

 Lifting Global Trade™

APM TERMINALS

APM Terminals Pipavav

Gujarat Pipavav Port Limited

ANNUAL REPORT 2016-17



CHAIRMAN'S STATEMENT



Dear Members,

For and on behalf of the Board of Directors, I am pleased to present the Annual Report of Gujarat Pipavav Port Limited ('the Company') with the first Ind AS compliant Financial Statements for the year ended 31st March 2017.

Your Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL), an Associate Company as per the provisions of the Companies Act, 2013. Accordingly, the Annual Report comprises the Standalone Financial Statements and the Consolidated Financial Statements for the year ended 31st March 2017.

During the year, your Company reported a Standalone Net Profit of Rs. 2,499 Million an increase of over 31% compared to the previous year. The Company's objective is to sustain a steady and consistent distribution of Dividend to its Shareholders subject to availability of profits, the Company's future funding needs and the applicable laws. Accordingly, the Company declared and paid an Interim Dividend of Rs. 2.00 per share and is pleased to recommend a Final Dividend of Rs. 1.80 per share.

The Global Container Shipping Lines, our direct customers, faced historically low freight rates during the year 2016. The excess capacity build up coupled with continued slow down in global trade adversely impacted the Shipping Lines. This led to one of the major carrier going out of business. The Shipping Industry is also going through the consolidation phase and the Lines are getting into slot sharing arrangements to reduce their operating cost in the weak market conditions. The Industry is expecting that these measures will lead to gradual recovery in freight rates and provide relief to the highly stretched financials of the Shipping Lines. In the muted global environment, India continues to remain a country with potential of strong GDP growth ~7%. The Container Shipping trade on the West Coast of India that handles almost two-thirds of the country's container business, is growing at ~6%. Though it has caused certain imbalance in the trade because of strong imports and relatively low exports. As far as the Dry Bulk cargo business is concerned, Coal and Fertiliser are the two main commodities imported in the country. The trend of reduction in Coal imports continues due to much improved availability of domestic coal and competitive pricing of Solar Energy. The Fertiliser imports are driven by the Government's policies but the compulsory Neem coating required to be done by the Port at which the imported fertilizer is discharged as per the Government's directive in order to prevent diversion of this subsidized commodity has also resulted into reduction of its imports. The Government of India's launch of Pradhan Mantri Ujjwala Yojana scheme is targeted to increase the coverage of population having supply of LPG. The population getting covered with LPG connection is rapidly increasing from ~62% in April 2016 to ~73% in March 2017 and the target is to reach ~96% of the population by 2018-19. The Government is moving aggressively to meet its target by 2018-19. This development will have a positive effect of reducing air pollution and improving the local environment in rural areas. Your Company sees good potential in the growth of LPG imports in order for the Government to achieve its target. RORO is another business that is progressing well through Auto companies in Gujarat. Going forward, the Company's focus areas will be Containers, Liquid and RORO business.

AP Moller Maersk in partnership with the Confederation of Indian Industries (CII) had recently carried out an extensive study on current obstacles to Indian logistics and associated trade growth. The study found that the cost of trade in India is amongst the highest in the world when compared to the peer countries. Indian transport and logistics costs represent 14.4% of its Gross Domestic Product (GDP) compared to 8% for China. The study covered four businesses namely Textiles and Garments, Pharmaceuticals, Electronics and Auto Components. The data indicated that India's indirect cost of trade (including delays, road congestion and non-essential paperwork) represent as much as 38% to 47% of total transportation and logistics cost. A reduction of these extraneous costs by 10% would create the potential for up to 5% to 8% in additional exports for the country or USD 5.5 billion in additional export revenue above the current level of about USD 63.3 billion in these four sectors.

The State of Gujarat has been at the forefront in Industrialization and the Auto companies recently set up in Sanand- Mehsana region have been quite successful. These can be an example for the other industries to set up their manufacturing facility in the Dholera Industrial Region which is being promoted by the State Government.

Your Company along with all other ports within the portfolio of its parent APM Terminals observed 17th to 20th April 2017 as Global Safety Day. The theme this year was "24/7 SAFE" with focus on Night Operations and Night Shifts functioning at the Ports and Terminals. Several programmes were conducted during the period involving Skits and Spot Quiz by various departments. The families of the employees were also involved wherein a Drawing Competition for Safety posters was conducted for children and the Ladies had conducted Skits. The winners were felicitated by the Executive team of the Company and the Programme concluded with the Managing Director's address to all the employees, their families and the Contractor's employees. As part of the global initiative, APM Terminals has four underlying principles- Safety is the license to operate; has no hierarchy; it means no compromise and all companies should be actively committed to it. Your Company is committed to highest Safety standards and has set stringent Safety rules for the Truck Drivers entering the Port. During the calendar year 2016, the Port's Health, Safety, Security and Environment (HSSE) Team conducted 34,900 Training sessions for the Truck Drivers making them aware about the Safety measures they need to follow. The drivers are required to compulsorily undergo Refresher Safety course every six months before entering the Port.

Your Company as a good and responsible Corporate Citizen has taken certain initiatives during the year towards providing the services that contribute to lifecycle sustainability. Some of the major initiatives taken are Conversion of 18 Rubber Tyre Gantry Cranes from Diesel to Electric, Purchase of 2 new Rubber Tyre Gantry Cranes operating on electric, Replacement of 2782 High Voltage Sodium Vapour Lamps with LED lights inside the port premises resulting into energy savings of over 50% and 100% utilization of treated domestic waste water for development of green belt and reducing the requirement for fresh water. The HSSE department has set up a dedicated Waste Management Cell which is responsible for segregation of all waste at source, its storage, recovery and recycle. All Hazardous waste is collected and stored in a dedicated area and is sold only to authorized re-cyclers and re-processors. Certain garbage and hazardous waste that can be used as fuel by the cement factories in the vicinity, is disposed off accordingly.

On behalf of the Board of Directors of the Company, I take this opportunity to express our sincere appreciation to our Shareholders, Vendors, Customers for their continuous support, our Associate Company Pipavav Railway Corporation Limited and to our Employees for their dedication and commitment. I also thank the State and Central Government bodies and my colleagues on the Board for their support, guidance and valuable insight. I look forward with optimism towards a sustained economic growth in India and a very exciting and prosperous year ahead for Gujarat Pipavav Port Limited.

With Best Wishes,

Yours truly,

Tejpreet Singh Chopra
Chairman

BOARD OF DIRECTORS

Mr. Tejpreet Singh Chopra	Chairman
Mr. A. K. Rakesh, IAS	Nominee Director- Gujarat Maritime Board (upto 6 th September 2016)
Mr. Ahmed Hassan	(with effect from 10 th October 2016 and upto 4 th April 2017)
Mr. David Skov	(with effect from 11 th May 2017)
Ms. Hina Shah	
Mr. Jan Damgaard Sorensen	(upto 15 th September 2016 and again appointed from 11 th May 2017)
Mr. Julian Bevis	
Mr. Pradeep Mallick	
Mr. Pravin Laheri, IAS (Retd.)	
Mr. Rizwan Soomar	(upto 4 th April 2017)
Mr. Keld Pedersen	Managing Director

CHIEF FINANCIAL OFFICER

Mr. Hariharan Iyer

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Manish Agnihotri

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP
(Firm Regn. No. 012754N/N-500016)
Mumbai

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

Pipavav Port, At Post Ramapara- 2 Via Rajula
District Amreli, Gujarat 365560
CIN: L63010GJ1992PLC018106
Website: www.pipavav.com
Tel: 02794 302400
Fax: 02794 302413

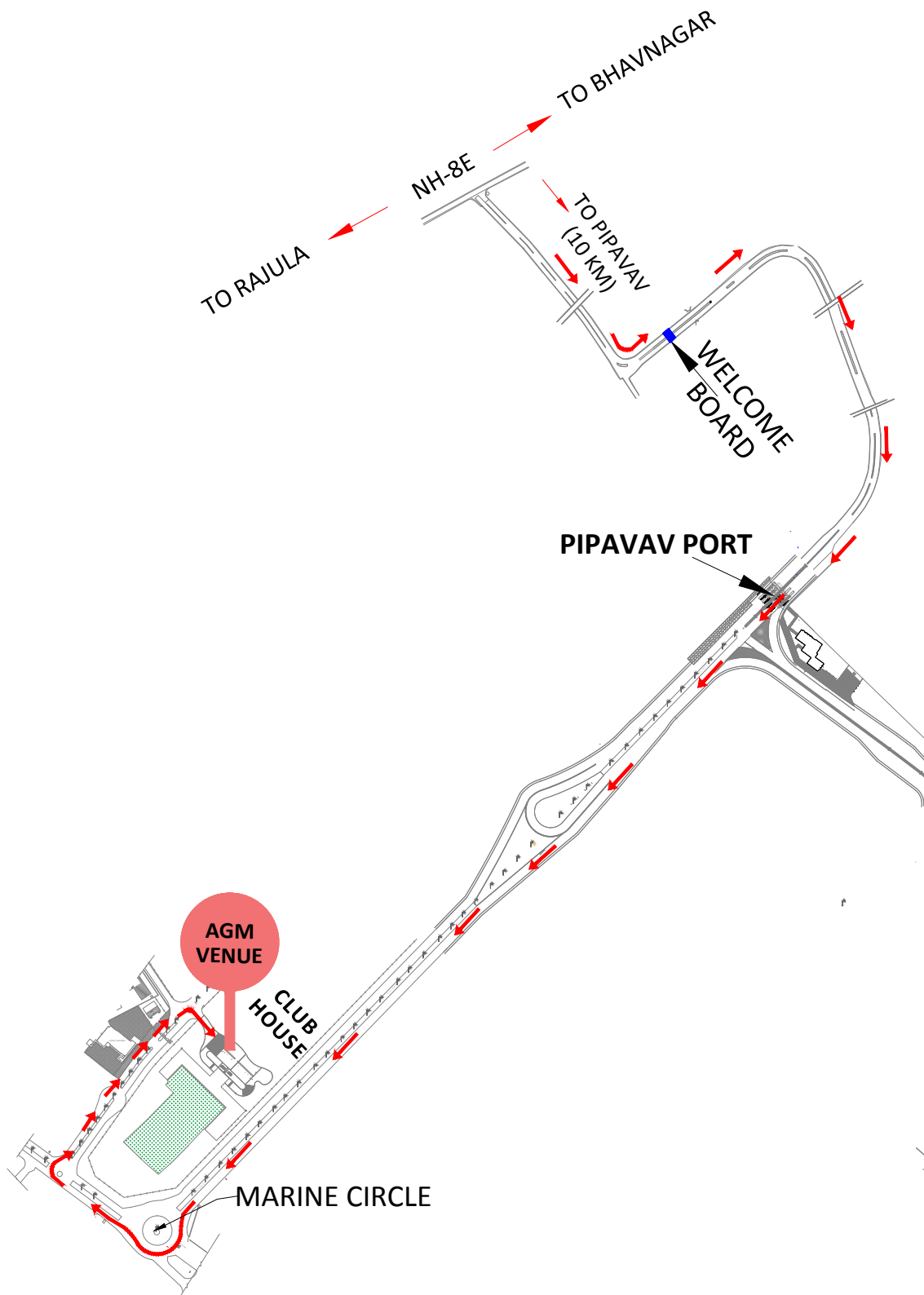
CORPORATE OFFICE

301, Trade Centre
Bandra Kurla Complex, Bandra (East),
Mumbai 400098
Tel: 022 30011300
Fax: 022 26522422

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ROUTE MAP TO THE VENUE OF THE AGM



NOTICE is hereby given that the 25th Annual General Meeting of the Members of Gujarat Pipavav Port Limited (CIN:L63010GJ1992PLC018106) ('the Company') will be held at its Registered Office at Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560 on Thursday 10th August 2017 at 2.00 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2017, along with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017, along with the Report of the Auditors thereon.
2. To declare a final dividend of Rs. 1.80 per equity share and to approve the interim dividend of Rs. 2.00 per equity share already paid during the year, for the financial year ended 31st March 2017.
3. To appoint a Director in place of Mr. Julian Bevis (DIN:00146000) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the Appointment of Price Waterhouse Chartered Accountants LLP (Firm Regn. No. 012754N/N-500016) as approved by the Members in the 23rd Annual General Meeting held on 30th July 2015 as Statutory Auditors of the Company, to hold office until the conclusion of the 26th Annual General Meeting and to fix their remuneration for the financial year ending 31st March 2018.

SPECIAL BUSINESS

5. Appointment of Mr. David Skov (DIN: 07810539) as a Director of the Company

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

"RESOLVED THAT Mr. David Skov (DIN: 07810539) who was appointed as an Additional Director of the Company with effect from 11th May 2017 by the Board of Directors to hold office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") and Article 109 of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. Appointment of Mr. Jan Damgaard Sorensen (DIN: 06408939) as a Director of the Company

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

"RESOLVED THAT Mr. Jan Damgaard Sorensen (DIN: 06408939) who was appointed as an Additional Director of the Company with effect from 11th May 2017 by the Board of Directors to hold office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") and Article 109 of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. Approval of Related Party Transactions with Maersk Line A/S

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

"RESOLVED THAT pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") governing the Related Party Transactions and all other applicable acts, rules, regulations, guidelines (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the shareholders of the Company be and is hereby accorded for contract(s)/ transaction(s) with Maersk Line A/S (including AP Moller- Maersk A/S and its affiliates), a related party in accordance with the Regulations, the details of which are provided herein below:

Details of contract/ transaction with Maersk Line A/S

Nature of Contract/ Transaction	Rendering of Services related to Port Operations. These transactions are in the ordinary course of business and are conducted on an arm's length basis.
Period of Contract/ Transaction	1 st April 2017 to 31 st March 2020
Amount of Contract/ Transaction	Based on the past trend as per the details mentioned in the Explanatory Statement, we expect the revenue during each financial year to exceed 10% of the total consolidated turnover of the Company. The exact amount per annum depends on actual volume and vessel calls handled and cannot be estimated.

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

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

Manish Agnihotri
Company Secretary
ACS 12045

Registered Office:

Pipavav Port, At Post Ramapara - 2 via Rajula
District Amreli 365560
CIN: L63010GJ1992PLC018106

Mumbai
11th May 2017

Notes:

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

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

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

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

- b) The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of the Notice.
- c) Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
- d) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- e) Members/ Proxies/ Authorised Representatives should bring the enclosed Attendance Slip, duly filled in. for attending the Meeting. Copies of the Annual Report or Attendance Slip will not be distributed at the Meeting.
- f) Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
- g) The Register of Members and Share Transfer Books of the Company will remain closed from Friday 4th August 2017 to Thursday 10th August 2017 (both days inclusive)
- h) SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder and for transmission/ transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialized form or to Karvy Computershare Private Limited (Karvy) in case of holdings in physical form, mentioning your correct reference folio number.
- i) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact Karvy for assistance in this regard.

- j) Members who have not updated their bank details with the DP are requested to do so in order to enable the Company to execute NEFT/ Electronic Transfer of Dividend amount to their bank account to eliminate all risks associated with physical dividend warrants.
- k) The Annual Report 2016-17 of the Company circulated to the Members of the Company, will be made available on the Company's website www.pipavav.com and also on the website of the respective Stock Exchanges www.bseindia.com and www.nseindia.com
- l) Members desirous of getting any information about the Accounts of the Company are requested to write to the Company at least seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.
- m) **Voting Options:**

Remote E-voting: In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Karvy Computershare Private Limited (Karvy), on all resolutions set forth in this Notice.

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

The instructions for Remote E-voting are as under:

A. In case of Members receiving the Notice by E-mail:

In case of Members receiving E-mail of the AGM Notice from Karvy (For Members whose e-mail addresses have been registered with the Company/Depository Participant):

- (i) Open internet browser by typing the URL: <https://evoting.karvy.com>
- (ii) Open e-mail and open the attached PDF file "pipavav.e-voting.pdf" giving your DP ID/ Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password. The said PDF file contains your "User ID" and "Password for e-voting".
- (iii) Click on "Shareholder-Login".
- (iv) Insert your User ID and Password as initial password as mentioned in step (ii) above and Login. In case you are already registered with Karvy, you can use your existing User ID and password for casting your vote.
- (v) "Password Change" menu appears. Change the password with the new password of your choice with minimum 8 digits/ characters or combination thereof. Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
- (vi) Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".
- (vii) Select "EVEN" (E-Voting Event Number) of Gujarat Pipavav Port Limited for casting your votes in favour of or against the resolutions. For an EVEN, you can login any number of times on e-voting platform of Karvy till you have voted on the resolutions or till the end of voting period i.e. upto close of working hours on **Wednesday 9th August 2017** whichever is earlier.
- (viii) Now you are ready for "e-voting" as "Cast Vote" page opens
- (ix) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorised to vote, to the Scrutinizer through e-mail at hsk@rathiandassociates.com with copy marked to evoting@karvy.com

Please note that:

- Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the Member.
- It is strongly recommended that you do not share your password with any other person and take care to keep it confidential. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available at the "Downloads" section of <https://evoting.karvy.com>

B. In case of Members receiving Physical copy of Notice

In case a Member receives Physical copy of the Notice of AGM:

- (i) E-voting Event Number (EVEN), User ID and Password is provided in the E-voting letter.
- (ii) Please follow all steps from Sr. No. (ii) to (x) above, to cast your vote by electronic means

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

Other Instructions:

- (i) The e-voting commences on **Monday, 7th August 2017 (9.00 am IST)** and ends on **Wednesday, 9th August 2017 (5.00 pm IST)**. During the period, Members of the Company, holding shares either in physical form or in dematerialized form as on **Thursday 3rd August 2017**, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he/she/it shall not be allowed to change it subsequently.
- (ii) The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company
- (iii) Mr. Himanshu Kamdar of Messrs Rathi and Associates, Practicing Company Secretaries, (Membership No. FCS 5171, CP No. 3030), has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- (iv) The Scrutinizer shall unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company and the Company shall submit it to the Stock Exchanges within Forty-eight hours of conclusion of the AGM.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pipavav.com and on the website of Karvy <https://evoting.karvy.com>

STATEMENT SETTING OUT MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013**Item no. 5**

The Board of Directors appointed Mr. David Skov (DIN: 07810539) as an Additional Director of the Company with effect from 11th May 2017. Pursuant to Section 161 of the Companies Act, 2013, ("the Act") and Article 109 of the Articles of Association of the Company, Mr. Skov holds office of Director upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Act, from a Member signifying his intention to propose the appointment of Mr. Skov as a Director of the Company along with requisite deposit of Rs. 100,000.

Mr. Skov has a strong and extensive background of more than two decades in the Shipping Industry. He joined AP Moller Maersk Group in 1995 as Management Trainee and then went on to hold various positions in different business units within the Group including Head of Maersk Line in South China, Head of Maersk Line in Central and West Africa and now as Head of APM Terminals for Africa, Middle East and India.

Mr. Skov holds Masters in Business Administration from Warwick Business School, UK and has degree in International Business as well as Organisations and Leadership.

A brief profile of Mr. Skov in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided at the end of this Notice.

The Board of Directors is confident that Mr. David Skov's vast knowledge and varied experience in business will be of great value to the Company and hence recommends the Resolution for your approval.

Except Mr. David Skov and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 5 of this Notice. This explanatory statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item no. 6

The Board of Directors appointed Mr. Jan Damgaard Sorensen (DIN: 06408939) as an Additional Director of the Company with effect from 11th May 2017. Pursuant to Section 161 of the Companies Act, 2013, ("the Act") and Article 109 of the Articles of Association of the Company, Mr. Sorensen holds office of Director upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Act, from a Member signifying his intention to propose the appointment of Mr. Sorensen as a Director of the Company along with requisite deposit of Rs. 100,000.

Mr. Sorensen joined AP Moller Maersk Group in 2001, where he has held various positions within the Group Functions and Maersk Line in Copenhagen, Prague and Vienna. In 2009, he became CFO of Suez Canal Container Terminal in Port Said, Egypt and then Regional CFO of APM Terminals for Asia Pacific Region. Currently he is the CFO of APM Terminals for Africa, Middle East and India. His main experiences have been in the areas of Finance and General Management.

Mr. Sorensen holds a Masters Degree in Finance and Accounting from Aarhus School of Business in Denmark and an Executive MBA (Distinction) from INSEAD in Fontainebleau.

A brief profile of Mr. Sorensen in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided at the end of this Notice.

The Board of Directors is confident that Mr. Jan Damgaard Sorensen's vast knowledge and expertise in Finance will be of great value to the Company and hence recommends the Resolution for your approval.

Except Mr. Jan Damgaard Sorensen and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 6 of this Notice. This explanatory statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item no. 7

The Company is engaged in operating and maintaining an all weather Port at Pipavav, District Amreli, in the State of Gujarat, having multi-cargo and multi user operations. The Company's Port is one of the principal gateways on the West Coast of India and provides access to Shipping Lines through international routes as well as for the cargo belt in North and North-West Region of India. In its normal course of business, the Company has entered into transactions with Maersk Line A/S (Related Party to the Company in terms of the Listing Regulations) for providing port services and operations.

The Contract with Maersk Line A/S has been renewed with effect from 1st April 2017 upto 31st March 2020. Pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to obtain Shareholder's approval for all the Material Transactions with a Related Party. Accordingly, the details of transactions with Maersk Line A/S during past five years are as follows:

Particulars	Amount in Rupees Million				
	Year ended 31 st Dec 2012	Year ended 31 st Dec 2013	15 Months Period ended 31 st March 2015	Year ended 31 st Mar 2016	Year ended 31 st Mar 2017
Revenue from Operations	4,160.33	5,179.35	8,670.27	6,599.55	6,831.04
Revenue from Maersk Line	909.95	898.57	1,798.43	1,213.03	1,184.30
% of Total Revenue from Operations	22%	17%	21%	18%	17%

Considering the past trend, it is expected that the aggregate amount of transactions with Maersk Line A/S would qualify as Material Transaction in terms of the provisions of the Regulations and requires shareholder's approval by way of an Ordinary Resolution. The said transaction has been duly approved by the Audit Committee.

Further, disclosures in connection with the Related Party Transaction/ Contract are:

Name of the Related Party	Maersk Line A/S
Name of the Director or Key Managerial Personnel who are related, if any	None
Nature of relationship	Group Company, a Related Party as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Nature and Particulars of Contract	Rendering of Services related to Port Operations. These transactions are in the ordinary course of business and are conducted at an arm's length basis.
Material Terms	As a customer Maersk Line A/S shall pay the port related charges as per published tariff and subject to discount based on volume handled
Monetary Value	The exact amount of contract/ transaction per annum depends on the volume and vessel calls handled and therefore cannot be estimated. However, based on past actual data as mentioned above, we expect the value of transactions to exceed the threshold limit of 10% of the total consolidated turnover of the Company.
Period of Contract	1 st April 2017 to 31 st March 2020