



GUJARAT ADANI PORT LTD.



MUNDRA PORT
THE MARITIME MASTERPIECE

2ND ANNUAL REPORT 1999 – 2000



GUJARAT ADANI PORT LTD.



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Board of Directors

Shri Balwant Singh, IAS
Shri Gautam S. Adani
Shri Rajesh S. Adani
Shri P. N. Roychoudhary, IAS
Shri K. N. Shelat, IAS
Shri K. N. Venkatsubramanian

Chairman
Managing Director
Director
Director
Director
Director

Company Secretary

Shri S.V. Ramnath

Auditors

M/S G. K. Choksi & Co

Bankers

State Bank of India
State Bank of Travancore
Canara Bank
Bank of Baroda
Indusind Bank Ltd.
Bank of India
Central Bank of India
Andhra Bank
The Jammu & Kashmir Bank Ltd.
UTI Bank Ltd.
Centurion Bank Ltd.
Punjab National Bank

Registered Office

“Adani House”
Shrimali Society,
Nr. Mithakhali Six Roads,
Ahmedabad – 380 009.

Site

Post Bag No.1
Mundra – 370 421
Kutchch.



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NOTICE

NOTICE is hereby given that Second Annual General Meeting of Gujarat Adani Port Ltd., will be held on, Thursday the 21st day of December, 2000 at 11.30 a.m. at the Board Room, Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2000 alongwith Schedules forming part of the same and the Directors' and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Rajesh S. Adani who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri K. N. Venkatasubramanian who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Balwant Singh who was appointed as Additional Director of the Company by Board of Directors and who ceased to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director retiring by rotation."

By order of the Board

Date : 29/11/2000
Place : Ahmedabad

S. V. Ramnath
Company Secretary



NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member.
2. Explanatory Statement pursuant to Section 173(2) of the Companies, Act, 1956 in respect of Special Business is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Balwant Singh has been appointed as an Additional Director of the Company w.e.f. 26/9/00. It would be in the best interest of the Company to appoint him as a Director retiring by rotation of the Company to avail his expertise and knowledge. Board recommends the resolution to the members for their approval for his appointment as Director retiring by rotation. Mr. Balwant Singh is deemed to be interested in the Resolution for his respective appointment. None of the other Directors are interested in the said resolution.

By order of the Board

Date : 29/11/2000

Place : Ahmedabad

S. V. RAMNATH

Company Secretary



DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2000.

FINANCIAL HIGHLIGHTS

For the purpose of bringing the accounting period at par with financial year the Company has decided to close the accounting period ended 31st March, 2000. Therefore the accounting period of the company is from 1.10.1999 to 31.03.2000. Necessary application seeking approval U/s 166 of the Companies Act, 1956 has been made to the Registrar of Companies, Gujarat. Since the mechanisation process is under implementation commercial activity is yet to commence and hence no Profit & Loss Account has been prepared.

MUNDRA PORT DEVELOPMENT

Your company has succeeded in the planned development of the Mundra Port in a phased manner. Work in respect of Container Terminal has begun. Construction of Railway Track from Mundra Port to Adipur is in full swing. In terms of the envisaged development of Mundra Port, the expenditure incurred by M/s. Adani Port Limited on the MPT and related infrastructure is being transferred to GAPL and the necessary process of segregation of project cost and corresponding debt / equity components is in the final stage of completion.

FIXED DEPOSITS

During the period under review, the Company has not accepted any deposits from the Public.

DIRECTORS

Mr. A. D. Desai resigned as a Director of the Company with effect from 28th April, 2000. The Board places on record its appreciation for the valuable service and guidance received from Mr. A. D. Desai.

Mr. Balwant Singh was appointed as an Additional Director with effect from 28th June, 2000. He holds office till the ensuing Annual General Meeting.

Mr. Balwant Singh being eligible offer himself for re-appointment.

Mr. Rajesh S. Adani and Mr. K. N. Venkatsubramanian who retire by rotation and being eligible offer themselves for re-appointment.



AUDITORS & AUDITORS' REPORT

The Company's Auditors M/s. G. K. Choksi & Co. Chartered Accountants, Ahmedabad, will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Notes Forming part of Accounts which are specifically referred to by the Auditors in their report are self explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

As the Company has not started any commercial activity, a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not appended. Foreign exchange outgo during the period under review is Rs. 227.41 Lacs.

PERSONNEL

The particulars of employees as required under section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended is not given as no employee is in receipt of remuneration of Rs. 6,00,000 or more per annum or Rs. 50,000 or more per month.

ACKNOWLEDGEMENT

Your Directors have pleasure in expressing their grateful appreciation for the valuable assistance and co-operation received from the various officials of the Central & State Governments, Bankers and Shareholders for the confidence reposed in the Company.

FOR & ON BEHALF OF THE
BOARD OF DIRECTORS

Date : 29/11/2000
Place : Ahmedabad

BALWANT SINGH
Chairman



AUDITORS' REPORT

To

The Members,

GUJARAT ADANI PORT LIMITED,

Ahmedabad.

We have audited the attached Balance Sheet of **GUJARAT ADANI PORT LIMITED** as at 31st March, 2000 and report as follows:

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet dealt with by this report is in agreement with the books of Account.
4. In our opinion, the Balance Sheet comply with the mandatory Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board and on the basis of such examination of the books and records of the Company as we considered appropriate and on the basis of the information and explanations given to us during the course of our audit, we further report that in our opinion:
 - (i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The Fixed Assets were physically verified by the management during the period we are informed that no discrepancies were noticed on such verification as compared to book records.
 - (ii) None of the fixed assets have been revalued during the year.
 - (iii) The company has not taken any loan from companies, firms or other parties listed in the register maintained U/s. 301 of the Companies Act, 1956 or Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.



- (iv) The Company has not granted loans, except, advances against capital assets, to firms or other parties listed in the register maintained U/s. 301 of the Companies Act, 1956 and to Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
- (v) The Company has not granted any other loans or advances in the nature of loans.
- (vi) There is an adequate internal control procedure commensurate with the size of the company and nature of its business for the purchases of fixed assets.
- (vii) The transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
- (viii) The company has not accepted any deposits from the public.
- (ix) The company has an adequate internal audit system commensurate with the size and the nature of its business.
- (x) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2000 for a period of more than six months from the date they became payable.
- (xi) According to the information and explanations given to us, and the records of the company examined by us, no personal expenses have been charged to account other than those payable under contractual obligations or in accordance with generally accepted business practices.
- (xii) The company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisional) Act, 1985.
- (xiii) Clauses not enumerated above are not applicable, as the company has not commenced its commercial activities.

For G. K. CHOKSI & CO.
Chartered Accountants

Place : Ahmedabad
Date : 29/11/2000

ROHIT K. CHOKSI
Partner



GUJARAT ADANI PORT LTD.

**MUNDRA PORT**
THE MARITIME MASTERPIECE**GUJARAT ADANI PORT LTD.****BALANCE SHEET AS AT 31ST MARCH, 2000**

(Rs. in '000)

Particulars	Schedule	As at 31/03/2000	As at 30/09/1999
A SOURCES OF FUNDS :			
I SHAREHOLDERS' FUNDS			
(i) Share Capital	A	5,00,050	3,11,360
II LOAN FUNDS	B		
(i) Unsecured Loans		22,860	22,860
TOTAL		<u>5,22,910</u>	<u>3,34,220</u>
B APPLICATIONS OF FUNDS :			
I FIXED ASSETS			
(i) Freehold Land		16,076	4,439
(ii) Capital Work-in-Progress (Including Advances against Capital Assets)		4,42,533	2,24,536
(iii) Expenditure during Construction Period Pending Allocation	C	<u>1,28,397</u>	<u>1,02,783</u>
		5,87,006	3,31,758
II. CURRENT ASSETS, LOANS AND ADVANCES	D		
(i) Sundry Debtors		4,463	3,655
(ii) Cash and Bank Balances		29,437	8,024
(iii) Loans and Advances		<u>481</u>	<u>2,448</u>
		34,381	14,127
(i) Less : Current Liabilities	E	<u>1,03,201</u>	<u>16,389</u>
NET CURRENT ASSETS :		(68,820)	(2,262)
III MISCELLANEOUS EXPENDITURE		4,724	4,724
(To the extent not written off or adjusted)			
TOTAL		<u>5,22,910</u>	<u>3,34,220</u>

Notes forming part of accounts

As per our attached report of even date

FOR G. K. CHOKSI & CO.*Chartered Accountants***ROHIT K. CHOKSI***Partner***BALWANT SINGH***Chairman***GAUTAM S. ADANI***Managing Director***For and on behalf of the Board****P. N. ROYCHOUDHARY***Director***RAJESH S. ADANI***Director*

Place : Ahmedabad

Date : 29/11/2000

Place : Ahmedabad

Date : 29/11/2000



GUJARAT ADANI PORT LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in'000)

Particulars	As at 31/03/2000	As at 30/09/1999
SCHEDULE : A		
SHARE CAPITAL		
AUTHORISED		
(i) 14,00,00,000 Equity Shares of Rs.10/- each	14,00,000	14,00,000
ISSUED		
(i) 10,64,07,000 Equity Shares of Rs.10/- each	10,64,070	10,64,070
SUBSCRIBED AND PAID UP		
(i) 7,000 Equity Shares of Rs.10/- each fully paid up	70	70
(ii) 10,64,00,000 Equity Shares of Rs.10/- each, Rs.5 per share partly paid up	5,32,000	5,32,000
(i) Less : Calls in Arrears	(32,020)	(2,20,710)
	4,99,980	3,11,290
TOTAL	5,00,050	3,11,360
SCHEDULE : B		
UNSECURED LOANS		
(i) From Body Corporates	22,860	22,860
TOTAL	22,860	22,860
SCHEDULE : C		
EXPENDITURE DURING CONSTRUCTION PERIOD PENDING ALLOCATION		
(i) Opening Balance	1,02,783	-
(ii) Professional Fees	14,123	63,061
(iii) Travelling and Conveyance Expenses	915	116
(iv) Audit Fees	105	99
(v) General Charges	3,398	6,726
(vi) Finance Charges	1,387	281
Excess of payments over receipts during Trial run		
(a) Trial Run Payments	74,064	95,502
Less : Trial Run Receipts	68,378	63,002
	5,686	32,500
	25,614	1,02,783
TOTAL	1,28,397	1,02,783

GUJARAT ADANI PORT LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in '000)

Particulars	As at 31/03/2000	As at 30/09/1999
SCHEDULE: D		
CURRENT ASSETS, LOANS AND ADVANCES		
SUNDRY DEBTORS		
(Considred Good)		
Less than six months	4,463	3,655
CASH AND BANK BALANCES		
(i) Cash on hand	1,056	71
(ii) Balance with Scheduled Banks in :		
(a) Current Accounts	23,062	6,823
(b) Term Deposit Account	5,319	1,130
	<u>28,381</u>	<u>7,953</u>
	29,437	8,024
LOANS AND ADVANCES		
(i) Advances recoverable in cash or in kind or for value to be received	394	2,425
(ii) Advance Tax/ Tax Deducted at Source	87	23
	481	2,448
Total :	<u>34,381</u>	<u>14,127</u>

SCHEDULE : E

CURRENT LIABILITIES AND PROVISIONS

(i) Sundry Creditors	91,246	15,115
(ii) Sundry Deposits from Parties	6,238	446
(iii) Advance from Customers	3,463	-
(iv) Other Liabilities	2,254	828
TOTAL	<u>1,03,201</u>	<u>16,389</u>

**SCHEDULE : F****NOTES FORMING PARTS OF ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1) *Accounting Period:***

The company has changed its Accounting year for the 12 month period ended as at 30th September, 2000 to six months period ended 31st March, 2000 (i.e. from 01/10/1999 - 31/03/2000) to achieve uniformity with Income-Tax records vide resolution passed at the Board Meeting held on 25th September, 2000.

2) *Basis of Presentation:*

The accounts have been prepared on accrual basis using historical cost convention and on the basis of going concern.

3) *Fixed Assets:*

Fixed Assets are stated at cost of acquisition or construction cost.

4) *Depreciation:*

The company has yet to acquire depreciable fixed assets. During the accounting period the company has acquired Freehold land.

5) *Expenditure during Construction period Pending Allocation:*

Expenditure incurred during construction period is carried forward and will be apportioned to the fixed assets on commencement of commercial activities.

6) *Trial Run Receipts and Payments:*

The port is getting mechanised in order to achieve full potential and to fulfil the basic requirements of the companys' customers. Because of this mechanisation process taking place at the jetty, all the berths are not available for operation. Minor dredging work and expansion of jetty are also under process. Without these facilities, jetty will not be available for commercial activities. Further railway line construction from port is under process. The Concession Agreement with government agencies of the Government of Gujarat is under final stage of approval. Hence, the trial run payments in excess of trial run receipts are added to expenditure during construction period pending allocation.

7) *Foreign Currency Transactions:*

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) Foreign currency credits outstanding at the end of the period are translated at the prevailing rate on the last day of the accounting period.



8) *Miscellaneous Expenditure (to the extent not written off or adjusted):*

Preliminary expenses will be amortised over 10 years commencing with the year of Commercial Activities.

B. NOTES TO ACCOUNTS

(1) Since the project is under implementation and commercial activity is yet to commence no Profit and Loss Account has been prepared.

(2) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs.19651.75 Lacs.

(3) Contingent Liabilities not provided for in the Accounts:

The company has executed a Custodian Bond worth Rs.800 Lacs in favour of The President of India through The Commissioner of Customs and the Bank Guarantee worth Rs. 80 Lacs, Rs.40 Lacs each has been provided by the Indusind Bank and Canara Bank respectively.

(4) Expenditure during construction period, pending allocation will be dealt with, on commencement of commercial activities.

(5) In respect of expenditure incurred by Adani Port Limited on the multi purpose jetty, approach road and related project expenditure which has to be borne by Gujarat Adani Port Limited, the process of segregation of such expenditure by Adani Port Limited has been initiated and on completion of the relevant documentation, accounting of the said expenditure shall be done in the books of Gujarat Adani Port Limited.

(6) Advances against capital assets include Rs.2897.95 Lacs to Adani Port Limited, a company under the same management.

(7) Dues to Small-Scale Industrial Undertakings :

As of March 31, 2000, the related data from the creditors is not available. Hence necessary figure dues to S.S.I. unit are not given. However, the same are under compilation.

(8) Payment to Auditors:

(Amount in Lacs)

Particulars	For the period ended 31 st March, 2000	For the period ended 30 th September, 1999
Audit Fees	1.05	0.99
Total	1.05	0.99



- (9) Additional information as required under Part-II of Schedule VI to the Companies Act, 1956, has been given to the extent applicable to the company.

Expenditure in Foreign Currency:

(Rs. in Lacs)

Particulars	For the period ended 31 st March, 2000	For the period ended 30 th September, 1999
On Tug Hire Charges (On accrual basis, included in Trial Run Payments)	171.72	103
On Professional Fees (Included in expenditure during construction period pending allocation)	55.69	—

- (10) Balance Sheet Abstracts and Companys' General Business Profile :

I. Registration Details:

Registration No. 34182

State Code: 04

Balance Sheet Date 31st March 2000

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	: —
Right Issue	: —
Bonus Issue	: —
Private Placement	: —

III. Position of mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	: 626111
Total Assets	: 626111
Sources of Funds :	
Paid-up Capital	: 500050
Reserve and Surplus	: —
Secured Loan	: —
Unsecured Loan	: 22860
Application of Funds:	
Net Fixed Assets	: 587006
Investments	: —
Net Current Assets	: (68820)
Misc. Expenditure	: 4724
Accumulated Losses	: —



IV. Performance of Company (Amount in Rs. Thousand)*

Turnover and Other Income	: Not Applicable
Total Expenditure	: Not Applicable
(+) Profit / Loss before Tax	: Not Applicable
(+) Profit / Loss after Tax	: Not Applicable
Earning per share	: Not Applicable
Dividend Rate	: Not Applicable

V. Generic names of three principal products services of company (as per monetary terms)

Product / Service Description	: Item code No.
Product Description	: Not Applicable

* As the Company has not carried out any commercial activities during the period the relevant information is not applicable.

(11) Balances of creditors, debtors, loans and advances are subject to confirmation by the parties concerned.

(12) The figures corresponding to previous period are not comparable as the current period consists of 6 months ended on 31st March, 2000.

As per our attached report of even date.

FOR G. K. CHOKSI & CO.

Chartered Accounts

ROHIT K. CHOKSI

Partner

BALWANT SINGH

Chairman

For and on behalf of the Board

P. N. ROYCHOUHARY

Director

GAUTAM S. ADANI

Managing Director

RAJESH S. ADANI

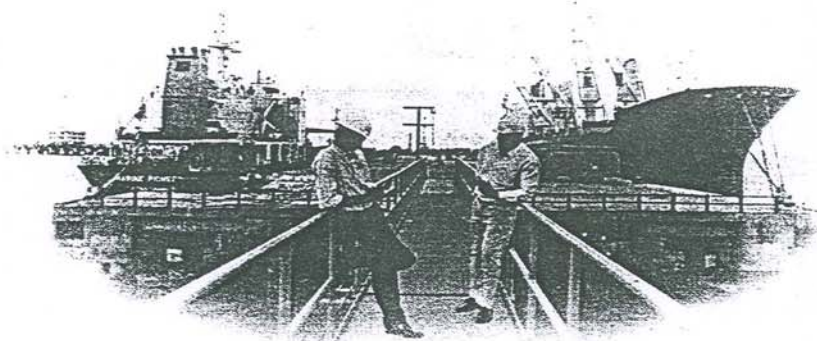
Director

Place : Ahmedabad

Date : 29/11/2000

Place : Ahmedabad

Date : 29/11/2000



GUJARAT ADANI PORT LTD.

: REGISTERED OFFICE :

"Adani House", Shrimali Society, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009. INDIA

Tel : 079-656 5555, 555 5555 Fax : 079-656 5500, 555 5500

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