh Vyas & Associates  
Company Secretaries

**SECRETARIAL AUDIT REPORT \***

**FORM NO. MR-3**

**Secretarial Audit Report for the**

**Financial Year Ended March 31, 2017**

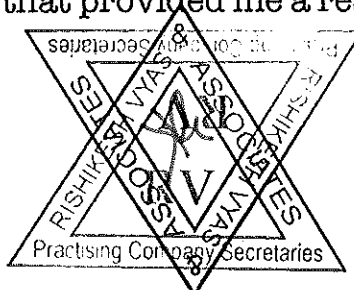
**(Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

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 March 31, 2017 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 March 31, 2017 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 thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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. Dock Workers (Safety, Health and Welfare) Act,1986

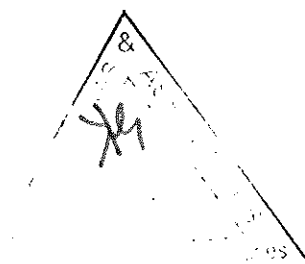
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8. Dock Workers (Regulation of Employment) Act,1948

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.

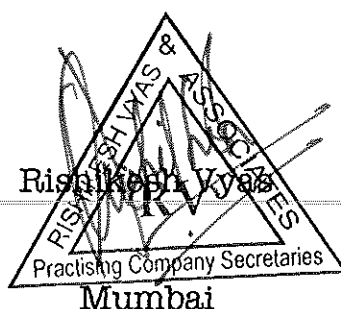
I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



I further report that during the audit period the 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 Rishikesh Vyas & Associates

Company Secretaries



April 17, 2017

(CP No:13110)

**This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

## **Annexure A**

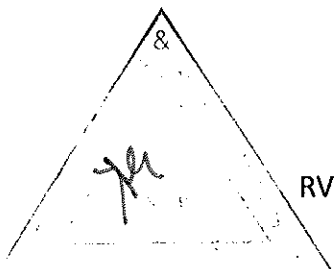

To,

The Members

South West Port Limited

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

1. Maintenance of Secretarial record 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. We have followed the audit practices and process as were appropriate to obtain reasonable assurance 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

 RVA 



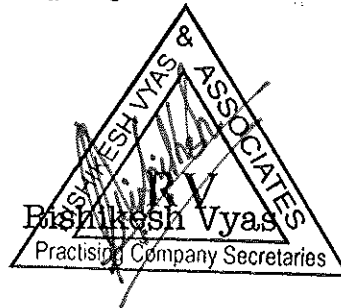
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

---

For Rishikesh Vyas & Associates

Company Secretaries



Mumbai

April 17, 2017

(CP No:13110)



|  |             |   |             |     |             |   |             |     |      |
|--|-------------|---|-------------|-----|-------------|---|-------------|-----|------|
| e) Any other   | -           | - | -           | -   | -           | - | -           | -   | -    |
| Sub-total (A)(2):  | -           | - | -           | -   | -           | - | -           | -   | -    |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2)                               | 4,61,99,997 | 3 | 4,62,00,000 | 100 | 4,61,99,997 | 3 | 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) FIs   | -           | - | -           | -   | -           | - | -           | -   | -    |
| h) Foreign Venture Capital Funds   | -           | - | -           | -   | -           | - | -           | -   | -    |
| i) Others (specify)  | -           | - | -           | -   | -           | - | -           | -   | -    |
| Sub-total (B)(1):  | -           | - | -           | -   | -           | - | -           | -   | -    |
| (2) Non-Institutions   | -           | - | -           | -   | -           | - | -           | -   | -    |
| a) Bodies Corp.  | -           | - | -           | -   | -           | - | -           | -   | -    |
| i) Indian  | -           | - | -           | -   | -           | - | -           | -   | -    |
| ii) Overseas   | -           | - | -           | -   | -           | - | -           | -   | -    |
| b) Individuals   | -           | - | -           | -   | -           | - | -           | -   | -    |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | -           | - | -           | -   | -           | - | -           | -   | -    |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | -           | - | -           | -   | -           | - | -           | -   | -    |
| c) Others (Trust)  | -           | - | -           | -   | -           | - | -           | -   | -    |
| Sub-total(B)(2):   | -           | - | -           | -   | -           | - | -           | -   | -    |
| Total Public Shareholding (B)=(B)(1)+(B)(2)                                      | -           | - | -           | -   | -           | - | -           | -   | -    |
| C. Shares held by Custodian for GDRs & ADRs                                      | -           | - | -           | -   | -           | - | -           | -   | -    |
| Grand Total (A+B+C)  | 4,61,99,997 | 3 | 4,62,00,000 | 100 | 4,61,99,997 | 3 | 4,62,00,000 | 100 |      |

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

ii. SHAREHOLDING OF PROMOTERS:

| Sl. 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 |   |
|         |                    | -   | -                                | -   | -                                   | -                                | -  | -   |
|         | Total              | -   | -                                | -   | -                                   | -                                | -  | -   |

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

| Sl. 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 |
| 1.      | <b>*ABG Infralogistics Limited</b>                            |   |                                  |   |                                  |
|         | At the beginning of the year                                  | 1,20,12,000                               | 26.00                            | 1,20,12,000                             | 26.00                            |
|         | Purchase/Sale during the year                                 | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 1,20,12,000                               | 26.00                            | 1,20,12,000                             | 26.00                            |
| 2.      | <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                            |
| 3.      | <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                            |
| 4.      | <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                            |
| 5.      | <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                             |

*\*Body Corporates hold shares alongwith its nominees.*

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

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the 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              | -   | -                                | -                                       | -                                |

i. **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| Sl. 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 Rs)

|   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |          |                    |
| i) Principal Amount                                 | -                                | -               | -        | -                  |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| Total (i+ii+iii)                                    | -                                | -               | -        | -                  |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| Addition  | 85,32,87,246                     | -               | -        | 85,32,87,246       |
| Reduction/Repayment                                 | -                                | -               | -        | -                  |
| Net Change  | 85,32,87,246                     | -               | -        | 85,32,87,246       |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| i) Principal Amount                                 | 85,32,87,246                     | -               | -        | 85,32,87,246       |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | 1,52,695                         | -               | -        | 1,52,695           |
| Total (i+ii+iii)                                    | 85,34,39,941                     | -               | -        | 85,34,39,941       |

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

(Amount in Rs)

| Sl. No. | Particulars of Remuneration   | *Lalit Singhvi (Whole Time Director) |
|---------|---|--------------------------------------|
| 1       | Gross salary  |                                      |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,16,26,326                          |
|         | (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       | Employers contribution towards PF   | 4,41,660                             |
|         | Total (A)   | 1,20,67,986                          |
|         | Ceiling as per the Act  | *NA                                  |

\*Mr. Lalit Singhvi is appointed as a Whole-time-director on March 30, 2015 and 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.

A. **REMUNERATION TO OTHER DIRECTORS**

(Amount in Rs)

| Sl. No. | Particulars of Remuneration                  | Name of Directors   |                       | Total Amount |
|---------|--|---------------------|-----------------------|--------------|
|         |  | Mr. Gerard Da Cunha | Ms. Ameeta Chatterjee |              |
|         | <b>1. Independent Directors</b>              |                     |                       |              |
|         | Fee for attending board / committee meetings | 2,60,000            | 2,60,000              | 5,20,000     |
|         | Commission                                   | 1,00,000            | 1,00,000              | 2,00,000     |
|         | Others, please specify                       | -                   | -                     | -            |
|         | Total (1)                                    | 3,60,000            | 3,60,000              | 7,20,000     |
|         | <b>2. Other Non-Executive Directors</b>      |                     |                       |              |
|         | Fee for attending board / committee meetings | -                   | -                     | -            |
|         | Commission                                   | -                   | -                     | -            |
|         | Others, please specify                       | -                   | -                     | -            |
|         | Total (2)                                    | -                   | -                     | -            |
|         | Total (B)=(1+2)                              | 3,60,000            | 3,60,000              | 7,20,000     |
|         | Total Managerial Remuneration                |                     |                       | NA           |
|         | Overall Ceiling as per the Act               |                     |                       | NA           |

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

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel                   |                             |            |
|---------|---|--|-----------------------------|------------|
|         |   | Company Secretary<br>(Mr. Manjinder Singh) | CFO<br>(Mr. Vijay Sardesai) | Total (Rs) |
| 1       | Gross salary  |  |                             |            |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,25,176                                  | 26,25,057                   | 39,50,233  |
|         | (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       | Employers contribution towards PF   | 56,040                                     | 84,180                      | 1,40,220   |
|         | Total   | 13,81,216                                  | 27,09,237                   | 40,90,453  |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no Penalties/ Punishment/ Compounding of Offences during the year ended March 31, 2017

# Shah Gupta & Co.

## Chartered Accountants

### INDEPENDENT AUDITORS' REPORT

To the Members of SOUTH WEST PORT LIMITED

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **SOUTH WEST PORT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

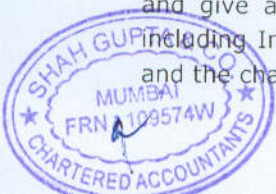
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2017 and its profit, its cash flows and the changes in equity for the year ended on that date.



## 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 operative effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes as envisaged in notification G.S.R 308 (E) during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 51.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



**Vipul K. Choksi**

Partner

M.No. 37606

Place : Mumbai

Date : May 15, 2017





## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year by the management. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company at the balance sheet date.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. The Company has granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) In respect of the aforesaid loan the terms and conditions under which the loans were granted are not prejudicial to the interest of the Company.
  - (b) In the case of the aforesaid loans the schedule of repayment of the principal and interest has been stipulated, and the parties are regular in repayment of the principal amount and interest as stipulated.
  - (c) In respect of aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. According to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public and hence the directive issued by the Reserve Bank of India and the provision of Section 73 to 76 or any other relevant provision of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues which were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of Provident Fund, Income-Tax, Sales Tax, Value Added Tax, Duty of Excise, Duty of Customs, Service Tax, Cess and other material statutory dues which have not been deposited on account of any dispute other than those indicated below:



| Name of the statute  | Nature of dues       | Amount (Rs. in lakhs) | Assessment Year | Forum where dispute is pending         |
|----------------------|----------------------|-----------------------|-----------------|--|
| Income tax Act, 1961 | Income tax liability | 8.23                  | 2015-16         | Rectification application filed to ITO |
|                      |                      | 1.95                  | 2014-15         | Rectification application filed to ITO |

- viii. According to the information and explanations given to us, the Company has not defaulted during the year in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holder.
- ix. 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.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employee has been noticed or reported during the year.
- xi. According to the information and explanations give 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.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Act, are not applicable. Accordingly, the provision of clause 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) of the Order is not applicable to the Company.

**For SHAH GUPTA & CO.**

**Chartered Accountants**

Firm Registration No.: 109574W

*Vipul K. Choksi*

**Vipul K. Choksi**

Partner

M.No. 37606



Place: Mumbai

Date: May 15, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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 31<sup>st</sup> March, 2017 in conjunction with our audit of the Ind AS 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 (The "Guidance Note"). 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 ("the Act").

### **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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



## **Inherent Limitations of Internal Financial Controls 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.

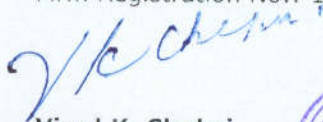
### **Opinion**

In our opinion, to the best our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



**Vipul K. Choksi**

Partner

M.No. 37606



Place : Mumbai

Date : May 15, 2017

**SOUTH WEST PORT LIMITED**  
**Balance Sheet as at 31st March, 2017**  
 CIN : U45203GA1997PLC002369

INR in Lakhs

| Particulars   | Note no. | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
|---|----------|---------------------------|---------------------------|--------------------------|
| <b>ASSETS</b>   |          |                           |                           |                          |
| <b>Non-Current Assets</b>   |          |                           |                           |                          |
| Property, Plant and Equipment   | 3        | 82.38                     | 54.79                     | 59.20                    |
| Other Intangible Assets   | 4        | 36,620.37                 | 26,206.11                 | 28,008.81                |
| Intangible Assets under Development   | 4        | 530.88                    | 713.67                    | 252.04                   |
| <b>Financial Assets</b>   |          |                           |                           |                          |
| Investments   | 5        | 0.52                      | 0.26                      | 0.26                     |
| Others financial assets   | 6        | 88.19                     | 61.23                     | 70.39                    |
| Other Non Current Assets  | 7        | -                         | 1,153.96                  | 1,079.33                 |
| <b>Total Non-Current Assets</b>   |          | <b>37,322.34</b>          | <b>28,190.02</b>          | <b>29,470.03</b>         |
| <b>Current Assets</b>   |          |                           |                           |                          |
| Inventories   | 8        | 705.26                    | 602.00                    | 623.74                   |
| <b>Financial Assets</b>   |          |                           |                           |                          |
| Investments   | 9        | 6,417.99                  | 3,109.57                  | 1,925.24                 |
| Trade receivables   | 10       | 8,601.84                  | 4,909.30                  | 4,032.43                 |
| Cash and cash equivalents   | 11       | 887.29                    | 1,329.01                  | 308.05                   |
| Bank balances other than cash and cash equivalents                          | 12       | 327.20                    | 304.93                    | -                        |
| Loans   | 13       | 11,370.45                 | 8,480.19                  | 7,514.09                 |
| Others financial assets   | 14       | 771.72                    | 662.48                    | 884.88                   |
| Current Tax Assets (Net)  | 15       | 1,310.90                  | 391.30                    | 537.28                   |
| Other Current Assets  | 16       | 6,980.76                  | 6,174.89                  | 5,665.13                 |
| <b>Total Current Assets</b>   |          | <b>37,373.41</b>          | <b>25,963.67</b>          | <b>21,490.84</b>         |
| <b>TOTAL ASSETS</b>   |          | <b>74,695.75</b>          | <b>54,153.69</b>          | <b>50,960.87</b>         |
| <b>EQUITY AND LIABILITIES</b>   |          |                           |                           |                          |
| <b>Equity</b>   |          |                           |                           |                          |
| Equity Share Capital  | 17       | 4,620.00                  | 4,620.00                  | 4,620.00                 |
| Other Equity  | 18       | 50,534.77                 | 43,705.39                 | 38,807.82                |
| <b>Total Equity</b>   |          | <b>55,154.77</b>          | <b>48,325.39</b>          | <b>43,427.82</b>         |
| <b>Liabilities</b>  |          |                           |                           |                          |
| <b>Non-Current Liabilities</b>  |          |                           |                           |                          |
| <b>Financial Liabilities</b>  |          |                           |                           |                          |
| Other financial liabilities   | 19       | 39.77                     | 88.30                     | 153.30                   |
| Provisions  | 20       | 112.20                    | 81.52                     | 56.99                    |
| Deferred Tax Liabilities (Net)  | 15       | 3,543.84                  | 2,615.50                  | 2,873.67                 |
| <b>Total Non-Current Liabilities</b>  |          | <b>3,695.81</b>           | <b>2,785.32</b>           | <b>3,083.96</b>          |
| <b>Current Liabilities</b>  |          |                           |                           |                          |
| <b>Financial Liabilities</b>  |          |                           |                           |                          |
| Borrowings  | 21       | 8,532.87                  | -                         | -                        |
| Trade payables  | 22       | 5,427.21                  | 925.81                    | 2,481.54                 |
| Other financial liabilities   | 23       | 1,665.88                  | 1,601.66                  | 1,395.52                 |
| Other Current Liabilities   | 24       | 182.98                    | 478.37                    | 544.59                   |
| Provisions  | 25       | 36.23                     | 37.14                     | 27.44                    |
| <b>Total Current Liabilities</b>  |          | <b>15,845.17</b>          | <b>3,042.98</b>           | <b>4,449.09</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |          | <b>74,695.75</b>          | <b>54,153.69</b>          | <b>50,960.87</b>         |
| Significant accounting policies and key accounting estimates and judgements | 2        |                           |                           |                          |

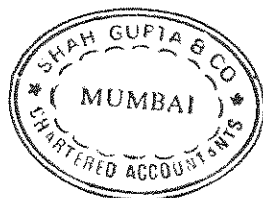
The accompanying notes form an integral part of financial statements

As per our attached report of even date

For SHAH GUPTA & CO.  
 Chartered Accountants  
 Firm Registration No : 109574W

*Vipul K Choksi*

VIPUL K CHOKSI  
 Partner  
 M.No.37606  
 Place: Mumbai  
 Date:15th May, 2017



For and on behalf of the Board of Directors

*Nauman*  
 NAVEEN KUMAR  
 Director  
 DIN : 07099121

*M S Singh*  
 MANJINDER SINGH  
 Company Secretary  
 M. No. A38671

*Lalit Singhvi*  
 LALIT SINGHVI  
 Whole Time Director  
 DIN : 05335938

*Vijay Sardesai*  
 VIJAY SARDESAI  
 Chief Financial Officer

*Dr.*

**SOUTH WEST PORT LIMITED**  
Statement of Profit and Loss for the year ended 31st March, 2017

INR in Lakhs (Except EPS)

| Particulars   | Note no. | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---|----------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>   |          |                                     |                                     |
| Revenue From Operations   | 26       | 30,215.30                           | 24,171.44                           |
| Other Income  | 27       | 1,858.51                            | 1,652.83                            |
| <b>Total Income (1)</b>   |          | <b>32,073.81</b>                    | <b>25,824.27</b>                    |
| <b>EXPENSES</b>   |          |                                     |                                     |
| Operating expenses  | 28       | 18,191.20                           | 16,252.53                           |
| Employee benefits expense   | 29       | 1,792.41                            | 1,307.23                            |
| Finance costs   | 30       | 239.73                              | 8.80                                |
| Depreciation and amortisation expense   | 31       | 3,182.33                            | 2,509.15                            |
| Other expenses  | 32       | 855.22                              | 649.31                              |
| <b>Total Expenses (2)</b>   |          | <b>24,260.89</b>                    | <b>20,727.02</b>                    |
| <b>Profit Before Tax (1-2)</b>  |          | <b>7,812.92</b>                     | <b>5,097.25</b>                     |
| <b>Tax Expense</b>  |          |                                     |                                     |
| Current tax   | 15       | 503.22                              | 501.96                              |
| Deferred tax (credit)   | 15       | 928.18                              | (256.82)                            |
| <b>Profit for the year (3)</b>  |          | <b>6,381.51</b>                     | <b>4,852.11</b>                     |
| <b>Other Comprehensive Income</b>   |          |                                     |                                     |
| Items that will not be reclassified to profit or loss                                 |          |                                     |                                     |
| Remeasurement of Employee benefits expenses   |          | 0.45                                | (3.93)                              |
| Income tax relating to items that will not be reclassified to profit or loss          |          | (0.15)                              | 1.35                                |
| <b>Total Other Comprehensive Income/ (Loss) for the year (4)</b>                      |          | <b>0.30</b>                         | <b>(2.58)</b>                       |
| <b>Total Comprehensive Income for the year (3+4)</b>                                  |          | <b>6,381.81</b>                     | <b>4,849.53</b>                     |
| <b>Earnings per equity share (Rs.)</b><br>(Face value of equity share of Rs. 10 each) |          |                                     |                                     |
| Basic (Rs.)   |          | 13.81                               | 10.50                               |
| Diluted (Rs.)   |          | 13.81                               | 10.50                               |
| <b>Significant accounting policies and key accounting estimates and judgements</b>    | 2        |                                     |                                     |

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For **SHAH GUPTA & CO.**  
Chartered Accountants  
Firm Registration No : 109574W

*Vipul K Choksi*

**VIPUL K CHOKSI**  
Partner  
M.No.37606

Place: Mumbai  
Date:15th May, 2017



For and on behalf of the Board of Directors

*Navan*  
**NAVEEN KUMAR**  
Director  
DIN : 07099121

*Lalit Singhvi*  
**LALIT SINGHVI**  
Whole Time Director  
DIN : 0535938

*Manjinder Singh*  
**MANJINDER SINGH**  
Company Secretary  
M. No. A38671

*Vijay Sardesai*  
**VIJAY SARDESAI**  
Chief Financial Officer

*Pr...*

## SOUTH WEST PORT LIMITED

### Statement of Changes in Equity for the year ended 31st, March 2017

#### A) EQUITY SHARE CAPITAL

INR in Lakhs

| Balance as at<br>01st April, 2015 | Changes in equity share capital during the year | Balance as at<br>31st March, 2016 |
|-----------------------------------|---|-----------------------------------|
| 4,620.00                          | -   | 4,620.00                          |

INR in Lakhs

| Balance as at<br>01st April, 2016 | Changes in equity share capital during the year | Balance as at<br>31st March, 2017 |
|-----------------------------------|---|-----------------------------------|
| 4,620.00                          | -   | 4,620.00                          |

#### B) OTHER EQUITY

INR in Lakhs

| Particulars  | Retained Earnings | ESOP Compensation Reserves | Total equity attributable to equity holders of the Company |
|--|-------------------|----------------------------|--|
| Balance as at 01st April, 2015                           | 37,921.64         | 886.17                     | 38,807.82  |
| Profit for the year                                      | 4,852.11          |                            | 4,852.11   |
| Other comprehensive income / (loss) for the year         |                   |                            |  |
| - Remeasurements gains / (loss) on defined benefit plans | (2.58)            | -                          | (2.58)   |
| Employee stock option expense                            | -                 | 48.05                      | 48.05  |
| <b>Balance as at 31st March, 2016</b>                    | <b>42,771.17</b>  | <b>934.22</b>              | <b>43,705.39</b>   |

INR in Lakhs

| Particulars                                     | Retained Earnings | ESOP Compensation Reserves | Total equity attributable to equity holders of the Company |
|---|-------------------|----------------------------|--|
| Balance as at 01st April, 2016                  | 42,771.17         | 934.22                     | 43,705.39  |
| Profit for the year                             | 6,381.51          |                            | 6,381.51   |
| Other comprehensive income for the year         |                   |                            |  |
| - Remeasurements gains on defined benefit plans | 0.30              |                            | 0.30   |
| Employee stock option expense                   | -                 | 447.57                     | 447.57   |
| <b>Balance as at 31st March, 2017</b>           | <b>49,152.98</b>  | <b>1,381.79</b>            | <b>50,534.77</b>   |

As per our attached report of even date

For and on behalf of the Board of Directors

For SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No : 109574W

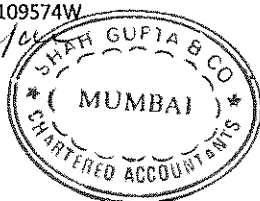
VIPUL K CHOKSI

Partner

M.No.37606

Place: Mumbai

Date: 15th May, 2017



*NAVEEN KUMAR*

NAVEEN KUMAR

Director

DIN : 07099121

*MANJINDER SINGH*

MANJINDER SINGH

Company Secretary

M. No. A38671

*LALIT SINGHVI*

LALIT SINGHVI

Whole Time Director

DIN : 05335938

*VIJAY SARDESAI*

VIJAY SARDESAI

Chief Financial Officer

*R*

**SOUTH WEST PORT LIMITED**  
Statement of Cash Flows for the year ended 31st March, 2017

INR In Lakhs

| Particulars  | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
|--|--|--|
| <b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>                     |  |  |
| Profit before tax  | 7,812.92                               | 5,097.25                               |
| Adjustments for:   |  |  |
| Depreciation and amortisation expense                              | 3,182.33                               | 2,509.15                               |
| Allowance for doubtful debts and advances                          | 0.98                                   | 0.83                                   |
| Finance costs  | 239.73                                 | 8.80                                   |
| Share based payment expenses                                       | 447.57                                 | 48.05                                  |
| Interest income  | (761.63)                               | (842.36)                               |
| Corp Guarantee Income  | (48.53)                                | (65.00)                                |
| Profit on sale of Investments (net)                                | (391.31)                               | (219.54)                               |
| Impact of fair valuation of Mutual Fund                            | (88.50)                                | (39.57)                                |
| (Profit)/ loss on sale of fixed assets (net)                       | (0.45)                                 | (76.39)                                |
| <b>Operating profit before working capital changes</b>             | <b>10,393.11</b>                       | <b>6,421.22</b>                        |
| Adjustments for:   |  |  |
| (Increase)/ Decrease in trade and other receivables                | (6,860.53)                             | (1,805.78)                             |
| (Increase)/ Decrease in Inventories                                | (103.26)                               | 21.72                                  |
| Increase/ (Decrease) in trade and other payables                   | 4,270.23                               | (1,415.81)                             |
| Increase/ (Decrease) in provisions                                 | 726.99                                 | 534.91                                 |
| Cash generated from operating activities                           | 8,426.54                               | 3,756.26                               |
| Direct taxes paid (net of refunds)                                 | (1,200.00)                             | (1,006.56)                             |
| <b>Net cash generated from operating activities [A]</b>            | <b>7,226.54</b>                        | <b>2,749.70</b>                        |
| <b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>                     |  |  |
| <b>Inflows</b>   |  |  |
| Sale of property, plant and equipment                              | 0.45                                   | -                                      |
| Sale of current investments  | 40,020.89                              | 63,477.88                              |
| Interest received  | 330.67                                 | 597.50                                 |
|  | <b>40,352.01</b>                       | <b>64,075.38</b>                       |
| <b>Outflows</b>  |  |  |
| Purchase of property, plant and equipment and intangible assets    | 13,441.38                              | 1,087.29                               |
| Purchase of investments (net)                                      | 42,849.50                              | 64,403.10                              |
| Investment in FD   | 22.27                                  | 304.93                                 |
| Change in investment in associate companies (net)                  | 0.26                                   | -                                      |
|  | <b>56,313.41</b>                       | <b>65,795.32</b>                       |
| <b>Net Cash used in investing activities [B]</b>                   | <b>(15,961.40)</b>                     | <b>(1,719.94)</b>                      |
| <b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>                     |  |  |
| <b>Inflows</b>   |  |  |
| Proceeds from short-term borrowings                                | 8,532.86                               | -                                      |
|  | <b>8,532.86</b>                        | <b>-</b>                               |
| <b>Outflows</b>  |  |  |
| Interest paid  | 239.73                                 | 8.80                                   |
|  | <b>239.73</b>                          | <b>8.80</b>                            |
| <b>Net Cash generated from financing activities [C]</b>            | <b>8,293.13</b>                        | <b>(8.80)</b>                          |
| <b>NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)</b> | <b>(441.73)</b>                        | <b>1,020.96</b>                        |
| Cash and cash equivalents at beginning of the year                 | 1,329.01                               | 308.05                                 |
| Cash and cash equivalents at end of the year                       | 887.29                                 | 1,329.01                               |

As per our attached report of even date

For SHAH GUPTA & CO.  
Chartered Accountants  
Firm Registration No : 109574W

*Vipul K Choksi*  
VIPUL K CHOKSI  
Partner  
M.No.37606



Place: Mumbai  
Date: 15th May, 2017

For and on behalf of the Board of Directors

*Naaveen Kumar*  
NAVEEN KUMAR  
Director  
DIN : 07099121

*Manjinder Singh*  
MANJINDER SINGH  
Company Secretary  
M. No. A38671

*Lalit Singhvi*  
LALIT SINGHVI  
Whole Time Director  
DIN : 05335038

*Vijay Sardesai*  
VIJAY SARDESAI  
Chief Financial Officer

*Dr.*



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

### 1. 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 mechanized 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

#### 2.1 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 are the first financial statements of the Company under Ind AS. Refer first time adoption note for an explanation of how the transition from the previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to Ind AS has affected the financial position, financial performance and cash flows.

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.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

#### 2.2 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



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

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 recognized 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 harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized 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 recognized. 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 amortization 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 capitalized 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             |



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

|                        |             |
|------------------------|-------------|
| 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 amortized 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 capitalized 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 recognized 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 recognized 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 derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition 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 recognized in the Statement of Profit and Loss when the item is derecognized.

#### 4. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized 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. Amortization methods and useful lives are reviewed periodically including at each financial year end.

#### Port concession rights arising from Service Concession/Sub-Concession

The Company recognizes 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



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

operator in such arrangement. Such an intangible asset is recognized by the Company at cost which is fair value of the consideration received or receivable for the construction services delivered and is capitalized 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 amortized 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 recognized in the statement of profit or loss when the assets is de-recognized.

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

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

### 6. 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.

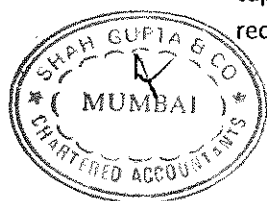
### 7. Leases

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 capitalized 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 recognized in finance cost in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the period in which they are incurred.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

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 recognized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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.

## 8. Fair Value Measurement

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

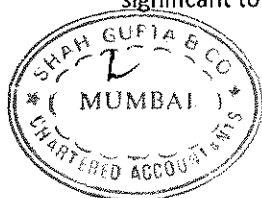
The principal or the most advantageous market must be accessible by the Company.

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 at 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

- 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

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

### 9. Financial instruments

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

##### Sub-sequent measurement

After initial recognition, financial assets are measured at:

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



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

### 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 amortized 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 amortized cost using the effective interest rate ('EIR') method less impairment, if any, the amortization of EIR and loss arising from impairment, if any is recognized 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 recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss.

### Gains or losses on De-recognition

In case of investment in equity instrument classified as the FVTOCI, the gains or losses in de recognition are reclassified to retained earnings.

In the case of investment in debt instrument classified as the FVTOCI, the gains or losses in 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 amortized 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, recognized as 'other income' in the Statement of Profit and Loss.

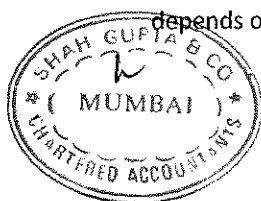
### Equity instruments

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 recognized 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 recognized 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.

### Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

For trade receivable only, the Company applies the simplified approach permitted by Ind AS - 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of such receivables.

### De-recognition:

A financial asset is de-recognized 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-recognized.

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

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 derecognized 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 recognized to the extent of continuing involvement in the financial asset.

### Income recognition:

#### Interest Income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### Dividends

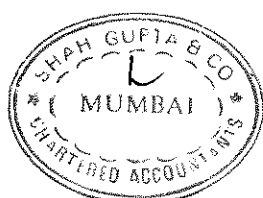
Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### b) Financial liabilities

#### 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 recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.





# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

Subsequent measurement Financial liabilities are subsequently measured at amortized 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 recognized in the Statement of Profit and Loss.

### De-recognition:

A financial liability is derecognized 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 recognized amounts and there is an intention to settle on a net basis or realize 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 Company or the counterparty

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

A provision is recognized 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 recognized 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.

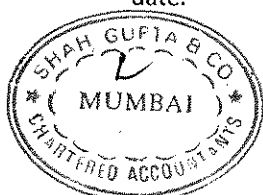
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

### 11. 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.

### 12. 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.

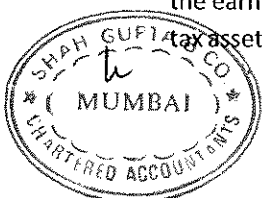
Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly 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 recognized 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 realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized 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 utilized. Deferred tax relating to items recognized outside the statement of profit and loss are recognized 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 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 recognized amounts



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

and where it intends either to settle on a net basis, or to realize 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 F.Y. 2007-2008. 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 recognized 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 recognized 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 recognizes 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 recognizes 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.

### 13. 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 recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized 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 recognized 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.

### 14. 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.

### 15. 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 recognized in the period in which the employee renders the related



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

service. The Company recognizes 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 recognized 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 the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date, which recognizes 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 recognizes 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 recognized 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 recognized in other comprehensive income. The effect of any plan amendments is recognized 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 recognized 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 amortized uniformly over the vesting period of the option.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

### 16. Revenue Recognition

Revenue is recognized 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-model service including cargo handling and storage are recognized on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognized 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 recognized based on milestones reached under the contract.

### 17. Other Income

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

### 18. Inventory

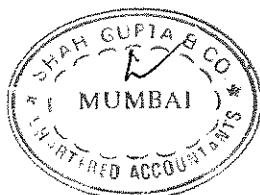
Consumables, construction materials and stores and spares are valued at lower of cost and net realizable value. Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for. Cost is determined by the weighted average cost method.

### 19. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets. Borrowing costs are capitalized 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.

### 20. Segment Reporting

The Company is primary engaged in the segment of "Port Services" and there are no reportable segments as per IND AS 108 – Operating Segments.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

### 21. 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.

### 2.3 Recent Accounting Pronouncements

#### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.'

#### Amendment to Ind AS 7

The amendment to Ind AS 7 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 requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

#### Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for the measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled, share based payment transaction, the transaction is accounted for as such from the date of modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

### 2.4 Key accounting estimates and Judgments

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.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statements for the year ended March 31, 2017

### 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.

### 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.



**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**NOTE 3:- PROPERTY, PLANT AND EQUIPMENT**

INR in Lakhs

| Particulars                         | INR in Lakhs  |                   |           |          |        |
|-------------------------------------|---------------|-------------------|-----------|----------|--------|
|                                     | Freehold Land | Office equipments | Computers | Vehicles | Total  |
| <b>Cost</b>                         |               |                   |           |          |        |
| As at 1st April, 2015 (Deemed Cost) | 14.02         | 30.08             | 11.01     | 4.08     | 59.20  |
| Additions                           | -             | 12.14             | 3.44      | -        | 15.58  |
| Disposals/transfers                 | -             | 0.17              | -         | -        | 0.17   |
| As at 31st March, 2016              | 14.02         | 42.05             | 14.45     | 4.08     | 74.61  |
| Additions                           | -             | 19.98             | -         | 41.41    | 61.38  |
| Disposals/transfers                 | -             | 1.25              | -         | 16.85    | 18.10  |
| As at 31st March, 2017              | 14.02         | 60.78             | 14.45     | 28.64    | 117.89 |
| <b>Accumulated Depreciation:</b>    |               |                   |           |          |        |
| As at 1st April, 2015               | -             | -                 | -         | -        | -      |
| Depreciation charge for the year    | -             | 10.34             | 11.07     | 0.52     | 21.93  |
| Disposals/transfers                 | -             | 2.12              | -         | -        | 2.12   |
| As at 31st March, 2016              | -             | 8.22              | 11.07     | 0.52     | 19.81  |
| Depreciation charge for the year    | -             | 12.41             | 1.75      | 2.71     | 16.86  |
| Disposals/transfers                 | -             | 0.96              | -         | 0.20     | 1.16   |
| As at 31st March, 2017              | -             | 19.67             | 12.82     | 3.03     | 35.51  |
| <b>Net book value</b>               |               |                   |           |          |        |
| As at 1st April, 2015               | 14.02         | 30.08             | 11.01     | 4.08     | 59.20  |
| As at 31st March, 2016              | 14.02         | 33.83             | 3.38      | 3.56     | 54.79  |
| As at 31st March, 2017              | 14.02         | 41.11             | 1.63      | 25.61    | 82.38  |

**NOTE 4:- OTHER INTANGIBLE ASSETS**

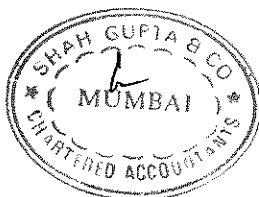
INR in Lakhs

| Particulars                         | Port Infra structure rights (Refer Note 2.2.4.) |                     |                        |                   | Total     | Intangible assets under development |
|-------------------------------------|---|---------------------|------------------------|-------------------|-----------|-------------------------------------|
|                                     | Buildings                                       | Plant and machinery | Furniture and fittings | Computer Software |           |                                     |
| <b>Cost:</b>                        |   |                     |                        |                   |           |                                     |
| As at 1st April, 2015 (Deemed Cost) | 13,513.80                                       | 14,411.19           | 26.71                  | 57.11             | 28,008.81 | 252.04                              |
| Additions                           | 298.14  | 492.23              | 2.63                   | 32.69             | 825.69    | 1,044.60                            |
| Disposals /transfers                | -   | 228.23              | -                      | 8.73              | 236.96    | 582.97                              |
| As at 31st March, 2016              | 13,811.94                                       | 14,675.19           | 29.34                  | 81.07             | 28,597.54 | 713.67                              |
| Additions                           | 39.50   | 13,526.32           | 3.88                   | 10.39             | 13,580.09 | 218.90                              |
| Disposals /transfers                | -   | -                   | 0.32                   | 0.04              | 0.36      | 401.69                              |
| As at 31st March, 2017              | 13,851.44                                       | 28,201.51           | 32.90                  | 91.42             | 42,177.27 | 530.88                              |
| <b>Accumulated amortisation:</b>    |   |                     |                        |                   |           |                                     |
| As at 1st April, 2015               | -   | -                   | -                      | -                 | -         | -                                   |
| Amortisation charge for the year    | 968.32  | 1,463.74            | 4.39                   | 50.78             | 2,487.22  | -                                   |
| Disposals /transfers                | -   | 95.26               | -                      | 0.54              | 95.79     | -                                   |
| As at 31st March, 2016              | 968.32  | 1,368.48            | 4.39                   | 50.24             | 2,391.43  | -                                   |
| Amortisation charge for the year    | 986.88  | 2,153.57            | 4.36                   | 20.93             | 3,165.74  | -                                   |
| Disposals /transfers                | -   | -                   | 0.23                   | 0.04              | 0.27      | -                                   |
| As at 31st March, 2017              | 1,955.20  | 3,522.05            | 8.52                   | 71.13             | 5,556.90  | -                                   |
| <b>Net book value:</b>              |   |                     |                        |                   |           |                                     |
| As at 1st April, 2015               | 13,513.80                                       | 14,411.19           | 26.71                  | 57.11             | 28,008.81 | 252.04                              |
| As at 31st March, 2016              | 12,843.62                                       | 13,306.72           | 24.95                  | 30.83             | 26,206.11 | 713.67                              |
| As at 31st March, 2017              | 11,896.24                                       | 24,679.47           | 24.38                  | 20.29             | 36,620.37 | 530.88                              |

**NOTE 5:- NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**

INR in Lakhs

| Particulars  | INR in Lakhs           |                        |                       |
|--|------------------------|------------------------|-----------------------|
|  | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| <b>Investment In Equity Instruments</b>  |                        |                        |                       |
| Associates   |                        |                        |                       |
| Unquoted   |                        |                        |                       |
| Investment carried at Cost   |                        |                        |                       |
| JSW Paradip Terminal Private Limited<br>(2600 Equity shares of Rs. 10/- each)            | 0.26                   | 0.26                   | 0.26                  |
| Paradip East Quay Coal Terminal Private Limited<br>(2600 Equity shares of Rs. 10/- each) | 0.26                   | -                      | -                     |
|  | 0.52                   | 0.26                   | 0.26                  |





**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**NOTE 6:- NON-CURRENT FINANCIAL ASSETS - OTHERS**

| Particulars       | INR In Lakhs              |                           |                          |
|-------------------|---------------------------|---------------------------|--------------------------|
|                   | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Security Deposits | 88.19                     | 61.23                     | 70.39                    |
|                   | 88.19                     | 61.23                     | 70.39                    |

**NOTE 7:- NON-CURRENT ASSETS - OTHERS**

| Particulars      | INR In Lakhs              |                           |                          |
|------------------|---------------------------|---------------------------|--------------------------|
|                  | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Capital Advances | -                         | 1,153.96                  | 1,079.33                 |
|                  | -                         | 1,153.96                  | 1,079.33                 |

**NOTE 8:- INVENTORIES**

| Particulars                          | INR In Lakhs              |                           |                          |
|--------------------------------------|---------------------------|---------------------------|--------------------------|
|                                      | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Stock-in-trade                       |                           |                           |                          |
| Stores, spares and packing materials | 705.26                    | 602.00                    | 623.74                   |
|                                      | 705.26                    | 602.00                    | 623.74                   |

**NOTE 9:- CURRENT FINANCIAL ASSETS - INVESTMENTS**

| Particulars                                   | INR In Lakhs              |                           |                          |
|---|---------------------------|---------------------------|--------------------------|
|   | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Quoted Investments                            |                           |                           |                          |
| Carried at fair value through profit and loss |                           |                           |                          |
| Investments in mutual funds                   | 6,417.99                  | 3,109.57                  | 1,925.24                 |
| Notes:  |                           |                           |                          |
| Quoted Investments                            |                           |                           |                          |
| Book value                                    | 6,289.91                  | 3,070.00                  | 1,925.24                 |
| Market value                                  | 6,417.99                  | 3,109.57                  | 1,925.24                 |

**NOTE 10:- TRADE RECEIVABLES**

| Particulars                                  | INR In Lakhs              |                           |                          |
|--|---------------------------|---------------------------|--------------------------|
|  | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| a) Secured, considered good                  | 8,601.84                  | 4,909.30                  | 4,032.43                 |
| b) Unsecured, considered good                | 1.81                      | 0.83                      | -                        |
| c) Unsecured, considered doubtful            | 8,603.65                  | 4,910.13                  | 4,032.43                 |
| Less: Allowance for unsecured doubtful debts | 1.81                      | 0.83                      | -                        |
|  | 8,601.84                  | 4,909.30                  | 4,032.43                 |

**NOTE 11:- CASH AND CASH EQUIVALENTS**

| Particulars                | INR In Lakhs              |                           |                          |
|----------------------------|---------------------------|---------------------------|--------------------------|
|                            | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Balances with banks:       |                           |                           |                          |
| In current accounts        |                           |                           |                          |
| Axis Bank Ltd - 3489       | 797.85                    | 1,239.22                  | 185.27                   |
| Axis Bank Ltd - 1090       | 84.05                     | 88.39                     | 121.48                   |
| State Bank of India - 7093 | 2.63                      | 0.22                      | 0.65                     |
| Andhra Bank Ltd - 0333     | -                         | -                         | 0.12                     |
| Cash on hand               | 2.76                      | 1.18                      | 0.53                     |
|                            | 887.29                    | 1,329.01                  | 308.05                   |

**NOTE 12:- BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

| Particulars               | INR In Lakhs              |                           |                          |
|---------------------------|---------------------------|---------------------------|--------------------------|
|                           | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Fixed deposits with banks | 327.20                    | 304.93                    | -                        |
|                           | 327.20                    | 304.93                    | -                        |

**NOTE 13:- CURRENT FINANCIAL ASSETS - LOANS**

| Particulars                              | INR In Lakhs              |                           |                          |
|--|---------------------------|---------------------------|--------------------------|
|  | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Loans to related parties (Refer note 41) | 8,868.98                  | 5,979.08                  | 4,979.08                 |
| Loans to others                          | 2,500.00                  | 2,500.00                  | 2,500.00                 |
| Advances to employees                    | 1.47                      | 1.11                      | 35.01                    |
|  | 11,370.45                 | 8,480.19                  | 7,514.09                 |

**NOTE 14:- CURRENT FINANCIAL ASSETS - OTHERS**

| Particulars         | INR In Lakhs              |                           |                          |
|---------------------|---------------------------|---------------------------|--------------------------|
|                     | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Security deposits   | 55.92                     | 55.00                     | 4.08                     |
| Interest receivable | 404.00                    | 254.26                    | 270.00                   |
| Other receivables   | 311.80                    | 353.22                    | 610.80                   |
|                     | 771.72                    | 662.48                    | 884.88                   |



**NOTE 15:- TAXATION**

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

| Particulars  | INR in Lakhs                        |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
| Current Income tax (Mat Liability)                                       | 2,173.90                            | 1,210.21                            |
| Tax (credit) under Minimum Alternative Tax                               | (1,670.68)                          | (708.25)                            |
| Current Tax (a)  | 503.22                              | 501.96                              |
| Deferred Tax (b)   | 928.18                              | (256.82)                            |
| <b>Total Expenses reported in the statement of profit and Loss (a+b)</b> | <b>1,431.40</b>                     | <b>245.14</b>                       |

**Income Tax expense**

| Particulars                           | INR in Lakhs                        |                                     |
|---------------------------------------|-------------------------------------|-------------------------------------|
|                                       | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
| <b>Reconciliation</b>                 |                                     |                                     |
| Profit before tax                     | 7,812.92                            | 5,097.25                            |
| Applicable tax rate                   | 34.608%                             | 34.608%                             |
| Computed tax expense                  | 2,703.90                            | 1,764.05                            |
| Expense not allowed for tax purpose   | 76.52                               | 34.00                               |
| Additional allowances for tax purpose | (2,438.57)                          | (1,517.05)                          |
| Other temporary differences           | 161.81                              | 220.96                              |
| MAT Credit                            | 503.22                              | 501.96                              |
| MAT Liability (115/B)                 | 2,173.90                            | 1,210.21                            |
| MAT Credit entitlement                | (1,670.68)                          | (708.25)                            |
| Current tax                           | 503.22                              | 501.96                              |

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017; March 31, 2016 and 1st April, 2015

| Particulars            | INR in Lakhs           |                        |                       |
|------------------------|------------------------|------------------------|-----------------------|
|                        | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| Income tax assets      | 3,484.80               | 1,601.51               | 2,043.58              |
| Income tax liabilities | (2,173.90)             | (1,210.21)             | (1,506.30)            |
|                        | <b>1,310.90</b>        | <b>391.30</b>          | <b>537.28</b>         |

**Deferred tax relates to the following:**

| Particulars   | Balance Sheet          |                        |                       | Recognised in statement of profit or loss |                                     |
|---|------------------------|------------------------|-----------------------|---|-------------------------------------|
|   | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 | For the year ended 31st March, 2017       | For the year ended 31st March, 2016 |
|   |                        |                        |                       |   |                                     |
| Expenses allowable on payment basis   | 68.48                  | 34.24                  |                       | 34.24                                     | 34.24                               |
| Other items giving rise to temporary differences                                      | 6,533.59               | 2,064.44               | (5,946.95)            | 4,469.15                                  | 8,011.39                            |
| Accelerated depreciation for tax purposes   | (867.00)               | (490.42)               |                       | (376.58)                                  | (490.42)                            |
| Fair valuation of property, plant and equipment (PP&E)                                | (15,975.01)            | (9,165.77)             | (2,356.54)            | (6,809.23)                                | (6,809.23)                          |
| Income tax relating to items that will not be reclassified to profit or loss from OCI | -                      | -                      | -                     | -   | -                                   |
| Deferred tax asset / (liability)  | (3,543.84)             | (2,615.50)             | (2,873.67)            | (928.33)                                  | 258.17                              |
| Net (income)/expense  |                        |                        |                       | (928.33)                                  | 258.17                              |

**Reconciliation of deferred tax assets / (liabilities) net:**

| Particulars   | INR in Lakhs           |                        |
|---|------------------------|------------------------|
|   | As at 31st March, 2017 | As at 31st March, 2016 |
| Opening balance as of 1st April   |                        |                        |
| Tax income / (expense) during the period recognised in profit or loss                 | (2,615.50)             | (2,873.67)             |
| Income tax relating to items that will not be reclassified to profit or loss from OCI | (928.33)               | 258.17                 |
| Closing balance   | <b>(3,543.83)</b>      | <b>(2,615.50)</b>      |



**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**NOTE 16:- OTHER CURRENT ASSETS**

| Particulars                     | INR in Lakhs           |                        |                       |
|---------------------------------|------------------------|------------------------|-----------------------|
|                                 | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| Advance to suppliers            | 169.67                 | 30.73                  | 36.89                 |
| Prepaid expenses                | 101.59                 | 167.34                 | 117.83                |
| Statutory and other receivables | 6,709.50               | 5,976.82               | 5,509.77              |
| Other Advances                  | -                      | -                      | 0.64                  |
|                                 | <b>6,980.76</b>        | <b>6,174.89</b>        | <b>5,665.13</b>       |

**NOTE 17 :- SHARE CAPITAL**

| Particulars  | INR in Lakhs           |                        |                       |
|--|------------------------|------------------------|-----------------------|
|  | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
| <b>Authorised:</b>                                     |                        |                        |                       |
| 4,70,00,000 Equity Shares of Rs.10 each                | 4,700.00               | 4,700.00               | 4,700.00              |
| 2,00,00,000 Preference Shares of Rs.10 each            | 2,000.00               | 2,000.00               | 2,000.00              |
|  | <b>6,700.00</b>        | <b>6,700.00</b>        | <b>6,700.00</b>       |
| <b>Issued, Subscribed and Paid-up:</b>                 |                        |                        |                       |
| 4,62,00,000 Equity Shares of Rs 10 each, fully paid up | 4,620.00               | 4,620.00               | 4,620.00              |
|  | <b>4,620.00</b>        | <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:**

| Issued Subscribed and paid up share capital | INR in Lakhs           |                 |                        |                 |                       |                 |
|---|------------------------|-----------------|------------------------|-----------------|-----------------------|-----------------|
|   | As at 31st March, 2017 |                 | As at 31st March, 2016 |                 | As at 1st April, 2015 |                 |
|   | No. of Shares          | Amounts         | No. of Shares          | Amounts         | No. of Shares         | Amounts         |
| Balance at the beginning of the year        | 462,00,000             | 4,620.00        | 462,00,000             | 4,620.00        | 462,00,000            | 4,620.00        |
| Add: shares issued during the year          | -                      | -               | -                      | -               | -                     | -               |
| Balance at the end of the year              | <b>462,00,000</b>      | <b>4,620.00</b> | <b>462,00,000</b>      | <b>4,620.00</b> | <b>462,00,000</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 Rs. 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 shareholders holding more than 5 % shares in the Company:**

| Name of the Shareholder                                   | INR in Lakhs           |                        |                        |                        |                       |                        |
|---|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|
|   | As at 31st March, 2017 |                        | As at 31st March, 2016 |                        | As at 1st April, 2015 |                        |
|   | No. of shares          | % holding in the class | No. of Shares          | % holding in the class | No. of Shares         | % holding in the class |
| 1. ABG Infralogistics Limited                             | 120,12,000             | 26.00                  | 120,12,000             | 26.00                  | 120,12,000            | 26.00%                 |
| 2. Dhamankhol Fintrade Private Limited                    | 84,20,000              | 18.23                  | 84,20,000              | 18.23                  | 84,20,000             | 18.23%                 |
| 3. JSW Jalgarh Infrastructure Development Private Limited | 110,00,000             | 23.81                  | 110,00,000             | 23.81                  | 110,00,000            | 23.81%                 |
| 4. Nalwa Fintrade Private Limited                         | 45,24,938              | 9.79                   | 45,24,938              | 9.79                   | 45,24,938             | 9.79%                  |
| 5. Vanity Fintrade Private Limited                        | 102,43,062             | 22.17                  | 102,43,062             | 22.17                  | 102,43,062            | 22.17%                 |
| <b>Total</b>  | <b>462,00,000</b>      | <b>100.00</b>          | <b>462,00,000</b>      | <b>100.00</b>          | <b>462,00,000</b>     | <b>100.00%</b>         |

**NOTE 18:- OTHER EQUITY**

| Particulars  | INR in Lakhs      |                            |  |
|--|-------------------|----------------------------|--|
|  | Retained Earnings | ESOP Compensation Reserves | Total equity attributable to equity holders of the Company |
| Balance as at 01st April, 2015                           | 37,921.64         | 886.17                     | 38,807.82  |
| Profit for the year                                      | 4,852.11          | -                          | 4,852.11   |
| Other comprehensive Income / (loss) for the year         | -                 | -                          | -  |
| - Remeasurements gains / (loss) on defined benefit plans | (2.58)            | -                          | (2.58)   |
| Employee stock option expense                            | -                 | 43.05                      | 43.05  |
| Balance as at 31st March, 2016                           | <b>42,771.17</b>  | <b>934.22</b>              | <b>43,705.40</b>   |

| Particulars                                     | INR in Lakhs      |                            |  |
|---|-------------------|----------------------------|--|
|   | Retained Earnings | ESOP Compensation Reserves | Total equity attributable to equity holders of the Company |
| Balance as at 01st April, 2016                  | 42,771.17         | 934.22                     | 43,705.39  |
| Profit for the year                             | 6,381.51          | -                          | 6,381.51   |
| Other comprehensive Income for the year         | -                 | -                          | -  |
| - Remeasurements gains on defined benefit plans | 0.29              | -                          | 0.29   |
| Employee stock option expense                   | -                 | 447.57                     | 447.57   |
| Balance as at 31st March, 2017                  | <b>49,152.97</b>  | <b>1,381.79</b>            | <b>50,534.76</b>   |



**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**NOTE 19:- NON-CURRENT LIABILITIES - OTHERS**

INR In Lakhs

| Particulars         | As at            | As at            | As at           |
|---------------------|------------------|------------------|-----------------|
|                     | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| Corporate Guarantee | 39.77            | 88.30            | 153.30          |
|                     | 39.77            | 88.30            | 153.30          |

**NOTE 20:- NON-CURRENT PROVISIONS**

INR In Lakhs

| Particulars                            | As at            | As at            | As at           |
|--|------------------|------------------|-----------------|
|  | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| <b>Provision for Employee Benefits</b> |                  |                  |                 |
| Gratuity (Refer Note No 42)            | 24.02            | 7.91             | -               |
| Leave encashment                       | 88.18            | 73.61            | 56.99           |
|  | 112.20           | 81.52            | 56.99           |

**NOTE 21:- CURRENT FINANCIAL LIABILITIES - BORROWINGS**

| Particulars  | As at            | As at            | As at           |
|--|------------------|------------------|-----------------|
|  | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| <b>Secured loans</b>   |                  |                  |                 |
| Buyer's Credit   | 8,532.87         | -                | -               |
| (Company has availed Buyers Credit Facility from Axis Bank amounting to USD 1,30,50,000 at Interest rate of 1.50%(LIBOR Plus 28BPS) against hypothecation of movable fixed and current assets of the company which is repayable on demand) |                  |                  |                 |
|  | 8,532.87         | -                | -               |

**NOTE 22:- CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

INR In Lakhs

| Particulars   | As at            | As at            | As at           |
|---|------------------|------------------|-----------------|
|   | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| Due to Micro, Small and Medium Enterprises (Refer Note No 22.1) | 13.87            | 28.62            | -               |
| Due to others   | 5,413.33         | 897.19           | 2,481.54        |
|   | 5,427.21         | 925.81           | 2,481.54        |

**NOTE 22.1:- DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**

INR In Lakhs

| Particulars  | As at            | As at            | As at           |
|--|------------------|------------------|-----------------|
|  | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| 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  | 13.87            | 28.62            | -               |
| Interest due on above  | -                | -                | -               |
|  | 13.87            | 28.62            | -               |

**NOTE 23:- CURRENT-OTHER FINANCIAL LIABILITIES**

INR In Lakhs

| Particulars                                      | As at            | As at            | As at           |
|--|------------------|------------------|-----------------|
|  | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| <b>Interest accrued but not due on borrowing</b> |                  |                  |                 |
| Security deposit                                 | 1.53             | -                | -               |
| Employee dues                                    | 61.97            | 92.22            | 118.55          |
| Other payables                                   | 166.46           | 158.31           | 157.75          |
|  | 1,435.92         | 1,351.13         | 1,119.22        |
|  | 1,665.88         | 1,601.66         | 1,395.52        |

**NOTE 24:- OTHER CURRENT LIABILITIES**

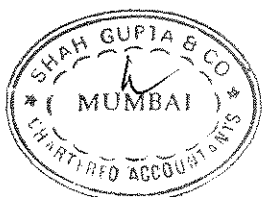
INR In Lakhs

| Particulars             | As at            | As at            | As at           |
|-------------------------|------------------|------------------|-----------------|
|                         | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| Advances from customers | 78.94            | 440.16           | 325.09          |
| Statutory dues          | 104.04           | 38.21            | 219.50          |
|                         | 182.98           | 478.37           | 544.59          |

**NOTE 25:- SHORT-TERM PROVISIONS**

INR In Lakhs

| Particulars                            | As at            | As at            | As at           |
|--|------------------|------------------|-----------------|
|  | 31st March, 2017 | 31st March, 2016 | 1st April, 2015 |
| <b>Provision for Employee Benefits</b> |                  |                  |                 |
| Gratuity (Refer Note No 42)            | 28.48            | 30.20            | 22.00           |
| Leave encashment                       | 7.75             | 6.94             | 5.44            |
|  | 36.23            | 37.14            | 27.44           |



**SOUTH WEST PORT LIMITED**
**Notes to Financial Statements for the year ended 31st March, 2017**
**NOTE 26:- REVENUE FROM OPERATIONS**

INR in Lakhs

| Particulars               | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---------------------------|-------------------------------------|-------------------------------------|
| Cargo handling Income     | 18,381.32                           | 13,550.06                           |
| Berth hire income         | 11,167.66                           | 10,280.55                           |
| Storage income            | 577.57                              | 321.83                              |
| Other port service income | 88.75                               | 19.00                               |
|                           | <b>30,215.30</b>                    | <b>24,171.44</b>                    |

**NOTE 27:- OTHER INCOME**

INR in Lakhs

| Particulars                                   | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---|-------------------------------------|-------------------------------------|
| Interest income                               | 734.67                              | 1,089.72                            |
| Interest income using effective interest rate | 26.96                               | (9.41)                              |
| Gain on sale of investments (Net)             | 391.31                              | 219.54                              |
| Fair Valuation of Mutual Fund                 | 88.50                               | 39.57                               |
| Exchange gain (Net)                           | 214.38                              | -                                   |
| Sale of Scrap                                 | 182.35                              | 99.84                               |
| Profit on sale of Fixed Assets                | 0.45                                | 76.39                               |
| Gain on fair valuation of guarantee           | 48.53                               | 65.00                               |
| Miscellaneous income                          | 171.36                              | 72.18                               |
|   | <b>1,858.51</b>                     | <b>1,652.83</b>                     |

**NOTE 28:- OPERATING EXPENSES**

INR in Lakhs

| Particulars                              | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|-------------------------------------|-------------------------------------|
| Cargo handling expenses                  | 12,125.64                           | 10,942.16                           |
| Fuel Expenses                            | 286.57                              | 349.03                              |
| Repair & Maintenance - Plant & Machinery | 114.12                              | 184.54                              |
| Repair & Maintenance - Building          | 78.29                               | 63.55                               |
| Repair & Maintenance - Others            | 26.69                               | 50.16                               |
| Power                                    | 923.50                              | 729.56                              |
| Stores & Spares consumed                 | 617.27                              | 726.40                              |
| Royalty to Mormugao Port Trust           | 3,415.98                            | 2,638.24                            |
| Licence fee to Mormugao Port Trust       | 603.14                              | 564.17                              |
| Other expenses                           | -                                   | 4.72                                |
|  | <b>18,191.20</b>                    | <b>16,252.53</b>                    |

**NOTE 29:- EMPLOYEE BENEFITS EXPENSE**

INR in Lakhs

| Particulars                                      | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|-------------------------------------|-------------------------------------|
| Salaries, Wages and bonus                        | 1,219.75                            | 1,134.38                            |
| Staff welfare expenses                           | 56.63                               | 63.61                               |
| Contributions to provident funds and other funds | 51.63                               | 48.70                               |
| Gratuity expense                                 | 16.83                               | 12.49                               |
| ESOP expenses (Refer Note No 43)                 | 447.57                              | 48.05                               |
|  | <b>1,792.41</b>                     | <b>1,307.23</b>                     |

**NOTE 30:- FINANCE COSTS**

INR in Lakhs

| Particulars         | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---------------------|-------------------------------------|-------------------------------------|
| Interest on loans   | 128.67                              | -                                   |
| Other finance costs | 111.06                              | 8.80                                |
|                     | <b>239.73</b>                       | <b>8.80</b>                         |

**NOTE 31:- DEPRECIATION AND AMORTISATION EXPENSE**

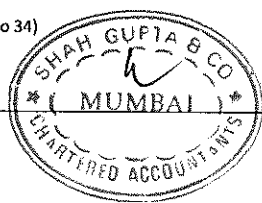
INR in Lakhs

| Particulars                       | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Depreciation on Tangible Assets   | 16.59                               | 21.93                               |
| Amortisation on Intangible Assets | 3,165.74                            | 2,487.22                            |
|                                   | <b>3,182.33</b>                     | <b>2,509.15</b>                     |

**NOTE 32:- OTHER EXPENSES**

INR in Lakhs

| Particulars                                 | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---|-------------------------------------|-------------------------------------|
| Rates & taxes                               | 12.87                               | 0.43                                |
| Rent  | 18.04                               | 15.44                               |
| Insurance                                   | 144.42                              | 110.38                              |
| Legal, professional & consultancy charges   | 34.99                               | 54.92                               |
| Vehicle hiring & maintenance                | 29.90                               | 28.98                               |
| Security charges                            | 53.32                               | 43.06                               |
| CSR expenses (Refer Note No 39)             | 134.06                              | 129.00                              |
| Directors sitting fees                      | 4.00                                | 5.00                                |
| Remuneration to auditors (Refer Note No 34) | 14.60                               | 9.35                                |
| Loss on Sale of Fixed Assets                | 4.26                                | -                                   |
| General office expenses and overheads       | 404.76                              | 252.75                              |
|   | <b>855.22</b>                       | <b>649.31</b>                       |



**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**Note 33:- CONTINGENT LIABILITIES AND COMMITMENTS**

**A. Contingent Liabilities:**

| Particulars   | INR in Lakhs              |                           |                          |
|---|---------------------------|---------------------------|--------------------------|
|   | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Claims against the company not acknowledged as debts  |                           |                           |                          |
| Customs duty against EPCG obligation  | 911.28                    | 9,633.00                  | 58.90                    |
| Guarantee given to the Bank on behalf of holding company  | 10,126.00                 | 14,506.00                 | 18,310.00                |
| Customs for bonded storage facility   | 400.00                    | 400.00                    | 400.00                   |
| Bank Gurantee given to Paradip Port Trust   | 605.00                    | 605.00                    | 605.00                   |
| Bank Gurantee given to Electricity Dept Goa   | 975.00                    | 975.00                    | 300.00                   |
| Disputed income tax liability in respect of Assessment Year 2011-12                                       | -                         | 463.00                    | 463.00                   |
| Disputed Income tax liability in respect of Assessment Year 2012-13                                       | -                         | 85.20                     | 85.20                    |
| 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 2014-15                                       | 1.95                      | -                         | -                        |
| Disputed income tax liability in respect of Assessment Year 2015-16                                       | 8.23                      | -                         | -                        |
|   | <b>13,873.66</b>          | <b>27,513.40</b>          | <b>20,222.10</b>         |

**B. Commitments:**

| Particulars  | INR in Lakhs              |                           |                          |
|--|---------------------------|---------------------------|--------------------------|
|  | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 766.12                    | 10,096.10                 | 11,114.90                |

**Note 34:- PAYMENT TO AUDITORS (exclusive of service tax)**

| Nature of transaction/relationship | INR in Lakhs                           |  |
|------------------------------------|--|--|
|                                    | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
| Statutory Audit fees               | 8.50                                   | 8.00                                   |
| Tax Audit fees                     | 1.10                                   | 1.10                                   |
| Out of pocket expenses             | 0.30                                   | 0.25                                   |
| Others                             | 4.70                                   | -                                      |
|                                    | <b>14.60</b>                           | <b>9.35</b>                            |

**NOTE 35:-IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED**

| Particulars | INR in Lakhs                        |                 |                                     |                 |
|-------------|-------------------------------------|-----------------|-------------------------------------|-----------------|
|             | For the year ended 31st March, 2017 |                 | For the year ended 31st March, 2016 |                 |
|             | % of total consumptions             | Value           | % of total consumptions             | Value           |
| Spare parts |                                     |                 |                                     |                 |
| Imported    | 0.33                                | 3.31            | 0.75                                | 8.50            |
| Indigenous  | 99.67                               | 999.94          | 99.25                               | 1,118.60        |
|             | <b>100.00</b>                       | <b>1,003.25</b> | <b>100.00</b>                       | <b>1,127.10</b> |

**NOTE 36:-VALUE OF IMPORTS CALCULATED ON CIF BASIS**

| Particulars                | INR in Lakhs                           |  |
|----------------------------|--|--|
|                            | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
| Components and spare parts | -                                      | 8.69                                   |
| Capital goods              | 11,711.72                              | 138.92                                 |
|                            | <b>11,711.72</b>                       | <b>147.61</b>                          |

**NOTE 37: EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

| Particulars    | INR in Lakhs                           |  |
|----------------|--|--|
|                | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
| Revenue spares | -                                      | 8.69                                   |
| Capital goods  | 11,711.72                              | 138.92                                 |
|                | <b>11,711.72</b>                       | <b>147.61</b>                          |

**NOTE 38: EARNINGS IN FOREIGN CURRENCY**

| Particulars                               | INR in Lakhs                           |  |
|---|--|--|
|   | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
| Berth hire income (including service tax) | 12,834.64                              | 11,136.90                              |
|   | <b>12,834.64</b>                       | <b>11,136.90</b>                       |

**NOTE 39: CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profits for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The CSR committee has been formed by the company. The areas for CSR activities are Improving Living Conditions, Promoting Social Development, Swachcha Bharat Abhiyan, Addressing Environmental Issues and rural development projects. The funds were utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent during the year is Rs. 134 Lakhs

Amount spent during the year is Rs. 134 Lakhs

| Name of the Category               | Amount Spent  |
|------------------------------------|---------------|
| A: Improving Living Conditions     | 8.00          |
| B: Promoting Social Development    | 73.40         |
| C: Swachcha Bharat Abhiyan         | 12.20         |
| D: Addressing Environmental Issues | 34.40         |
| E: Administration & Contingency    | 6.00          |
|                                    | <b>134.00</b> |



# SOUTH WEST PORT LIMITED

## Notes to Financial Statements for the year ended 31st March, 2017

### NOTE 40: SEGMENT REPORTING

The Company is primarily engaged in the segment of "Port Services" and single reportable segments as per Ind AS 108 Operating Segment.

### NOTE 41:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES

| 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 Energy Limited                              | Other related party       |
| J Soft Solution Limited                         | Other related party       |
| JSW Paradip Terminal Private Limited            | Associate                 |
| Paradip East Quay Coal Terminal Private Limited | Associate                 |
| Lalit Singhvi                                   | Whole Time Director       |
| Kantilal Narandas Patel                         | Non Executive Director    |
| Naveen Kumar                                    | Non Executive Director    |
| Ameeta Chatterjee                               | Independent Director      |
| Gerard Earnest Paul Da Cunha                    | Independent Director      |
| Manjinder Singh                                 | Company Secretary         |
| Vijay Govind Sardesai                           | Chief Financial Officer   |

| Key Management Personnel: | Designation:            |
|---------------------------|-------------------------|
| Lalit Singhvi             | Whole Time Director     |
| Manjinder Singh           | Company Secretary       |
| Vijay Sardesai            | Chief Financial Officer |

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

| Nature of transaction/relationship                      | INR in Lakhs                           |  |
|---|--|--|
|   | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
| <b>Purchase of services</b>                             |  |  |
| Other Related Parties                                   |  |  |
| JSW Infrastructure Ltd                                  | 12,010.94                              | 12,136.10                              |
| Jsoft Solutions Ltd                                     | -                                      | 11.50                                  |
| JSW IP Holdings Pvt Ltd                                 | 40.73                                  | 41.61                                  |
|   | <b>12,051.67</b>                       | <b>12,189.21</b>                       |
| <b>Sales of services</b>                                |  |  |
| Joint Venture   |  |  |
| Other Related Parties                                   |  |  |
| JSW Steel Ltd   | 18,734.03                              | 16,611.40                              |
| JSW Energy  | 1,680.37                               | 3,139.80                               |
| JSW Jaigarh Port Ltd                                    | 959.27                                 | -                                      |
|   | <b>21,373.67</b>                       | <b>19,751.20</b>                       |
| <b>Rent Received</b>                                    |  |  |
| JSW Jaigarh Port Ltd                                    | 75.00                                  | -                                      |
|   | <b>75.00</b>                           | <b>-</b>                               |
| <b>Interest Income on ICD</b>                           |  |  |
| Other Related Party                                     |  |  |
| JSW Jaigarh Port Limited                                | 594.00                                 | 504.50                                 |
| JSW Dharamtar Port Pvt. Ltd.                            | 78.63                                  | 51.00                                  |
| JSW Paradip Terminal Pvt. Ltd                           | 14.28                                  | -                                      |
| Paradip East Quay Coal Terminal Private Limited         | 2.43                                   | -                                      |
|   | <b>689.34</b>                          | <b>555.50</b>                          |
| <b>Reimbursement of Expenses Incurred on our behalf</b> |  |  |
| JSW Infrastructure Ltd                                  | 113.26                                 | 120.10                                 |
| JSW Jaigarh Port Limited                                | 173.68                                 | -                                      |
|   | <b>286.94</b>                          | <b>120.10</b>                          |
| <b>Payment of salaries, commission and perquisites</b>  |  |  |
| Key Management Personnel                                |  |  |
| Mr.Lalit Singhvi  | Paid by Holding Co                     | Paid by Holding Co                     |
| Manjinder Singh   | 13.25                                  | 12.00                                  |
| Vijay Sardesai  | 26.25                                  | 25.85                                  |
|   | <b>39.50</b>                           | <b>37.85</b>                           |

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole . Capt BVJK Sharma is MD & CEO of JSW Infrastructure Ltd. , the Holding company, is holding place of profit in South West Port Limited and is paid remuneration accordingly.

(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 there for not included above.



**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**Amount due to / from related parties**

INR in Lakhs

| Nature of transaction/relationship                 | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
|--|--|--|
| <b>Accounts Payable</b>                            |  |  |
| Other Related Parties                              |  |  |
| JSW Infrastructure Limited                         | 2,538.87                               | 557.30                                 |
| Jsoft Solutions Limited                            | -                                      | 0.87                                   |
|  | <b>2,538.87</b>                        | <b>558.17</b>                          |
| <b>Accounts Receivable</b>                         |  |  |
| JSW Steel Limited                                  | 6,596.88                               | 3,770.80                               |
| JSW Energy Limited                                 | 470.32                                 | 628.00                                 |
|  | <b>7,067.20</b>                        | <b>4,398.80</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 Dharamtar Port Private Limited                 | 800.00                                 | -                                      |
| JSW Paradip Terminal Private Limited               | 1,270.00                               | -                                      |
| Paradip East Quay Coal Terminal Private Limited    | 820.00                                 | -                                      |
| South West Port Employees Welfare Trust            | 375.58                                 | 375.68                                 |
| JSW Infrastructure Employees Welfare Trust         | 103.40                                 | 103.40                                 |
|  | <b>8,868.98</b>                        | <b>5,979.08</b>                        |
| <b>Interest Receivable from Related Party</b>      |  |  |
| JSW Jaigarh Port Limited                           | 86.41                                  | 504.50                                 |
| JSW Dharamtar Port Private Limited                 | 70.77                                  | 51.00                                  |
| JSW Paradip Terminal Private Limited               | 12.85                                  | -                                      |
| Paradip East Quay Coal Terminal Private Limited    | 2.18                                   | -                                      |
|  | <b>172.22</b>                          | <b>555.50</b>                          |
| <b>Other expenses</b>                              |  |  |
| Other Related Parties                              |  |  |
| JSW Infrastructure Limited                         | 213.86                                 | 120.10                                 |
|  | <b>213.86</b>                          | <b>120.10</b>                          |

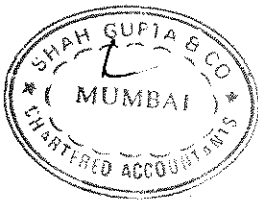
The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances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

**NOTE 42:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS**

**(a) Defined contribution plans:**

INR in Lakhs

| Particulars                        | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
|------------------------------------|--|--|
| <b>Benefits (Contribution to):</b> |  |  |
| Provident fund                     | 46.05                                  | 43.21                                  |
| Superannuation fund                | 25.41                                  | 16.42                                  |
| Employee state insurance scheme    | 0.08                                   | 0.09                                   |
|                                    | <b>71.54</b>                           | <b>59.72</b>                           |





**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**(b) Defined benefit plans:**

**Gratuity:**

The Group 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 Group makes annual contributions to the Life Insurance Corporation, which is funded defined benefit plan for qualifying employees.

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:

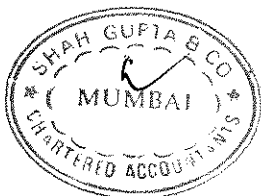
| Particulars  | Gratuity                               |  |
|--|--|--|
|  | For the year ended<br>31st March, 2017 | For the year ended<br>31st March, 2016 |
|  | (Funded)                               |  |
| <b>Change in present value of defined benefit obligation during the year</b>     |  |  |
| Present Value of Benefit Obligation at the Beginning of the Period               | 115.45                                 | 89.82                                  |
| Interest cost  | 9.28                                   | 7.23                                   |
| Current service cost   | 13.76                                  | 11.72                                  |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 8.68                                   | 0.10                                   |
| Actuarial (Gains)/Losses on Obligations - Due to Experience                      | (10.12)                                | 6.58                                   |
| Present Value of Benefit Obligation at the End of the Period                     | 137.05                                 | 115.45                                 |
| <b>Change in fair value of plan assets during the year</b>                       |  |  |
| Fair Value of Plan Assets at the Beginning of the Period                         | 77.34                                  | 67.82                                  |
| Interest Income  | 6.22                                   | 5.46                                   |
| Contributions by the Employer  | 2.00                                   | 1.32                                   |
| Return on Plan Assets, Excluding Interest Income                                 | (0.99)                                 | 2.75                                   |
| Fair Value of Plan Assets at the End of the Period                               | 84.56                                  | 77.34                                  |
| <b>Net asset / (liability) recognised in the balance sheet</b>                   |  |  |
| (Present Value of Benefit Obligation at the end of the Period)                   | (137.05)                               | (115.45)                               |
| Fair Value of Plan Assets at the end of the Period                               | 84.56                                  | 77.34                                  |
| Funded Status (Surplus/ (Deficit))   | (52.49)                                | (38.11)                                |
| Net (Liability)/Asset Recognized in the Balance Sheet                            | (52.49)                                | (38.11)                                |
| <b>Expenses recognised in the statement of profit and loss for the year</b>      |  |  |
| Current service cost   | 13.76                                  | 11.72                                  |
| Net Interest Cost  | 3.06                                   | 1.77                                   |
| Total expenses included in employee benefits expense                             | 16.82                                  | 13.49                                  |
| <b>Recognised in other comprehensive income for the year</b>                     |  |  |
| Actuarial (Gains)/Losses on Obligation For the Period                            | (1.44)                                 | 6.68                                   |
| Return on Plan Assets, Excluding Interest Income                                 | 0.99                                   | (2.75)                                 |
| Net (Income)/Expense For the Period Recognized in OCI                            | (0.45)                                 | 3.93                                   |
| <b>Maturity profile of defined benefit obligation</b>                            |  |  |
| Within the next 12 months (next annual reporting period)                         | 3.60                                   | 3.12                                   |
| Between 2 and 5 years  | 23.56                                  | 28.11                                  |
| Between 6 and 10 years   | 109.15                                 | 179.25                                 |
| <b>Quantitative sensitivity analysis for significant assumption is as below:</b> |  |  |
| Projected Benefit Obligation on Current Assumptions                              | 137.05                                 | 115.45                                 |
| One percentage point increase in discount rate                                   | (10.24)                                | (9.08)                                 |
| One percentage point decrease in discount rate                                   | 11.60                                  | 10.30                                  |
| One percentage point increase in rate of salary Increase                         | 11.62                                  | 10.41                                  |
| One percentage point decrease in rate of salary Increase                         | (10.44)                                | (9.33)                                 |
| One percentage point increase in employee turnover rate                          | 0.74                                   | 1.24                                   |
| One percentage point decrease in employee turnover rate                          | (0.83)                                 | (1.39)                                 |

**Sensitivity Analysis Method:**

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

**Actuarial assumptions**

|                                  |         |         |
|----------------------------------|---------|---------|
| Expected Return on Plan Assets   | 7.20%   | 8.04%   |
| Rate of Discounting              | 7.20%   | 8.04%   |
| 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>             |         |         |
| Nos. of Active Members           | 71.00   | 77.00   |



**SOUTH WEST PORT LIMITED**

**Notes to Financial Statements for the year ended 31st March, 2017**

**NOTE 43:- EQUITY SETTLED ESOP PLAN**

The Company's employees have been offered share-based payment schemes of JSW Infrastructure Limited (JSWIL) under the scheme of JSW Infrastructure Limited as per below;

| Particulars  | ESOP Plan 2011              |                    | ESOP Plan 2016     |
|--|-----------------------------|--------------------|--------------------|
|  | Date of Grant               | 1st December, 2011 | 1st December, 2011 |
| Mega grant   |                             |                    |                    |
| Subsequent grant I   | 1st December, 2011          |                    |                    |
| Subsequent grant II  | 1st October, 2012           |                    |                    |
| Subsequent grant III   | 1st October, 2013           |                    |                    |
| ESOP Grant 2016  |                             |                    |                    |
| Outstanding as on April 01, 2016                                 | 1,06,180                    |                    |                    |
| Granted during the year  | -                           |                    | 46,622             |
| Transfer arising from transfer of employees from group companies | -                           |                    | -                  |
| Forfeited during the year  | -                           |                    | -                  |
| Transfer arising from transfer of employees to group companies   | -                           |                    | -                  |
| Exercised during the year  | -                           |                    | -                  |
| Outstanding as on March 31, 2017                                 | 1,06,180                    |                    | 46,622             |
| Vesting period   | Graded Vesting over 3 years |                    | 1 year             |
| Method of settlement   | Equity                      |                    | Cash               |

| ESOP Plan 2011       | No. of Options granted | Exercise Price (Rs.) | Vesting Date |
|----------------------|------------------------|----------------------|--------------|
| Mega grant           | 2,67,051               | 10.00                | 30.11.2012   |
| Subsequent grant I   | 38,185                 | 85.66                | 01.12.2014   |
| Subsequent grant II  | 44,462                 | 99.68                | 01.10.2015   |
| Subsequent grant III | 36,730                 | 123.75               | 30.09.2016   |

| ESOP Plan 2016  | No. of Options granted | Exercise Price (Rs.) | Vesting Date |
|-----------------|------------------------|----------------------|--------------|
| ESOP Grant 2016 | 46,622                 | 897.00               | 12.06.2017   |

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

| Particulars  | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|-----------------------------------|-----------------------------------|
| Expense arising from equity settled share based payment transactions | 447.57                            | 48.05                             |

The following table summarizes information about options exercised and granted during the year and about options outstanding and their remaining contractual life as at March 31, 2017:

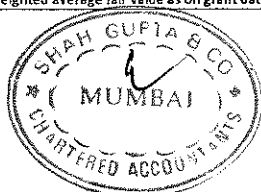
| Particulars                     | Options outstanding     |  |                                 | Options Exercised       |                             |
|---------------------------------|-------------------------|--|---------------------------------|-------------------------|-----------------------------|
|                                 | Number of share options | Weighted average remaining contractual life (in years- ) | Weighted average exercise price | Number of share options | Weighted average fair value |
| ESOP Plan 2011                  |                         |  |                                 |                         |                             |
| 1st December, 2011 (mega grant) | 71,073                  | 0.5  | 10.00                           | -                       | -                           |
| 1st December, 2011              | 9,028                   | 0.5  | 85.66                           | -                       | -                           |
| 1st October, 2012               | 11,566                  | 0.5  | 99.68                           | -                       | -                           |
| 1st October, 2013               | 14,513                  | 0.5  | 123.75                          | -                       | -                           |
| ESOP Plan 2016                  |                         |  |                                 |                         |                             |
| 13th June, 2016                 | 46,622                  | 4.5  | 897.00                          | -                       | -                           |

For options granted on 1st December 2011, 1st October 2012 and 1st October 2013 under ESOP 2011 Scheme, the weighted average fair values have been determined using the Black Scholes Option Pricing Model considering the following parameters:

| Particulars  | For options granted in   |                         |                        |                        |
|--|--------------------------|-------------------------|------------------------|------------------------|
|  | 1st December 2011 (Mega) | 1st December 2011 (1st) | 1st October 2012 (2nd) | 1st October 2013 (3rd) |
| Grant date   |                          |                         |                        |                        |
| Weighted average share price on the date of grant    | Rs. 294.48               | Rs. 296.47              | Rs. 323.42             | Rs. 379.86             |
| Weighted average Exercise price on the date of grant | Rs. 10                   | Rs. 85.66               | Rs. 99.68              | Rs. 123.75             |
| Expected volatility (%)                              | 49.94%                   | 49.94%                  | 45.99%                 | 45.99%                 |
| Expected life of the option (years)                  | 1 year                   | 3 years                 | 3 years                | 3 years                |
| Expected dividends (%)                               | 0%                       | 0%                      | 0%                     | 0%                     |
| Risk-free interest rate (%)                          | 8.86%                    | 8.86%                   | 8.17%                  | 8.76%                  |
| Weighted average fair value as on grant date         | Rs. 285.64               | Rs. 241.39              | Rs. 254.3              | Rs. 294.25             |

For options granted on 13th June 2016 under ESOP 2016 Scheme; the weighted average fair values have been determined using the Black Scholes Option Pricing Model considering the following parameters:

| Particulars  | For options granted in |
|--|------------------------|
| Grant date   | 13th June 2016         |
| Weighted average share price on the date of grant    | Rs. 997                |
| Weighted average Exercise price on the date of grant | Rs. 897                |
| Expected volatility (%)                              | 38.33%                 |
| Expected life of the option (years)                  | 1 year                 |
| Expected dividends (%)                               | 0%                     |
| Risk-free Interest rate (%)                          | 7.43%                  |
| Weighted average fair value as on grant date         | 517                    |



# SOUTH WEST PORT LIMITED

## Notes to Financial Statements for the year ended 31st March, 2017

### NOTE 44:- FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

| Particulars   | Level | Carrying amount  |                  |                  |
|---|-------|------------------|------------------|------------------|
|   |       | As at            | As at            | As at            |
|   |       | 31st March, 2017 | 31st March, 2016 | 1st April, 2015  |
| INR in Lakhs  |       |                  |                  |                  |
| <b>Financial assets at amortised cost:</b>                    |       |                  |                  |                  |
| Trade receivables   | 3     | 8,601.84         | 4,909.30         | 4,032.43         |
| Other Financial Asset (non-current)                           | 3     | 88.19            | 61.23            | 70.39            |
| Loans (current)   | 3     | 11,370.45        | 8,480.19         | 7,514.09         |
| Other Financial Asset (current)                               | 3     | 771.72           | 662.48           | 884.88           |
| Investments(non Current)                                      | 3     | 0.52             | 0.26             | 0.26             |
| Cash and bank balances  | 3     | 887.29           | 1,329.01         | 308.05           |
| Bank deposit  | 3     | 327.20           | 304.93           | -                |
|   |       | <b>22,047.21</b> | <b>15,747.40</b> | <b>12,810.11</b> |
| <b>Financial assets at fair value through profit or loss:</b> |       |                  |                  |                  |
| Investments   | 1     | 6,417.99         | 3,109.57         | 1,925.24         |
|   |       | <b>6,417.99</b>  | <b>3,109.57</b>  | <b>1,925.24</b>  |
| <b>Financial liabilities at amortised cost:</b>               |       |                  |                  |                  |
| Borrowings (current)  | 3     | 8,532.87         | -                | -                |
| Trade and other payables                                      | 3     | 5,427.21         | 925.81           | 2,481.54         |
| Other financial liabilities (current)                         | 3     | 1,665.88         | 1,601.66         | 1,395.52         |
|   |       | <b>15,625.96</b> | <b>2,527</b>     | <b>3,877.06</b>  |

#### 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 45:- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and foreign exchange 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.

#### 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. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

#### Exposure to Interest rate risk

| Particulars              | INR in Lakhs              |                           |
|--------------------------|---------------------------|---------------------------|
|                          | As at<br>31st March, 2017 | As at<br>31st March, 2016 |
| Floating rate borrowings | 8,532.87                  | -                         |

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

| Particulars                         | INR in Lakhs              |                           |
|-------------------------------------|---------------------------|---------------------------|
|                                     | As at<br>31st March, 2017 | As at<br>31st March, 2016 |
| 25 bp increase - Decrease in profit | -21.38                    | -                         |
| 25 bp decrease - Increase in profit | 21.38                     | -                         |

#### Market Risk:

The Company operates only in domestic market, accordingly no market risk is perceived

#### Foreign currency risk:

The Company operates only in domestic market, however Company has taken Buyers Credit in foreign currency. The Company is exposed to exchange rate fluctuation to the extent of outstanding buyers credit.



# SOUTH WEST PORT LIMITED

## Notes to Financial Statements for the year ended 31st March, 2017

USD in Lakhs

| Foreign currency exposure | As at<br>31st March, 2017 | As at<br>31st March, 2016 |
|---------------------------|---------------------------|---------------------------|
| USD (Buyers Credit)       | 131.63                    | -                         |

### Foreign currency sensitivity

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

USD in Lakhs

| Particulars                                | For the Year ended<br>31st March, 2017 |             | For the year ended<br>31st March, 2016 |             |
|--|--|-------------|--|-------------|
|  | 1% Increase                            | 1% decrease | 1% Increase                            | 1% decrease |
| USD Increase/ (decrease) in profit or loss | 131.63                                 | 131.63      | -                                      | -           |

### Credit risk:

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 Rs. 8601.84 Lakhs and Rs. 4909.30 Lakhs as of March 31, 2017 and March 31, 2016, 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:

INR in Lakhs

| Particulars                  | For the Year ended<br>31st March, 2017 | % of total revenue | For the year ended<br>31st March, 2016 | % of total revenue |
|------------------------------|--|--------------------|--|--------------------|
| Revenue from group companies | 18,958.89                              | 62.75              | 13,871.89                              | 57.39              |
| Revenue from third parties   | 11,256.41                              | 37.25              | 10,299.55                              | 42.61              |
|                              | 30,215.30                              | 100.00             | 24,171.44                              | 100.00             |

### Credit Risk Exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2017 and March 31, 2016 was Rs. 1.81 Lakhs and Rs. 0.83 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 Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group'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 Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

As of March 31, 2017, the Company had a working capital of Rs. 21528.20 Lakhs, AS of March 31, 2016, the Company had a working capital of Rs. 22920.68 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, 2017:

INR In Lakhs

| As at 31st March, 2017                | Less than one year | 1 to 5 years | > 5 years | Total     |
|---------------------------------------|--------------------|--------------|-----------|-----------|
| Borrowings (current)                  | 8,532.87           | -            | -         | 8,532.87  |
| Trade Payables                        | 5,427.21           | -            | -         | 5,427.21  |
| Other financial liabilities (current) | 13,960.08          | -            | -         | 13,960.08 |

| As at 31st March, 2016                | Less than one year | 1 to 5 years | > 5 years | Total  |
|---------------------------------------|--------------------|--------------|-----------|--------|
| Borrowings (current)                  | -                  | -            | -         | -      |
| Trade Payables                        | 925.81             | -            | -         | 925.81 |
| Other financial liabilities (current) | 925.81             | -            | -         | 925.81 |

### Capital management:

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.



# SOUTH WEST PORT LIMITED

## Notes to Financial Statements for the year ended 31st March, 2017

NOTE 46 : 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 annually basis.

(ii) Future minimum rentals payable under non-cancellable operating leases are as follows:

| Particulars                                  | INR in Lakhs              |                           |                          |
|--|---------------------------|---------------------------|--------------------------|
|  | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Not Later than 1 year                        | 615.62                    | 588.98                    | 563.63                   |
| Later than 1 year and not later than 5 years | 2,644.27                  | 2,579.84                  | 2,521.16                 |
| Later than 5 years                           | 6,818.54                  | 7,498.59                  | 8,146.25                 |
|  | <b>10,078.43</b>          | <b>10,667.41</b>          | <b>11,231.03</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) Future minimum lease rentals receivable as at 31st March, 2017 as per the lease agreements:

| Particulars                                  | INR in Lakhs              |                           |                          |
|--|---------------------------|---------------------------|--------------------------|
|  | As at<br>31st March, 2017 | As at<br>31st March, 2016 | As at<br>1st April, 2015 |
| Not Later than 1 year                        | 300.00                    | -                         | -                        |
| Later than 1 year and not later than 5 years | 525.00                    | -                         | -                        |
| Later than 5 years                           | -                         | -                         | -                        |
|  | <b>825.00</b>             | <b>-</b>                  | <b>-</b>                 |

NOTE 47 : 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 Rs 6,08,18,067/- being the amount contested with the Hon'ble District Court. The Company vide its application dated 24.09.2015 to the Hon'ble District Court for withdrawal of 50 % of the amount deposited by the Port Trust. The Hon'ble District Court had issued an Order dated 31.10.2015 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 favor of the Mormugao Port Trust. The Company has received an amount of Rs 3 crores from the Hon'ble District Court based on the conditions specified, during the year.

NOTE 48 : 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 49 : 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 50:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

| Particulars  | For the year ended 31st<br>March, 2017 | For the year ended 31st<br>March, 2016 |
|--|--|--|
| Earnings per share has been computed as under        |  |  |
| Profit for the year (Rs.)                            | 63,81,50,539.40                        | 48,52,11,299.64                        |
| Face Value of Equity Shares (Rs.)                    | 10.00                                  | 10.00                                  |
| Weighted average number of equity shares outstanding | 4,62,00,000.00                         | 4,62,00,000.00                         |
| Earnings per equity share                            |  |  |
| Basic (Rs.)  | 13.81                                  | 10.50                                  |
| Diluted (Rs.)  | 13.81                                  | 10.50                                  |

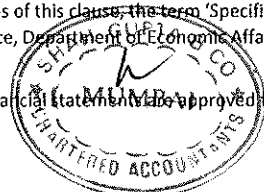
### NOTE 51:- DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars   | SBNs*      | Other denomination | Total              |
|---|------------|--------------------|--------------------|
| Closing cash in hand as on November 8, 2016         | 79,500.00  | 85,315.00          | 1,64,815.00        |
| (+) Permitted receipts                              | -          | 2,31,160.00        | 2,31,160.00        |
| (-) Permitted payments                              | -          | -1,71,773.00       | (1,71,773)         |
| (-) Amount deposited in Banks                       | -79,500.00 | -                  | (79,500)           |
| <b>Closing cash in hand as on December 30, 2016</b> | <b>-</b>   | <b>1,44,702.00</b> | <b>1,44,702.00</b> |

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

NOTE 52 : The financial statements have been approved for issue by the Audit Committee at its meeting held on 15th May, 2017 and by the Board of Directors on 15th May, 2017



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

### 53. First-time adoption of Ind AS

These are the Company's first Financial Statements prepared in accordance with Ind AS. The significant accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended March 31, 2017.

The comparative information presented in these Financial Statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (date of transition of the Company). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act, (hereinafter referred to as 'IGAAP'). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes.

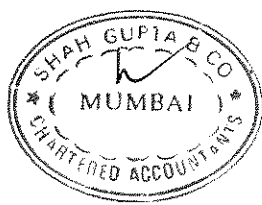
The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2016, with a transition date of April 01, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its Financial Statements in accordance with the previously applicable Indian GAAP (hereinafter referred to as 'IGAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS Financial Statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared Financial Statements which comply with Ind AS for year ended March 31, 2017, together with the comparative information as at and for the year ended March 31, 2016.

The Company has prepared opening Ind AS balance sheet as at April 01, 2015, the date of transition to Ind AS. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes:

### Exemptions and exceptions Availed:

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 01, 2015 and the Financial Statements as at and for the year ended March 31, 2016



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

### Ind AS optional exemptions:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous IGAAP to Ind AS.

### Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before April 01, 2015. The carrying amounts of assets and liabilities in accordance with IGAAP is considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurement is in accordance with Ind AS. The carrying amount of goodwill in the opening Ind AS balance sheet is its carrying amount in accordance with the IGAAP.

### Deemed cost

Ind AS 101 permits a first-time adopter to elect to fair value all of its property, plant and equipment as recognized in the Financial Statements as at the date of transition as its deemed cost. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets and Investment properties covered by Ind AS 40 Investment properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their fair value on date of transition as deemed cost.

### Investments in subsidiary companies, associate and joint venture:

Ind AS 101 permits a first time adopter to measure its investment in subsidiary companies, associate companies and joint venture companies at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies, associate and joint venture at IGAAP carrying amount as its deemed cost on the transition date.

### Long-term foreign currency monetary items:

Ind AS 101 provides an exemption to continue the accounting policy option of recognising the exchange difference on translation of such long-term foreign currency items as per IGAAP, para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates', provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset, can be continued under Ind AS for items outstanding as on March 31, 2016. The Company has opted to apply this exemption.

### b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

### i) Estimates

Estimates in accordance with Ind AS at the transition date shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- Impairment of financial assets based on expected credit loss model.

### ii) Non-controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

Consequently, the Company has applied the above requirement prospectively.

### iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of transition to Ind AS, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

### iv) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### v) Impairment of financial assets

Ind AS 101 requires guidance's for impairment as per Ind AS 109 to be applied post-transition date.





# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

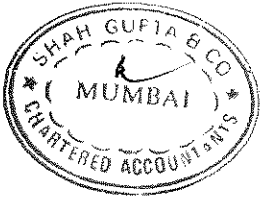
### V) Share based payments

The Company has availed the exemption of not applying Ind AS 102 – Share based payment to equity instruments that vested before date of transition to Ind AS.

### 1. Transition to Ind AS - Reconciliations

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following:

- I. Reconciliation of Balance sheet as at April 1, 2015 (Transition Date)
- II. Reconciliation of Balance sheet as at March 31, 2016
- III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016
- IV. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016
- V. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016

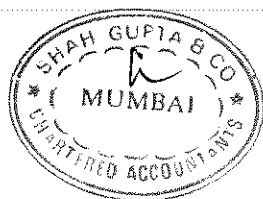


**SOUTH WEST PORT LIMITED**

**(I) Reconciliation of Balance sheet as at 01st April,2015 and 31st March, 2016**

INR in Lakhs

| Particulars  | Foot Notes | As at 1st April, 2015 |                 |                  | As at 31st March, 2016 |                 |                  |
|--|------------|-----------------------|-----------------|------------------|------------------------|-----------------|------------------|
|  |            | IGAAP                 | Adjustment      | As per IND AS    | IGAAP                  | Adjustment      | As per IND AS    |
| <b>ASSETS</b>                                      |            |                       |                 |                  |                        |                 |                  |
| <b>Non-Current Assets</b>                          |            |                       |                 |                  |                        |                 |                  |
| Property, Plant and Equipment                      |            | 59.20                 | -               | 59.20            | 54.79                  | -               | 54.79            |
| Other Intangible Assets                            | B          | 21,199.59             | 6,809.23        | 28,008.81        | 20,069.37              | 6,136.74        | 26,206.11        |
| Intangible Assets under Development                |            | 252.04                | -               | 252.04           | 713.67                 | -               | 713.67           |
| <b>Financial Assets</b>                            |            |                       |                 |                  |                        |                 |                  |
| Investments  |            | 0.26                  | -               | 0.26             | 0.26                   | -               | 0.26             |
| Others financial assets                            | I          | 266.88                | (196.49)        | 70.39            | 267.13                 | (205.90)        | 61.23            |
| Other Non Current Assets                           |            | 1,079.33              | -               | 1,079.33         | 1,153.96               | -               | 1,153.96         |
| <b>Total Non-Current Assets</b>                    |            | <b>22,857.30</b>      | <b>6,612.74</b> | <b>29,470.03</b> | <b>22,259.18</b>       | <b>5,930.84</b> | <b>28,190.02</b> |
| <b>Current Assets</b>                              |            |                       |                 |                  |                        |                 |                  |
| Inventories  |            | 623.74                | -               | 623.74           | 602.00                 | -               | 602.00           |
| <b>Financial Assets</b>                            |            |                       |                 |                  |                        |                 |                  |
| Investments  | C          | -                     | 1,925.24        | 1,925.24         | -                      | 3,109.57        | 3,109.57         |
| Trade receivables                                  |            | 4,032.43              | -               | 4,032.43         | 4,909.30               | -               | 4,909.30         |
| Cash and cash equivalents                          |            | 2,233.29              | (1,925.24)      | 308.05           | 4,703.93               | (3,374.93)      | 1,329.01         |
| Bank balances other than cash and cash equivalents |            | -                     | -               | -                | -                      | 304.93          | 304.93           |
| Loans  |            | 7,514.09              | -               | 7,514.09         | 8,480.20               | -               | 8,480.19         |
| Others financial assets                            |            | 884.88                | -               | 884.88           | 662.48                 | -               | 662.48           |
| Current Tax Assets (Net)                           |            | 537.27                | -               | 537.28           | 391.30                 | -               | 391.30           |
| Other Current Assets                               |            | 5,665.14              | -               | 5,665.13         | 6,174.88               | -               | 6,174.89         |
| <b>Total Current Assets</b>                        |            | <b>21,490.84</b>      | <b>-</b>        | <b>21,490.84</b> | <b>25,924.08</b>       | <b>39.57</b>    | <b>25,963.67</b> |
| <b>TOTAL ASSETS</b>                                |            | <b>44,348.13</b>      | <b>6,612.74</b> | <b>50,960.87</b> | <b>48,183.27</b>       | <b>5,970.41</b> | <b>54,153.69</b> |
| <b>EQUITY AND LIABILITIES</b>                      |            |                       |                 |                  |                        |                 |                  |
| <b>Equity</b>                                      |            |                       |                 |                  |                        |                 |                  |
| Equity Share Capital                               |            | 4,620.00              | -               | 4,620.00         | 4,620.00               | -               | 4,620.00         |
| Other Equity                                       | H          | 34,335.87             | 4,471.94        | 38,807.82        | 39,504.54              | 4,200.83        | 43,705.39        |
| <b>Total Equity</b>                                |            | <b>38,955.87</b>      | <b>4,471.94</b> | <b>43,427.82</b> | <b>44,124.54</b>       | <b>4,200.83</b> | <b>48,325.39</b> |
| <b>Liabilities</b>                                 |            |                       |                 |                  |                        |                 |                  |
| <b>Non-Current Liabilities</b>                     |            |                       |                 |                  |                        |                 |                  |
| <b>Financial Liabilities</b>                       |            |                       |                 |                  |                        |                 |                  |
| Other financial liabilities                        | E          | 886.17                | (732.87)        | 153.30           | 934.23                 | (845.92)        | 88.30            |
| Provisions   |            | 56.99                 | -               | 56.99            | 81.52                  | -               | 81.52            |
| Deferred Tax Liabilities (Net)                     | G          | -                     | 2,873.67        | 2,873.67         | -                      | 2,615.50        | 2,615.50         |
| <b>Total Non-Current Liabilities</b>               |            | <b>943.16</b>         | <b>2,140.80</b> | <b>3,083.96</b>  | <b>1,015.75</b>        | <b>1,769.58</b> | <b>2,785.32</b>  |
| <b>Current Liabilities</b>                         |            |                       |                 |                  |                        |                 |                  |
| <b>Financial Liabilities</b>                       |            |                       |                 |                  |                        |                 |                  |
| Trade payables                                     |            | 2,481.54              | -               | 2,481.54         | 925.81                 | -               | 925.81           |
| Other financial liabilities                        |            | 1,395.52              | -               | 1,395.52         | 1,601.66               | -               | 1,601.66         |
| Other Current Liabilities                          |            | 544.60                | -               | 544.59           | 478.37                 | -               | 478.37           |
| Provisions   |            | 27.44                 | -               | 27.44            | 37.14                  | -               | 37.14            |
| <b>Total Current Liabilities</b>                   |            | <b>4,449.10</b>       | <b>-</b>        | <b>4,449.09</b>  | <b>3,042.98</b>        | <b>-</b>        | <b>3,042.98</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |            | <b>44,348.13</b>      | <b>6,612.74</b> | <b>50,960.87</b> | <b>48,183.27</b>       | <b>5,970.41</b> | <b>54,153.69</b> |



**SOUTH WEST PORT LIMITED**

**(II) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016**

INR in Lakhs

| Particulars  | Foot Notes | For the year ended 31st March, 2016 |                 |                  |
|--|------------|-------------------------------------|-----------------|------------------|
|  |            | IGAAP                               | Adjustment      | IND AS           |
| <b>INCOME</b>  |            |                                     |                 |                  |
| Revenue from Operations  |            | 24,171.44                           | -               | 24,171.44        |
| Other Income   | C, I, N    | 1,482.26                            | 170.57          | 1,652.83         |
| <b>Total Income (1)</b>  |            | <b>25,653.70</b>                    | <b>170.57</b>   | <b>25,824.27</b> |
| <b>EXPENSES</b>  |            |                                     |                 |                  |
| Operating expenses   |            | 16,252.53                           | -               | 16,252.53        |
| Employee benefit expense   | E          | 1,311.17                            | (3.93)          | 1,307.23         |
| Finance costs  |            | 8.80                                | -               | 8.80             |
| Depreciation and amortisation expense  | B          | 1,761.27                            | 747.89          | 2,509.15         |
| Other expenses   | B          | 649.31                              |                 | 649.31           |
| <b>Total Expenses (2)</b>  |            | <b>19,983.08</b>                    | <b>743.96</b>   | <b>20,727.02</b> |
| <b>Profit Before Tax (1-2)</b>   |            | <b>5,670.62</b>                     | <b>(573.41)</b> | <b>5,097.25</b>  |
| <b>Tax Expense</b>   |            |                                     |                 |                  |
| Current tax  |            | 501.96                              | -               | 501.96           |
| Deferred tax (credit)  | G          |                                     | (256.82)        | -256.82          |
| <b>Profit for the year (3)</b>   |            | <b>5,168.66</b>                     | <b>(316.59)</b> | <b>4,852.11</b>  |
| <b>Other Comprehensive Income</b>  |            |                                     |                 |                  |
| Items that will not be reclassified to profit or loss                        |            |                                     |                 |                  |
| Remeasurement of Employee benefits expenses                                  |            | -                                   | (3.93)          | (3.93)           |
| Income tax relating to items that will not be reclassified to profit or loss |            | -                                   | 1.35            | 1.35             |
| <b>Total Other Comprehensive Loss for the year (4)</b>                       |            | <b>-</b>                            | <b>(2.58)</b>   | <b>(2.58)</b>    |
| <b>Total Comprehensive Income for the year (3+4)</b>                         |            | <b>5,168.66</b>                     | <b>(319.18)</b> | <b>4,849.53</b>  |



## SOUTH WEST PORT LIMITED

### (III) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

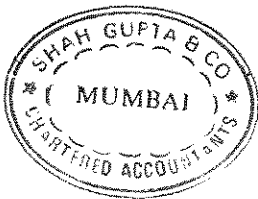
INR in Lakhs

| Nature of Adjustments   | Foot Note | For the year ended<br>31st March, 2016 |
|---|-----------|--|
| Profit after tax as reported under previous Indian GAAP                   |           | 5,168.66                               |
| Impact of valuation of security deposits using Effective rate of interest | I         | (9.41)                                 |
| Remeasurement of employee benefit plan (Gratuity)                         | F         | 3.93                                   |
| Impact of Fair Valuation of Mutual Fund                                   | C         | 39.57                                  |
| Impact of fair valuation of other Intangible assets                       | B         | (672.47)                               |
| Amortization of corporate guarantee charges                               | M, N      | 65.00                                  |
| Deferred Taxes  | G         | 256.82                                 |
| <b>Net Profit after tax under IND AS (1)</b>                              |           | <b>4,852.11</b>                        |
| Other Comprehensive Income (Net of tax) (2)                               | F         | (2.58)                                 |
| <b>Total Comprehensive Income as reported under Ind AS (3=1+2)</b>        |           | <b>4,849.53</b>                        |

### (IV) Reconciliation of Equity for the year ended 31st March, 2016 and 1st April, 2015

INR in Lakhs

| Nature of Adjustments                               | Foot Note | As at<br>1st April, 2015 | As at<br>31st March, 2016 |
|---|-----------|--------------------------|---------------------------|
| Equity as per previous Indian GAAP (1)              |           | 38,955.87                | 44,124.54                 |
| Impact of fair valuation of other Intangible assets | B         | 6,809.23                 | 6,136.76                  |
| Impact of amortization of security deposits         | I         | (196.49)                 | (205.89)                  |
| Impact on fair valuation of mutual fund             | C         | -                        | 39.57                     |
| Reclassification of ESOP Compensation reserve       | E         | 886.18                   | 934.22                    |
| Liability on amortization of corporate guarantee    | M, N      | (153.30)                 | (88.30)                   |
| Deferred Taxes                                      | G         | (2,873.67)               | (2,615.50)                |
| <b>Total Effect of transition to Ind AS (2)</b>     |           | <b>4,471.95</b>          | <b>4,200.86</b>           |
| <b>Equity as per Ind AS (1+2)</b>                   |           | <b>43,427.82</b>         | <b>48,325.39</b>          |



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

The following explains the material adjustments made while transition from previous accounting standards to IND AS:

A. To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

### B. Property, Plant & Equipment

Under the previous GAAP, Property, plant and equipment and other intangible assets are recorded at carrying cost. Under IND AS, Property, plant and equipment and other intangible assets are recognized at fair value on the date of transition as deemed cost. Difference between fair value of Property, plant and equipment and other intangible assets and the carrying value (transaction value) as per Previous GAAP has been recognized under retained earnings.

### C. Investment

Investments in mutual funds are carried at fair value through Profit and loss under Ind AS compared to being carried at cost under IGAAP. The difference between the fair value and previous GAAP carrying value on transition date has been recognized as an adjustment to opening retained earnings / separate component of other equity.

### D. Employee Benefits Expenses (Gratuity)

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, re-measurements are recognized in other comprehensive income.

### E. ESOP

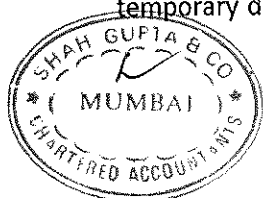
Compensation expenses relating to shared based payment (ESOP) is recognized at fair value of options as per Ind AS 102 as compared to being carried at intrinsic value under IGAAP. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### F. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled profit or loss as per Indian GAAP to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

### G. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. 'Ind AS 12 Income Taxes' requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

H. Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### I. Security Deposit

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under IND AS, certain financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as EIR.

### J. Statement of cash flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

K. Financial assets and financial liabilities have been regrouped wherever required to comply with Ind AS.

### L. Interest free loan:

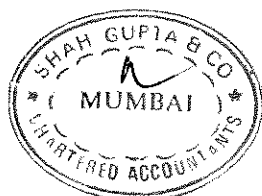
In the financial statements prepared under Previous GAAP, the carrying value of Interest free loan was recognized at the principal amounts payable by the borrower. Under Ind AS, Interest free borrowing being a financial liability is required to be recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The difference between such fair value and the carrying value is recognized as deferred income disclosed under Other liabilities.

### M. Loans and Borrowings:

This is the category most relevant to the Company. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to borrowings.



# SOUTH WEST PORT LIMITED

## Notes to the Financial Statement for the year ended March 31, 2017

### N. Corporate Guarantee:

Impact of fair valuation as per requirement of Ind AS on corporate guarantee provided to the Company by the Subsidiary Company.

As per our attached report of even date

For and on behalf of the Board of Directors

For SHAH GUPTA & CO.

Chartered Accountants

Firm Registration No.109574W



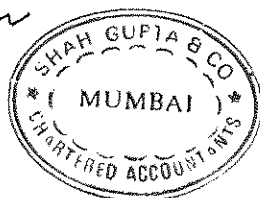
VIPUL K. CHOKSI

Partner


M.No.37606


Place: Mumbai

Date:15 th May,2017



  
NAVEEN KUMAR  
Director  
DIN:07099121

  
LALIT SINGHVI  
Director  
DIN:05335938

  
MANJINDER SINGH  
Company Secretary  
M.No. A38671

  
VIJAY SARDESAI  
Chief Financial Officer

