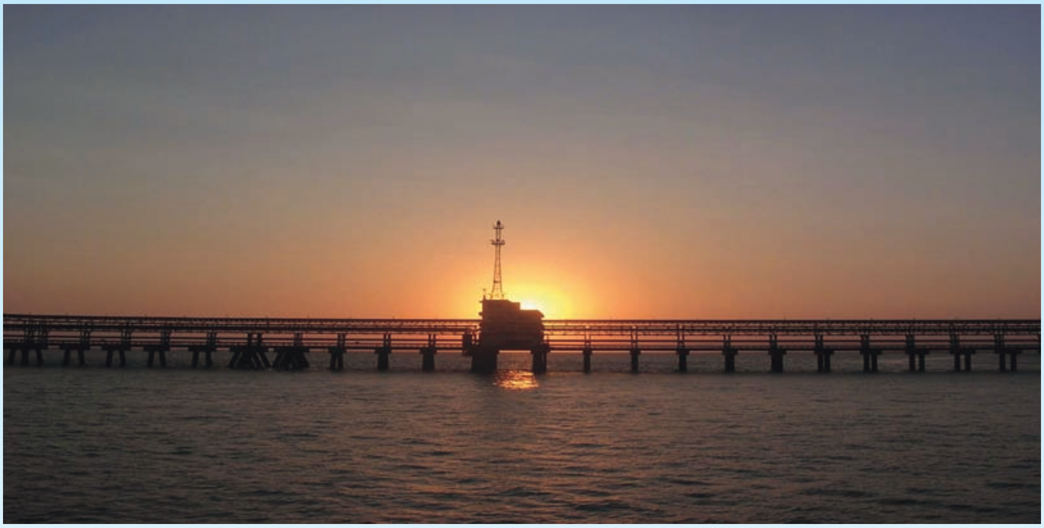
10th Annual Report 2008-09

Innovation • Courage • Trust

Three small words perhaps.
But for us, our past, present and future.



ADANI

Mundra Port and Special Economic Zone Limited

Forward Looking Statement

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less then accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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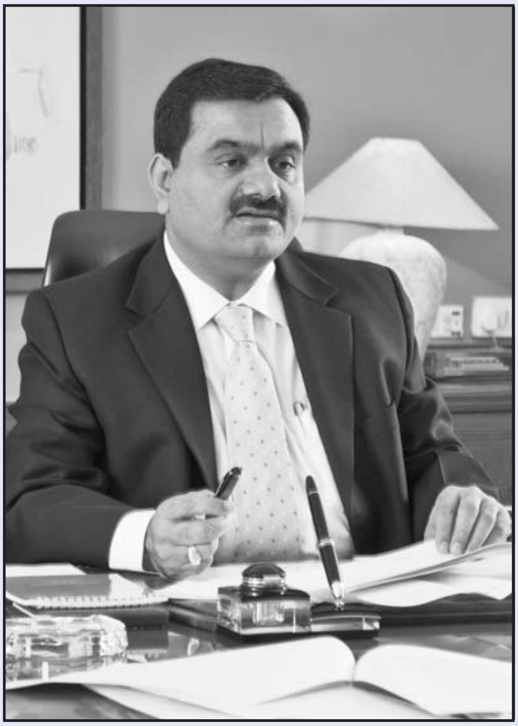
Chairman's Message



"We believe that tough times don't last for long but tough people do"

Dear Members,

I would like to take this opportunity to welcome you all once again. This is the second year of the company in its new status as a listed entity and the first year of full operations after it was listed during last financial year.

Your support and confidence in us is integral to our achieving the vision of your company being a "Maritime Masterpiece".

The last year has been a year of enormous turbulences and upheavals in the world markets and economy, which has shaken even the best. However the strategy laid out by your company has helped it to not only take big strides forward but also set up the stage for the future to take care of any further such trends.

Ever since our inception we have steadily been expanding our capacity, capability and businesses and the past year has been no exception despite significant challenges in the market and economic conditions. Last year I had informed you about the infrastructure facilities, the material handling equipments and the new terminal being constructed.

Further to that it gives me pleasure to state that the mechanisation of fertiliser / FRM, steel and coal handling has been achieved. The online bagging of fertilisers, the Goliath crane handling of steel plates and pipes as well as fully mechanized coal handling system are all steps towards better efficiency making the port one of its kind in the private sector. Under overall port limit, in Mundra Port there are four ports, North, South, East & West Port. The West Port for complete coal handling is on its way for completion as planned. The railway line has been extended nearer to the new coal terminal and thus the rail connectivity is complete at the port and entire SEZ area. The receipt and despatch yard has gone up from 5 to 10 lines.

The master plans for complete development of the unique and the only port to have a 40 km waterfront in India are being drawn and the business proposition for adding new capacities being studied. The environmental clearances for the first phase of full 40 km water front have been received. Plans are on for expansion of bunker terminal, edible oil terminal, warehouses, two berths for dry cargo & doubling the rail line between Adipur and Mundra which will enhance the carrying capacity and resultant increased business.

The Outside-in focus which I mentioned last year has enabled all the three business verticals to show significant developments. The port business has grown significantly. During the year the three notified areas have been combined into one multi product SEZ. Nine units have been given permission to set up their manufacturing and service facilities during the year in the SEZ. On the infrastructure development front, several entities have been approved as co-developers for setting up hotels, hospitals, schools and other infrastructure facilities. Moreover water treatment plants and water and power distribution network has been set up. The logistics business also has made its own special mark as a quality total logistics solution provider.

On the performance front, I am pleased to mention that the revenues have shown an increase of 38.73%, registering total revenue of over Rs. 1135 crores; the profit after tax has risen by 116% to Rs. 461.08 crores, EPS is at Rs. 11.51. Cargo volumes have improved across all business segments -cargo handled rose from 28.80 million tons in 2007-08 to 35.72 million tons in 2008-09 which shows a growth of 24.03% year on year

We have seen a meltdown all over the world not just of economies but also equally in corporate governance matters. However I believe that the high standards of corporate governance and transparency being practiced by us, adhering to the best industry practices sets us apart.

The management has a vision of Pan India presence in ports. We have been marching towards that goal with the port at Mundra already handling 36 million tons. Dahej port is on stream and should be operating middle of next year. Goa port development is next on the horizon. With this the west cost presence would be significant. On the east coast well there are strategic steps being taken to develop both green field projects as well as existing ports and the next year should be a significant year in that aspect.

We have also taken a host of quality, health safety and environment (QHSE) initiatives which are at the very core of the port business.

The Group is very conscious about its values. Our commitment to achieving goals as well as our value driven processes are our core strengths. The group always acts as a responsible corporate citizen. The Adani Foundation plays a pivotal role in bringing about sustainable development in and around its area of operations. The Group aims to enhance the quality of life of the surrounding communities. We have initiated the process for rural underground drainage system, free health check ups, initiatives to develop the girl child, better sanitation, ITI upgradation in Mundra.

The Group also endeavours to create Institutes of excellence in various fields of higher education and with that in mind has ventured to establish a medical college at Bhuj as a Public Private Partnership Project. I am happy to inform you that we have obtained necessary government approvals and completed all required formalities for starting the medical college from August 2009 with total intake of 150 students in the 1st year MBBS for the academic year 2009-10. Adani Institute of Infrastructure Management (AIIM) will also commence this year.

The management is committed to high standards of operation and hence has further strengthened the management set up and has appointed a whole time director with vast experience to head the operations and strategise the future. The hunt for the right talent is ever on and I am proud to say that we have some of the best talent in the industry with people who are committed and dedicated to the task and goals on hand and would help in achieving the vision envisaged.

I would like to express my gratitude to this huge family of shareholders, bankers, and investors for their unstinted support which strengthens our commitment of creating a sustainable long term value to all stakeholders. I am also thankful to the state and central governments who have also laid out pro development plans.

Our key values – trust, courage and innovation are well entrenched in all that we do. We believe that tough times don't last for long but tough people do. It gives me great pleasure when I receive appreciation letters from our dear members and when they assure their continued support in all circumstances.

And I still say that this is just the beginning

Sincere Regards

Gautam S. Adani
Chairman

COMPANY INFORMATION

BOARD OF DIRECTORS
Mr. Gautam S. Adani, *Chairman & Managing Director*
Mr. Rajesh S. Adani
Dr. Malay Mahadevia, *Whole Time Director*
Mr. Rajeeva Ranjan Sinha, *Whole Time Director*
Mr. Ameet H. Desai, *Executive Director*
Mr. K. N. Venkatasubramanian
Mr. S. K. Tuteja, IAS (Retd.)
Mr. S. Venkiteswaran
Mr. Arun Duggal
Mr. D. T. Joseph, IAS (Retd.)
Mr. Atanu Chakraborty, IAS

COMPANY SECRETARY
Ms. Dipti Shah

AUDITORS
M/s. S. R. Batliboi & Associates
Chartered Accountants,
Mumbai.

BANKS AND FINANCIAL INSTITUTIONS
Allahabad Bank
Canara Bank
EXIM Bank
HDFC Bank
Corporation Bank
LIC of India
Oriental Bank of Commerce
Axis Bank Limited
State Bank of India
State Bank of Travancore
Syndicate Bank
State Bank of Hyderabad
ICICI Bank Limited
IDFC Limited
IFCI Limited
Uco Bank
Hypo und Vereins Bank AG
Jammu and Kashmir Bank
Yes Bank Limited
Deutsche Bank
Punjab National Bank

REGISTERED OFFICE
“Adani House”,
Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad -380 009.

SITE
“Adani House”, Navinal Island,
Mundra - 370 421,
Kutch, Gujarat.

REGISTRAR AND TRANSFER AGENT
Link Intime India Private Limited.
(Formerly, Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai- 400 078.
Phone: 022-2594 6970/78
Fax: 022-25946969

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Tenth Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2009.

Financial Highlights:

The bird eye view of the summarized financial highlights is depicted below:

(Rs. in Lacs)

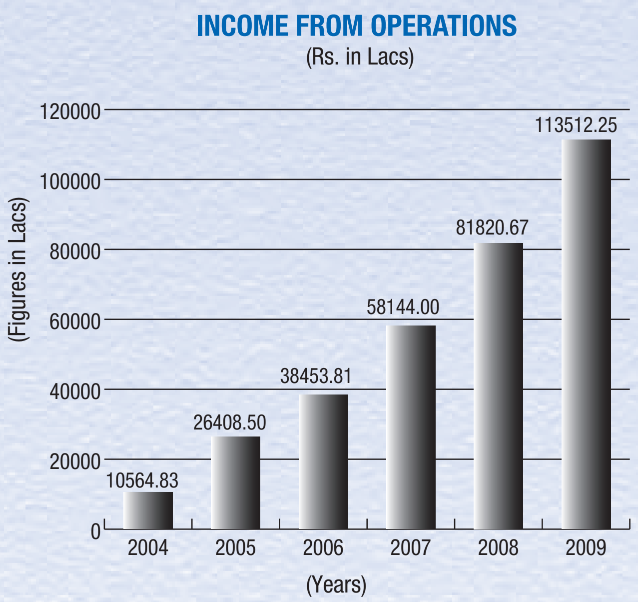
Particulars	For the year ended 31/03/2009	For the year ended 31/03/2008
Income from operations	**1,13,512.25**	81,820.67
Other Income	**4,432.41**	2,790.35
Total Income	**1,17,944.66**	**84,611.02**
Operating & Administrative Expenses	**37,348.06**	28,279.79
Operating Profit before Interest, Depreciation and Tax	**80,596.60**	56,331.23
Interest and Financial Charges	**13,295.02**	10,621.89
Depreciation / Amortization	**13,723.50**	10,063.84
Profit Before Tax and Prior Period Adjustment	**53,578.08**	35,645.50
Less: Prior Period Adjustments	**(2,174.98)**	(129.51)
Add: Extraordinary Items	**-**	1,166.13
Provision for tax (including deferred tax)	**5,294.58**	15,340.94
Profit after tax	**46,108.52**	**21,341.18**
Surplus brought forward from previous year	**23,753.54**	9,503.65
Balance available for appropriation	**69,862.06**	**30,844.83**
Appropriations :		
Interim Dividend on Equity Shares	**8,015.69**	-
Dividend on Preference Shares	**0.03**	0.03
Proposed Final Dividend on Equity Shares	**4,006.79**	6,010.18
Transfer to Capital Redemption Reserve	**14.06**	14.02
Transfer to General Reserve	**4,610.85**	1,067.06
Balance carried to Balance Sheet	**53,214.64**	**23,753.54**

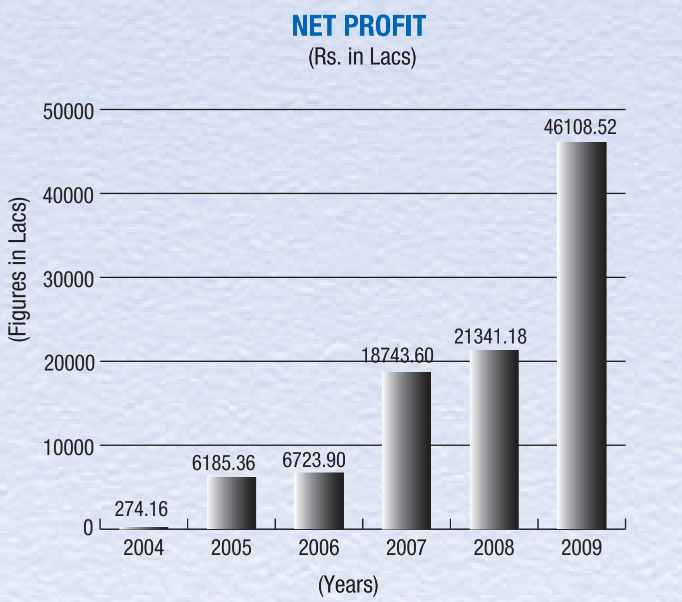
Operational Highlights:

Your Company has scaled new heights during the financial year 2008-09 and has turned out with highly promising results in all segments despite the on going turbulence in the world economy.

The key aspects of your Company's performance during the financial year 2008-09 are as follows:

- There is significant growth in Cargo volumes. Cargo volume increased by 24.03% from 28.80 million tons in 2007-08 to 35.72 million tons in 2008-09.
- Total number of vessels handled at Mundra Port increased by 33.68% from 1624 vessels in 2007-08 to 2171 in 2008-09.
- Turnover increase by 38.73% from Rs. 81,820.67 Lacs in 2007-08 to Rs. 1,13,512.25 Lacs in 2008-09.
- Standalone Profit Before Tax increased by 40.13 % from Rs. 36,682.12 Lacs in 2007-08 to Rs. 51,403.10 Lacs in 2008-09.
- Standalone Profit After Tax increased by 116.05 % from Rs. 21,341.18 Lacs in 2007-08 to Rs. 46,108.52 Lacs in 2008-09.
- Earning Per Share (EPS) for the year increased by 102.28 % from Rs. 5.69 in 2007-08 to Rs. 11.51 in 2008-09.





The detailed Operational Performance of the Company has been comprehensively discussed in the Management Discussion and Analysis Report which forms part of Directors' Report.

Dividend:

During the year under review your Company had declared and paid Interim Dividend of Rs. 2 per share (20%) on 400,678,820 Equity shares of Rs. 10 each and 0.01% Dividend on 0.01% Non-cumulative Redeemable Preference shares of Rs. 10 each for the Financial Year 2008-09 in the month of February, 2009. The Board of Directors are pleased to recommend a Final Dividend of Re. 1 per share (10%) on 400,678,820 Equity shares of Rs. 10/- each for the Financial Year 2008-09. The total outgo on dividend would be Rs. 12,022.51 Lacs.

Utilization of Proceeds of IPO:

The statement of proposed utilization of the IPO proceeds & its actual utilization as on 31st March, 2009 is as follows:

(Rs. In Lacs)

Objects of the Issue	Proposed utilization to be made out of the IPO proceeds	Actual Utilization as on 31st March, 2009
a) SEZ Project	50,000.00	19,128.47
b) Coal Terminal Project	45,000.00	31,770.08
c) Investment in Adani Petronet (Dahej) Port Pvt. Ltd.	20,946.00	4,147.00
d) Investment in Adani Logistics Ltd.	4,800.00	2,468.00
e) Investment in Inland Conware Pvt. Ltd.	10,878.00	4,508.00
f) General Corporate Purpose	40,476.00	32,319.18
g) Issue Expense	5,000.00	4,154.84
Sub-Total	**1,77,100.00**	**98,495.57**
h) Interim usage of funds	-	78,604.43
Total	**1,77,100.00**	**1,77,100.00**

Holding Company:

During the year under review, Adani Port Infrastructure Pvt. Ltd. has been merged with Adani Infrastructure Services Pvt. Ltd. (AISPL). Pursuant to merger the shareholding of AISPL in the Company had increased to 55.94%. Accordingly, by virtue of Section 4 of Companies Act, 1956; AISPL had become the Holding Company.

Consolidated Financial Statements:

Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard is attached herewith.

Subsidiary Companies:

Your Company had 8 Subsidiaries at the beginning of the year which are as follows:

1. Mundra SEZ Textile and Apparel Park Pvt. Ltd.
2. MPSEZ Utilities Pvt. Ltd.
3. Karnavati Aviation Pvt. Ltd. (Formerly, Gujarat Adani Aviation Pvt. Ltd.)
4. Rajasthan SEZ Pvt. Ltd.
5. Adani Logistics Ltd.
6. Inland Conware Pvt. Ltd.
7. Inland Conware (Ludhiana) Pvt. Ltd.
8. Mundra Aviation Ltd.

During the year under review in order to consolidate logistics business under common roof the Subsidiary Companies; Adani Logistics Ltd. (ALL), Inland Conware (Ludhiana) Pvt. Ltd. (ICLPL) and Inland Conware Pvt. Ltd. (ICPL) has filed petition for Merger before the High Court of Gujarat. The merger between these three Companies has several benefits such as Common administrative control, Up-scaling of the Planning Activities, Synergies in Activities, Marketing / Operations, Taxation, Statutory and Accounting.

During the year under review, Mundra Aviation Ltd., a wholly owned subsidiary of company in Cayman Islands has been dissolved.

During the year under review Gujarat Adani Aviation Pvt. Ltd., a wholly owned subsidiary company carrying on Aviation business had changed its name to Karnavati Aviation Pvt. Ltd.

The Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, containing details of subsidiaries of the Company, forms part of the Annual Report.

In terms of approval granted by the Central Government vide letter no. 47/344/2009-CL-III dated 13th May, 2009 under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit & Loss Account, report of the Board of Directors and report of the auditors of each of the Subsidiary Companies have not been attached to the accounts of the Company for the year ended 31st March, 2009. The annual accounts of the subsidiaries and the related detailed information will be made available to any Member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by the Member of the Company/its subsidiaries at the Registered Office of the Company on any working day during business hours.

Fixed Deposits:

During the year under review, your Company has not accepted any deposits from Public under Section 58A of Companies Act, 1956.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are appended herewith as Annexure-I and forms part of this Annual Report.

"Group" For Inter-Se Transfer of Shares:

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in Annexure II attached herewith and forms part of this Annual Report.

Quality, Health, Safety and Environment:

Quality, Health, Safety and Environment policies involve implementing benchmark standards such as ISO 9001-2007 & 14000-2008, identifying hazards in daily activities of the Company and mitigate their impact on personnel and environment. Your Company's management approach to Quality, Health, Safety and Environment involves proactive approach to create safe working environment, continuous safety education and training, periodic review of programs and evaluation of incidents. Your company has already received ISO 9001-2007 certification and is in the process of applying for ISO 14000-2008.

In the year 2008-09 your company has addressed environmental issues by investing in technologies such as "Bulk Material Handling Systems such as conveyors with ground hoppers" replacing highly polluting Diesel fueled Dumpers, Pay loaders, Excavators.

Your company also invested in Environmental Research studies with support of "Center for Environment Education - Ahmedabad" and identified the following technologies / processes which support the "Green Port" & "Clean Development Mechanism" initiative for Pilot studies.

a) **Illumination:** Replacing inefficient luminaries such as Sodium Vapor Lamps, Mercury Vapor Lamps & Halogens with Light Emitting Diodes which are extremely energy efficient. Pilot programs are ongoing.

b) **Agro Forestry, Reforestation, Afforestation Project:** Our horticulture department has been successful in growing/Planting various types of fruit and flower bearing plants and ready trees by maintaining biodiversity in the highly saline sandy desert soil of Mundra by utilizing the latest Hi-Tech technology in Plantation and in Mechanized-geldar- Israel Irrigation System by utilizing treated STP/CETP water.

   By sustained effort, your Company is working towards achieving the status of becoming the Greenest Port in South Asia.

c) **Regenerative Cranes:** Cranes used for transferring material (dry cargo as well as containers) onto/off the docks from/to the ships have built in capability of generating power during the downward motion, a study is in progress to identify processes and methods of utilising the Regenerated Power for other port applications whereby reducing consumption of expensive power as well as assuring a cleaner environment.

Corporate Social Responsibility:

The Adani Group is very conscience about its values. Our commitment to achieving goals as well as our value driven processes are our core strengths. The group always acts as a responsible Corporate Citizen. The Adani Foundation plays a pivotal role in bringing about Sustainable Development in and around its area of operations.

We have three areas of investment - social investment (comprises of health, education and livelihood), bio – investment (which focuses on water conservation & harvesting, and animal husbandry) and the third being infrastructure development.

The Foundation aims to enhance the quality of life of the surrounding Communities by reaching out to more than 15,000 young minds through various programmes to improve the Quality of Education, Girls Education, promoting Child's rights and gender equality, empowering Village Education Committee through innovative use of local Education Volunteers. Further, the Foundation covered 29 villages in and around the Mundra region, rendering free treatment to more than 4000 patients per month.

Under our Rural Infrastructure Development activities, we have initiated the process for rural underground drainage system for 12 villages with partial financial support from WASMO. This will lead to better sanitation and improved health in the villages.

Our Cluster based approach invites full participation and cooperation of our stake holders.

Corporate Governance and Management Discussion and Analysis Report:

Your Company has been proactive in following the principles and practices of good Corporate Governance as an important step towards building investor confidence, improve investor's protection and maximize long-term shareholder value. A separate report on Corporate Governance compliance and a Management Discussion and Analysis Report as stipulated by the Clause 49 of the Listing Agreement forms part of the Annual Report along with the required Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement.

In compliance with Corporate Governance requirements as per Clause 49 of the Listing Agreement, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Directors:

During the year under review, Mr. Atanu Chakraborty, IAS Vice Chairman and CEO, GMB was appointed as an Additional Director on the Board of the Company. Dr. Malay Mahadevia was appointed as an Additional Director and Whole Time Director of the Company w.e.f 20th May, 2009. Pursuant to Section 260 of Companies Act, 1956 both these Directors hold office upto the date of ensuing Annual General Meeting and being eligible offer themselves for appointment. Board welcomes them and looks forward to their valued contribution in meeting the long-term objectives of your company. Board recommends appointment of the directors of the company.

As per Section 256 of the Companies Act, 1956 and Article 152 of the Articles of Association of the Company, Mr. Rajesh S. Adani, Mr. Ameet H. Desai and Mr. Arun Duggal are liable to retire by rotation and being eligible offer themselves for re-appointment. Board recommends reappointment of the directors of the company.

Directors Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

- The applicable accounting standards have been followed and that no material departures have been made from the same.
- Reasonable and Prudent Accounting Policies have been adopted in Preparation of the Financial Statements. The Accounting Policies have been consistently applied except for the changes mentioned in Notes forming part of Accounts.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

Insurance:

Assets of your Company are adequately insured against various perils.

Personnel:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees forms part of this report as Annexure. However, as permitted by section 219 (1)(b) (iv) of the companies Act, 1956 this Annual Report is being sent to all shareholders excluding aforesaid information. Any member interested in obtaining such particulars may write to company Secretary at the Registered office of the Company.

Auditors:

Your Company's Auditors M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a written certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

Auditors' Report:

Notes to the accounts, as referred in the Auditors Report, are self-explanatory and practice consistently followed and therefore do not call for any further comments and explanations.

IT System:

To cater to the fast growing IT Infrastructural requirements of the business, the following technological solutions/systems have been implemented:

- Implemented Car Terminal Management System (KARTOS), Integrated Port Management System (IPMS) and Navis Applications for Terminal Operations (TOS), which are seamlessly integrated with SAP system.
- Optimization SAP ERP system for Procurement, Enterprise Asset Management & Financial processes for better manageability of data & port operations.
- Development of Management Information and Decision Support Systems using SAP BI functionality
- Development of user friendly Enterprise Portal with Employee Self Services (ESS).

In order to enhance the existing IT Infrastructure for competitive advantage; the following IT initiatives have been undertaken:

- Enhancement of IP Based Telecom Infrastructure with Siemens Hipath-8000 for unified messaging
- Comprehensive Security & Video Surveillance for entire MPSEZ area.
- Automation of Port operations which includes Gate & Jetty area

Awards and Accreditations:

During the year under review, some of the awards and recognitions received by your Company are:

- Winner of "Infrastructure Developer of the Year : 2008" award, India Shipping Summit 2008.
- Winner of "Private Port of Year : 2008" award, CNBC TV18.
- Selected as a member of the prestigious : "C-40 World Ports" at C40 World Ports Climate Conference, Rotterdam, 2008.
- "Private Port of the Year" at the Samudra Manthan Awards 2009, organized by the Govt. of India's India Trade Promotion Organization (ITPO).

Acknowledgement:

In consonance with established maxim that the company is only as good as its people, your Company has put together a team of highly qualified and experienced professionals. Our shareholders have been our partners in progress. They have continued to repose their trust and confidence in the Company. The Company is committed to work for augmenting shareholder value.

The success achieved by your Company and the progress made by it are due to co-operation, efforts and commitment of all concerned with its affairs, including the Government of India, Government of Gujarat, Gujarat Maritime Board, Financial Institutions, Banks, shareholders, directors, executives, officers and other employees of your Company. The management expresses gratitude to all for their co-operation especially to the employees for their dedicated services without which the good results would not have been possible.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: 20th May, 2009

Gautam S. Adani
Chairman & Managing Director

Annexure - I to the Directors' Report

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956.

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out as under:

A. CONSERVATION OF ENERGY:

a) The following energy conservation measures have been taken:

1. In continuation to the last year's efforts, stabilizers have now been installed in Substation1 in addition to other substations for electricity supply to some Godowns and lighting towers.
2. Lighting control switches have been installed in all godowns and Open storage yards to reduce the lighting (lux level) when no operation is in progress.
3. Power factor has been maintained at the level of 0.991 to 0.996 as compared to the last year's 0.98 to 0.992. This has been achieved by close monitoring and repairs and calibration of Automatic Power Factor Correction panels.
4. Optimization of transformers has been done by transferring load from Terminal 2 Transformer to underutilized 1500 KVA transformer.
5. Additional conveyor has been installed to feed the fertilizer to the unutilized 1.5 km length of conveyor. This has reduced the distance for transporting the fertilizer with the dumper trucks by 1.6 km from 2.7 km and reduced fuel consumption by 33%.
6. Electrically driven Goliath cranes being installed which would replace inefficient diesel engine operated cranes.
7. Additional hoppers have been installed at the jetties to improve the efficiency of bulk cargo handling and reducing the crane engine idling.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Rs. 47 crores is being invested to build a fully automated complex for conveyorised transportation, bagging and wagon loading of the fertilizer. This will eliminate road transportation of bagged cargo from storage areas to the railway siding and also use of diesel operated loaders for feeding of fertilizer to bagging machines.
2. Over capacity motors in the Liquid Terminal being planned to be replaced with motors of optimum capacity.
3. Energy Management System being evaluated for implementation for remote monitoring and tracking of electricity consumption.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Amount of energy saved is approximately 4,60,472 KWH/year (Rs. 35 lacs/year @ Rs. 7.75KWH)

d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto:

Not applicable to the Company

B. Technology Absorption:

1. Latest material handling technology and automation systems being implemented.
2. Vacuum Lift technology for handling steel pipe being used.
3. Latest techniques such as Laser alignment and Thermography being used in maintenance.
4. Latest corrosion protection technology by using quartz blasting, application of fast curing (5 seconds) and moisture cured polyurethane application with plural gun system being used for protection of steel piles of jetties.
5. NACE and SSPC (USA) standards being conformed to in all protective coating technologies being implemented in the port.
6. SAP reports being customized for MIS and decision support for the management.
7. Document Management System (DMS) of SAP being used for storage and management for all documents including drawings.
8. Geographic Information System (GIS) being used for mapping of all assets and utilities like power lines, water and fire pipelines etc. This system could also be utilized for monitoring of assets.
9. State-of-the-art Security System being installed which uses latest technologies in CCTV, Access Control, RFID, Network Topology and Remote Access.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details of Foreign Exchange Earnings and Outgo are set out in Note 24 of Schedule -23 of Notes to Accounts.

Annexure - II to the Directors' Report

The following is the list of Persons Constitution "Group" (within the meaning as defined in the Monopolistic and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said Regulations") as provided in Clause 3(1)(e) of the said Regulations:

1	Mr. Gautam S. Adani	37	Karnavati Aviation Pvt. Ltd.
2	Mr. Rajesh S. Adani	38	Adani Retail Pvt. Ltd.
3	Mr. Vasant S. Adani	39	Mundra SEZ Textile and Apparel Park Pvt. Ltd.
4	Mr. Mahasukh S. Adani	40	Adani Petronet (Dahej) Port Pvt. Ltd.
5	Mr. Vinod S. Adani	41	Adani Infrastructure Services Pvt. Ltd.
6	Ms. Priti G. Adani	42	Shantikrupa Services Pvt. Ltd.
7	Ms. Shilin R. Adani	43	Shantikrupa Estates Pvt. Ltd.
8	Ms. Pushpa V. Adani	44	Ventura Trade and Investment Pvt. Ltd.
9	Ms. Suvarna M. Adani	45	Pride Trade and Investment Pvt. Ltd.
10	Ms. Ranjan V. Adani	46	Radiant Trade and Investment Pvt. Ltd.
11	Ms. Shantaben S. Adani	47	Trident Trade and Investment Pvt. Ltd.
12	Mr. Bhavik Shah	48	Assets Trade and Investments Pvt. Ltd.
13	Mr. Rakesh Shah	49	Concord Trade and Investments Pvt. Ltd.
14	Mr. Vinod Sanghavi	50	Baramati Power Pvt. Ltd.
15	Ms. Surekha Shah	51	Shankheshwar Buildwell Pvt. Ltd.
16	Ms. Priti Shah	52	Shantigram Utility Services Pvt. Ltd.
17	Ms. Sharmishta Sanghavi	53	Shantikrupa Infrastructure Pvt. Ltd.
18	Mr. Karan G. Adani	54	Adani Trade and Investments Ltd.
19	Mr. Jeet G. Adani	55	Ventura Power Investment Pvt. Ltd.
20	Mr. Sagar R. Adani	56	Adani Venture Ltd.
21	Ms. Rahi R. Adani	57	Adani Commodities (formerly known as Adani Investments)
22	Ms. Vanshi R. Adani	58	Shanti Builders
23	Ms. Riddhi V. Adani	59	Advance Investment
24	Mr. Pranav V. Adani	60	Crown International
25	Ms. Namarta P. Adani	61	Shantilal Bhudarmal Adani Family Trust
26	Mr. Param P. Adani	62	Gautambhai S. Adani Family Trust
27	Ms. Krupa Adani	63	Rajeshbhai S. Adani Family Trust
28	Adani Enterprises Ltd.	64	Vinodbhai S. Adani Family Trust
29	Adani Agro Pvt. Ltd.	65	Mahasukhbhai S. Adani Family Trust
30	Adani Properties Pvt. Ltd.	66	Vasantbhai S. Adani Family Trust
31	Adani Shipyard Pvt. Ltd.	67	Gautambhai S. Adani HUF
32	B2B India Pvt. Ltd.	68	Rajeshbhai S. Adani HUF
33	MPSEZ Utilities Pvt. Ltd.	69	Vinodbhai S. Adani HUF
34	Rajasthan SEZ Pvt. Ltd.	70	Mahasukhbhai S. Adani HUF
35	Adani Logistics Ltd.	71	Vasantbhai S. Adani HUF
36	Inland Conware Pvt. Ltd.		

Management Discussion and Analysis

The discussion hereunder covers the financial results and other group developments of the Mundra Port And Special Economic Zone Limited (MPSEZL) for the financial year 2008-09 and its outlook for the future. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook.

World Economy:

After a healthy pace of growth of world economy for the past 3 years at the rate 4.5%-5%, the pace of economic growth stunted significantly in 2008 struck by the subprime crisis and the instability in international financial markets, which even necessitated the IMF to make a marked downward revision of its estimate for global growth to 0.5 % in January, 2009 & thereby officially making for a global recession next year. This crisis has not left even the emerging economies untouched, though the impact is on a lesser scale than in developed economies. Unlike the earlier recessionary periods, the Governments and central banks have been proactive this time and have announced financial stimulus packages, ushering in an expectation of early recovery from the second half of this year. Amidst all the gloomy scenario, the silver lining is that world trade is still expected to achieve a positive growth of 5% and 4% in these two years as per World Economic Outlook's forecast.

Indian Economy:

India's Economy has grown by more than 9% for three years running, and has seen a decade of 7%+ growth until now. Like most of the world, however, India has faced testing economic times in 2008 inspite of not having direct exposure to the sub-prime mortgage assets or to the failed institutions. The RBI projects growth of just 6% for the Indian economy in 2009-10 which would be lower than the 6.5%-7% growth estimate for 2008-09. This is mainly because of India's integration with world economy by two way trade and financial integration with the world. However, it is expected that the impact of the global crisis would be less severe in India as compared to developed countries.

Industry Structure:

Ports:

Indian Scenario:

India's 95% external trade by volume and 70% by value moves by sea. Cargo handling volume in 12 major ports in India was at 530 million tonnes, while non-major ports contributed another 210 million tonnes (based on provisional data) during 2008-09, aggregating to 740 million tonnes implying a growth of 2.8 % from last year.

With a market share of zero - few years back, the non-major ports have garnered about 30% of India's port traffic as per FY09 traffic, indicating a growing importance of non-major ports.

The non-major ports of Gujarat handled 152 million tonnes in 2008-09. Mundra port, the largest private sector non-major port, with a cargo of around 36 million tonnes in FY09 is among the top 10 ports in the country.

As per Govt. estimates, India needs to double port capacity to 1,500 million tonnes by 2011-12 and would require investments worth Rs 550 billion in that period indicating significant growth potential for the sector.

Special Economic Zone:

The Government of India (GoI) had announced a Special Economic Zone Scheme in April, 2000 with a view to provide an internationally competitive environment for exports. The objectives of Special Economic Zones (SEZs) include making available goods and services free of taxes and duties supported by integrated infrastructure for export projection, expeditious and single window approval mechanism and a package of incentives to attract foreign and domestic investments for promoting export-led growth.

Leveraging the advantage of the port, your Company envisages development of Multi product SEZ over an area of 130 sq. km. Your Company's SEZ, which is largest notified multi-product SEZ having notified area of 5920 hectares subsequent to the integration of 3 SEZs, would offer world-class infrastructure for those who want to establish an industry in this SEZ.

Performance at glance:

Your company achieved superior productivity across all segments.

Highlights of Overall Performance:

- Total number of vessels handled at Mundra Port : 2171 (1624 vessels in 07-08 i.e a growth of 33.68% year on year).
- Cargo volumes have improved across all segments (cargo handled in 07-08 was 28.80 million tons and 08-09 was 35.72 million tons which shows a growth of 24.03% year on year).

Railway:

- Total number of rakes handled in 2008-09 is close to 4500.
- Highest rakes handled in single Month: 459 Rakes in the month of December, 2008.
- Dispatched highest quantity of coal in a single day, 57179 MT of coal on March 31, 2009, in 15 rakes in a 24 hours cycle.
- Purchase of new locomotive engine with 3100 HP capacity.
- Started container train operation from Northern India to Mundra, we own six container rakes.

Dry Cargo:

- Delhi Metro Coaches handling at Mundra Port – March, 2009.
- 1st Boiler Export from Mundra Port – Heaviest Cargo 585 220 MT (Thermax Ltd.) – February, 2009 (First Export from Mundra SEZ Unit).
- Loading and Releasing a rail rake (59 Wagons) for coal in 1 hour 35 minutes in January, 2009.
- Highest Gross Discharge rate from single vessel–33917 MT, Vessel: MV Elbe Max (January, 2009) and highest discharge in a single day 4108 MT Vessel: MV Elbe Max (January, 2009).
- Discharge from the ship and evacuated by rail and road 100152 MT Coal in a single day (31st March, 2009).

Marine:

- Handled Largest Container Vessel - MV CMA CGM BAUDELAIRE (300.40mtrs) at MUNDRA PORT on 2nd February, 2009. The Port now regularly handles the 6500 – 7000 Teu vessels and is capable of handling the larger UPPX vessels.
- Port has acquired the 1st in the new fleet of 70 tons bollard pull tugs to cater to the UPPX container vessels. 5 more tugs of 70 tons bollard pull are on order.

Adani Container Terminal:

- Total number of vessels handled in 2008-09 is nearly 10 times higher than 2007-08.
- Total container throughput increased by over 500%.
- Number of container liner services increased to 11 in 2008-09 as compared to 1 in 2007-08.
- Achieved Highest Gross Crane Productivity of 55.24 Moves Per Hour (MPH) on M.V.Taban1 berthed Container Terminal on 14th March, 2009.
- Offering Average Crane productivity of 33 Moves Per Hour for our customers which is highest in the country.
- Adani Container Terminal received its ISO Certification.

Adani Automobile terminal:

- Commenced operations in January 2009 within a record time of 9 months after signing of agreement with Maruti Suzuki for car exports.
- Total 18,911 cars exported in the last 3 months of 2008 – 09.
- In house Automobile Terminal Operating System (TOS) has been developed and implemented successfully.

Liquid:

- Highest single month volume handled : 2.2 lacs Metric Tonnes of Liquid Cargo in February, 2009.
- Simultaneously handled 6 tanker vessels on 1st February, 2009.
- Successfully commenced operations of Liquid loading facility by Rail.

CSR related initiatives:

- Recognitions in World Ports for a Better Climate and selection as a member of C40 World Ports.
- Rain water conservation efforts upped, constructed two Check-dams in Mundra Taluka and agreement signed for ten additional check-dams.
- Attended more than 45000 patients through mobile dispensaries services in more than 30 villages of Mundra Taluka.

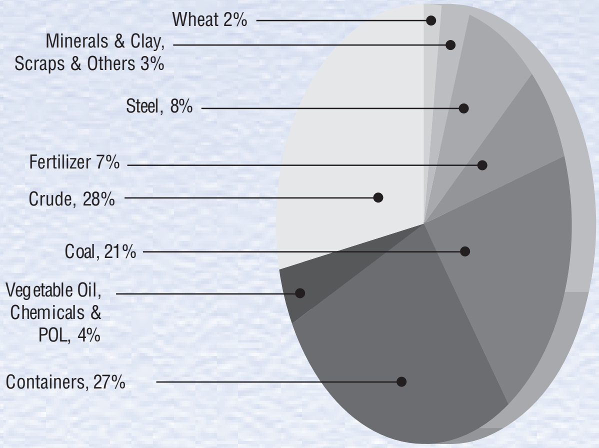
Business/Operation Results:

Port Related:

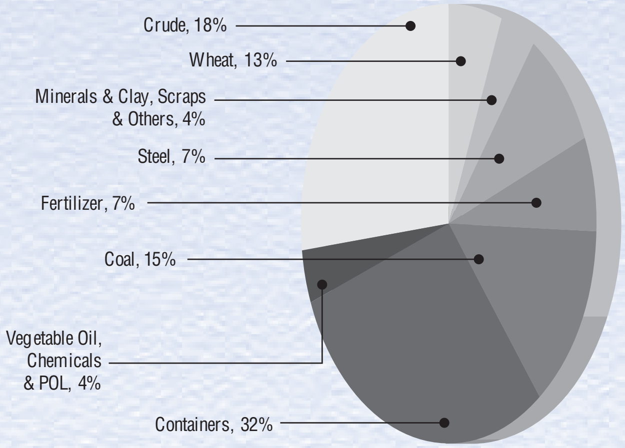
Mundra Port has shown impressive growth in all segments during the year under review. Mundra Port has handled 2171 vessels in financial year 2008-09 as against 1624 vessels handled during the previous financial year. The port witnessed an increase of 33.68% in Cargo handling during the year against the 2% growth registered by the 12 major ports of the country. Mundra Port handled 35.72 million tones of Cargo which is 6.73% of a total of 530 million tones of Cargo handled by the Major Ports and much higher than the Cargo handled by Ports such as Ennore, Tuticorin and Cochin.

About 4,500 railway rake movements were undertaken in FY 09 for evacuation of cargo to and from the port. We have started train operation from Northern India to Mundra and we also own six Container rakes.

The comparative analysis of the cargo mix with respect to cargo handled by the port is depicted as follows:



2008-09



2007-08

Special Economic Zone:

Your Company's SEZ, being India's largest port based SEZ, positioned on the West coast of India is ideally situated for exports to African, Middle East and Western countries besides being conveniently located to service the huge hinterland of northern India.

GoI had issued notification in respect of your Company's SEZ on 23rd June 2006. Subsequently, based on availability of additional contiguous land, GoI had issued further notifications for additional area from time to time. Consequently, the total area already notified by GoI in respect of your Company's SEZs is 5920 hectares (i.e. SEZ-I: 4846 Ha. and SEZ-II: 1074 Ha.).

During the year, your Company approached GoI for clubbing of two notified multi-product SEZs as above and the Sector Specific SEZ for Power being developed by Adani Power Ltd. (A Group Company) in Mundra Taluka, adjacent to your Company's SEZ and relaxing the cap of 5000 hectares applicable for such SEZs. The proposal has been considered and GoI has since approved the clubbing of the three SEZs in Mundra as one Multi-product SEZ with your Company as the Developer. Consequently, Adani Power Ltd. has also been approved as Co-developer of the clubbed SEZ.

During the year, GoI has also given approval to some parties as Co-developers of MPSEZ for developing, operating and maintaining various social infrastructure facilities such as Housing, Hospital, School, Hotels & Service Apartments and related facilities in the SEZ. During the year, GoI has also accorded approval to MPSEZ Utilities Pvt. Ltd. (MUPL), a 100% subsidiary of your Company as a Co-developer of the SEZ for providing various utilities and related infrastructure facilities.

The Development Commissioner's office has become functional within the SEZ and the SEZ units are also obtaining required approvals within the Zone itself. The Development Commissioner has already issued Letter of Approvals to several units for setting up of their manufacturing and service facilities in the Zone. Some of the approved Units have already started export activities in the Zone.

Port Related Developments:

a) West Port Development:

Mega Thermal Power Plants Tata Power, Adani Power, Raj West Power, are being constructed in Mundra Region due to the related facilities available. The plants require very high volumes of imported coal, up to 40 million Tons Per Annum (MTPA). In addition other dry volumes such as Iron ore, etc. are also to be imported for the industries planned in the vicinity of Power Plants. In order to import these requirements, the proposed Coal Terminal comprising of 3 deep water offshore berths with elaborate stockyard and comprehensive mechanization is under development. The state of the art facility will be able to turn around a Cape Size Bulk Carrier (200,000 tons of cargo) in 60 hours, thus benefiting the trade.

b) Car Exports:

During the year Mundra Port had signed a Memorandum of Understanding (MOU) for setting up a world class dedicated Automobile Terminal with Nippon Yusen Kaisha (NYK) of Japan, named as Adani Automobile Terminal and has commenced its operations in January 2009. Automobile Terminal Operating System (TOS) has also been developed and implemented successfully for the same. The Company has already exported 18,911 units of Maruti Suzuki Cars in 2008-09. Mundra Port is set to become a hub for handling of automobiles because of its proximity to the major auto manufacturers in North and West India.

c) Enhancing the connectivity infrastructure:

The newly established Adani Container Terminal (ACT) which has commenced operations in 2007-08 has shown immense growth, rail coaches for Delhi Metro were also imported from Mundra Port. Considering the growth of cargo at port, the connectivity infrastructure to and from the port and within the port and SEZ area is being enhanced. The railway network capacity is being doubled in a phased manner, which will increase the evacuation capacity of Mundra Port from the present 45 rakes per day to 125 rakes per day.

Competition:

Competition within the port industry is primarily driven by the characteristics and location of the ports, such as the ability to berth large vessels, proximity and connectivity to inland cargo centres. Other key competitive factors include, among others, the number of berths, the size and quantity of port facilities and equipment, and the efficiency of cargo handling and transportation. We compete primarily against Non-Major Ports and Major Ports located on the northwest coastline of India, such as Pipavav Port, Kandla Port, Mumbai Port, JNPT and GMB-managed ports.

We compete against these entities through our integrated port infrastructure facilities, domain expertise in the port services industry, established customer relationships, available land resources and ability to facilitate port-based development, consistent high-quality service and our ability to flexibly meet our customers' requirements including flexibility in tariffs.

Risks and concerns:

There are certain factors which may cause our actual results to differ materially from our expectations. Among them are:

i) our ability to respond to regulatory and policy changes pertaining to our business;

ii) our ability to successfully implement our strategy, our growth and expansion plans;

iii) the changes in various economic parameters including growth, inflation and interest rate; and

iv) the developments in the political scenario and its impact on ongoing economic, trade and policy initiatives.

Management control, Internal control and Internal audit systems and their adequacy:

Internal audit program is designed based on Port/SEZ operation and nature of business activities taking into consideration the major risk factors related to business and port operation, after being duly approved by the Audit Committee and the Statutory Auditors. For smooth execution of audit program it is segregated quarter wise.

The Internal Audit function consisting of professionally qualified accountants, engineers and SAP experienced executives, also reviews the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate to yield "value for money".

The Internal control system comprises a well designed and duly approved structural Delegation of Authority (DOA) coupled with laid down Standard Operating Procedures (SOPs) for all operation and servicing departments. The implementation/modification of DOA and SOPs on need basis is monitored through Pre audit (expenses), post audit (incomes and expenses) and management audit. Further, audit of Port and other major operations are carried out on periodic basis. The Internal Controls procedures are periodically reviewed and amendments are made, if required.

The Company also has an exhaustive budgetary control system to monitor all incomes including cargo volume and expenditures against approved budgets on an ongoing basis. Recognizing the important role of internal scrutiny, the company has an internal audit function which is empowered to examine the adequacy and the compliance with policies, plan and statutory requirements. Continuous audit and verification of the system enables the various Strategic Business Units (SBU) and servicing groups to plug any shortcomings sooner rather than later. It also evaluates the Company's strategic risk management system and suggests risk mitigation measures for all key operations. In addition, the top management (Director/ Representative of Chairman/Chairman) and the Audit Committee of the Board review the findings and recommendations.

Some significant features of the internal control systems are:

- Corporate policies on accounting and major processes;
- Well-defined process for formulating and reviewing annual and long term business plans;
- Customers Relations Management connecting with its valued customers spread at different locations for seamless information exchange;
- Monthly meeting of the management committee(Business Review Meeting) at apex level to review operations and plans in key business areas;
- A well established multidisciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and the key process risks;
- Audit Committee of the Board of Directors, comprising independent directors, which is functional and regularly reviews the audit plans, significant audit findings, adequacy of internal control, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any.

Human Resource Development:

Employees are a key resource of competitive advantage of MPSEZL aiding its continued high growth and ability to compete with the Government owned and upcoming private ports in the country. Human Capital enables MPSEZL to innovate in all spheres of business operations to sustain its competitiveness through reaching new customer segments, new geographies, broadening the cargo mix and establishing new benchmarks of port efficiency and productivity.

MPSEZL is supported by 826 employees to manage the operations of the port. As part of continuous investment in human capital, management conducted pay parity study in the port sector and made appropriate positive revision in the compensation of employees. Training and skill upgradation has been a focus area. MPSEZL has imparted 3.36 mandays training per employee during 2008 - 09 which includes both technical and behavioral training. Some of the key behavioral training programmes are aimed at developing managerial and leadership competencies of employees.

In order to streamline the operations and strengthen the organisational capability, your management has restructured the organization structure by creating the SBUs for Dry Cargo, Liquid Terminal and Marine operations which has made the organization leaner and closely knit unit focused on results with constant attention to costs. In third quarter, your organization has undertaken manpower optimization exercise to cope with the ongoing slowdown in the trade due to recession in global and domestic markets.

MPSEZL has conducted productivity improvement study through National Institute Training and Industrial Engineering (NITIE) which established productivity benchmarks for the port and charted out a road map to improve operational efficiency. Your management is actively implementing NITIE report to improve port operations effectiveness especially in Dry cargo SBU.

Based on productivity benchmarks developed by NITIE, MPSEZL has implemented Productivity Linked Incentive Scheme to the employees in direct operations of Dry Cargo SBU based on performance improvements in cargo handling rate, cargo handling cost and safety.

As an effort to bring out the inner talent and creativity of employees, your organization has implemented Innovation/Suggestion scheme during the year. We have put in place reward mechanism to suitably recognize employees for their contributions towards service quality, safety, operational execution, inventory reduction, process simplification and employee motivation. As a result of the scheme, we have received 39 suggestions/innovations out of which 35 were implemented during the year which led to saving of Rs.3 Crores(approx) per annum to the organization.

MPSEZL has realized substantial improvement in productivity as a result of all these initiatives taken during the year. Cargo handling rate for steam coal has increased from 21064 MT per day to 25,300 MT per ship day during the year. Similar gains were made during the year for other cargo such as Fertilizer, Steel etc.

MPSEZL has taken several measures to improve organizational capabilities to achieve short term and long term objectives. It is managing and reviewing operations performance through 'Balanced Scorecard' initiative. Your organization has taken further steps to deploy SAP R3 ERP package encompassing various key functions & business operations viz. Materials Management, Finance & Accounts, HR and Port operations leading to greater authenticity, seamlessness and streamlining of overall operations.

MPSEZL enjoys excellent industrial relations with its employees. There has been no record of employee unrest in industrial relations in the last 6 years.

Standalone Financial Performance with respect to operational performance:

Your Company has recorded total Income to the tune of Rs. 1,17,944.66 Lacs in 2008-09 with an increase of 39.39% in comparison to the corresponding period in the previous year.

Net Block of the Company as on 31st March, 2009 is Rs. 3,25,142.11 Lacs as compared with Rs. 2,84,182.90 Lacs as on 31st March, 2008 an increase of 14.41% in comparison to the corresponding period in the previous year.

During the year, your Company generated Earnings Before Interest, Depreciation, Tax and Appropriation (EBIDTA) of Rs. 80,596.60 Lacs as compared to Rs. 56,331.23 Lacs in the previous year, showing growth of 43.08%.

Net profit margin was higher by 116.05%. Earning per share increased by 102.28% on an annualized basis to Rs. 11.51 on face value of Rs.10/- each.

Profit Before Tax of your Company has increased to Rs. 51,403.10 Lacs for the year ended 31st March, 2009 compared to Rs. 36,682.12 Lacs for the year ended 31st March, 2008 reflecting a handsome growth of 40.13 %.

Consolidated Financial Performance of the Company:

Your Company has recorded total income to the tune of Rs. 1,23,952.43 Lacs during the year 2008-09 compared to Rs. 84,492.65 Lacs in the corresponding previous financial year with an increase of 46.70%.

During the year, your Company generated Earnings Before Interest, Depreciation, Tax and Appropriation (EBIDTA) of Rs. 80,025.18 Lacs compared to Rs. 56,362.94 Lacs in the previous year an annualized growth of 41.98%.

Net profit of Rs. 43,252.44 Lacs also grew by 105.55% on a yearly basis. Earnings per share increased by 92.33% on an annualized basis to Rs. 10.79 on face value of Rs. 10/- each.

Cautionary Statement:

Statements made in the report describing the Company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Corporate Governance Report

1. Company's Philosophy on code of governance

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. The Company recognizes that strong Corporate Governance is indispensable for safeguarding the interest of shareholders and other stakeholders.

Our philosophy on Corporate Governance is built on rich legacy of fair, transparent and effective governance which includes strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Code of Conduct acts as guide to the employees on the values, ethics and business principles expected of them. With the listing of its Equity Shares, the Company has also abided by the requirements of Corporate Governance covered under Clause 49 of the Listing Agreement of the Stock Exchange.

2. Board of Directors

The business of the Company is conducted by the management under the directions of the Board. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis.

a) Composition of the Board:

The Composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets the requirement of Code of Corporate Governance. The Board is headed by the Executive Chairman. As on the date the Board of Directors of the Company consists of Eleven directors. The Board has an optimum combination of 4 Executive Directors, 5 Non-Executive Independent Directors and 2 Non-Executive & Non-Independent Directors who have in depth knowledge of business, in addition to the expertise in their areas of specialization.

b) Details of Memberships of the Directors in other Boards and in Board Committees as on 31.03.2009 are as under:

Name of Director	Category of Directorship	Directorship in other Companies	Details of Committee	
			Chairman	Member
Mr. Gautam S. Adani *(Chairman & Managing Director)*	Promoter & Executive Director	7	2	1
Mr. Rajesh S. Adani	Promoter & Non-Independent Director	11	1	4
Mr. Rajeeva Ranjan Sinha	Executive Director	4	-	-
Mr. Ameet H. Desai	Executive Director	8	-	3
Mr. K. N. Venkatasubramanian	Independent & Non Executive Director	5	2	1
Mr. S. Venkiteswaran	Independent & Non Executive Director	6	1	6
Mr. S. K. Tuteja	Independent & Non Executive Director	14	5	5
Mr. Arun Duggal	Independent & Non Executive Director	8	2	2
Mr. D. T. Joseph	Independent & Non Executive Director	4	1	1
Mr. Atanu Chakraborty, IAS*	GMB Nominee	6	-	-
Dr. Malay Mahadevia**	Executive Director	7	N.A.	N.A.

* Appointed as Additional Director w.e.f. 25th October, 2008.

** Appointed as Additional and Whole Time Director w.e.f. 20th May, 2009.

Other directorship do not include alternate directorship, directorship of Private Limited companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees include membership of Audit and Shareholders/Investors Grievance Committees in other public limited companies.

c) Board Procedure:

Board met five times during the year under review on 28th May, 2008, 28th July, 2008, 25th October, 2008, 30th January, 2009 and 10th February, 2009. The time gap between any two meetings did not exceed four months.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take informed decisions.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on 26th September, 2008
	Held	Attended	
Mr. Gautam S. Adani	5	5	Yes
Mr. Rajesh S. Adani	5	4	Yes
Mr. Rajeeva Ranjan Sinha	5	5	Yes
Mr. Ameet H. Desai	5	5	Yes
Mr. K. N. Venkatasubramanian	5	5	Yes
Mr. S. Venkiteswaran	5	3	No
Mr. S. K. Tuteja, IAS (Retd.)	5	5	No
Mr. Arun Duggal	5	4	No
Mr. D. T. Joseph, IAS (Retd.)	5	4	No
Mr. Atanu Chakraborty, IAS*	5	-	No

* Appointed as Additional Director w.e.f 25th October, 2008.

d) Code of Conduct:

Company's Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The Code is available on the website of the Company www.portofmundra.com. All Board Members and Senior Management personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Managing Director to this effect is attached at the end of this report.

e) Disclosures regarding appointment/re-appointment of Directors:

Mr. Rajesh S. Adani, Mr. Ameet H. Desai and Mr. Arun Duggal are Directors retiring at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Atanu Chakraborty, IAS Vice Chairman and CEO, GMB has been appointed as an Additional Director with effect from 25th October, 2008 as per the provisions of Concession Agreement. Dr. Malay Mahadevia was appointed as Additional and Whole Time Director w.e.f. 20th May, 2009. They will retire pursuant to the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting.

The Board has recommended the appointment of Mr. Atanu Chakraborty, IAS, Dr. Malay Mahadevia and re-appointment of the retiring Directors. The Directors being appointed/re-appointed are not related to each other.

The brief resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

3. Committees of the Board

A) Audit Committee:

a) Constitution & Composition of Audit Committee:

The Audit Committee of the Company constituted on 22nd September, 2001 was re-constituted on 30th January, 2007 in line with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange read with Section 292A of the Companies Act, 1956.

The composition of the Audit Committee and details of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. K. N. Venkatasubramanian, Chairman	Non-Executive & Independent Director	4	4
Mr. S. Venkiteswaran	Non-Executive & Independent Director	4	2
Mr. S. K. Tuteja	Non-Executive & Independent Director	4	4
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	4	4

During the year under review Audit Committee meeting was held Four times on 28th May, 2008, 28th July, 2008, 25th October, 2008 and 30th January, 2009.

The Chief Financial Officer, Sr. Vice President-Finance, representatives of Statutory Auditors and representatives of the Internal Audit Department are invited to the meetings of the Audit Committee.

Ms. Dipti Shah, Company Secretary and Compliance officer acts as Secretary of the Committee.

The Chairman of the Committee was present at the Annual General Meeting held on 26th September, 2008.

b) Broad Terms of reference:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and re-appointment of the statutory auditor and the fixation of their remuneration.
3. Reviewing and discussing with the management, the annual financial statements before submission to the Board with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report.
4. Reviewing the Quarterly and Half yearly financial results and the Annual financial statements before they are submitted to board.
5. Reviewing and discussing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
6. Reviewing and discussing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Reviewing, if necessary, the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
10. Reviewing the Management Discussion and Analysis of financial condition and results of operations.
11. Reviewing and discussing the Statement of significant related party transactions (as defined by the audit committee), submitted by management.
12. Reviewing and discussing the Management letters/letters of internal control weaknesses issued by the statutory auditors.
13. Reviewing the Internal audit reports relating to internal control weaknesses.
14. Reviewing and discussing the appointment, removal and terms of remuneration of the Chief Internal Auditor.

B) Remuneration Committee:

a) Constitution & Composition of Remuneration Committee:

The Remuneration Committee of the Company was constituted on 3rd September, 2005 and was re-constituted on 27th May, 2008.

The composition of the Remuneration Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. K. N Venkatasubramanian, Chairman	Non-Executive & Independent Director	1	1
Mr. S. Venkiteswaran	Non-Executive & Independent Director	1	-
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	1	1
Mr. S. K. Tuteja	Non-Executive & Independent Director	1	1

During the year under review Remuneration Committee meeting was held on 28th May, 2008.

b) Brief Terms of reference:

The Remuneration Committee is responsible for determining and reviewing all matters in respect of managerial remuneration.

c) Remuneration Policy:

i. Remuneration to Non-Executive Directors

Pursuant to the provisions of Section 198, 309 and all other applicable provisions of the Companies Act, 1956; Company can pay commission to Directors other than Managing Director and the Whole Time Director within the permissible limit of 1% of the net profits. Accordingly, the Non-Executive and Independent Directors of the Company are paid/payable Commission of Rupees Three Lacs per Quarter for a period of five years commencing from 01.04.2007, vide approval of the members at the Extra Ordinary General Meeting held on 30.01.2007. In addition to Commission Non-Executive Directors are paid Rupees Ten thousand as sitting fees for attending each meeting of the Board and Committee.

ii. Remuneration to Executive Directors

The Board in consultation with the Remuneration Committee decides the Remuneration Structure for Executive Directors. On the recommendations of the Remuneration Committee the Remuneration paid/payable is approved by the Board of Directors and by the members in the General Meeting in terms of provisions applicable from time to time.

d) Details of Remuneration:

i) Non-Executive Directors:

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2008-2009 are as under:

Name	Commission (Rs. in Lacs)	Sitting Fees (Rs. in Lacs)
Mr. Rajesh S. Adani	-	2.50
Mr. Arun Duggal	12.00	0.40
Mr. S. K. Tuteja	12.00	1.40
Mr. S. Venkiteswaran	12.00	0.50
Mr. K. N. Venkatasubramanian	12.00	1.50
Mr. D. T. Joseph	12.00	0.40

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

ii) Executive Directors:

Details of remuneration paid to Chairman & Managing Director, Whole Time Director and Executive Director during the financial year 2008-2009 is as under:

(Rs. in Lacs)

Name	Salary	Perquisites & Allowances	Commission	Total
Mr. Gautam S. Adani	120.00	-	962.94	1082.94
Mr. Rajeeva Ranjan Sinha	54.00	66.00	-	120.00
Mr. Ameet H. Desai	60.00	75.00	-	135.00

iii) **Details of shares of the Company held by Directors as on 31st March, 2009 are as under:**

Name	No. of shares held
Mr. Gautam S. Adani	6,11,611
Mr. Rajeeva Ranjan Sinha	865
Mr. Ameet H. Desai	1,51,865*
Mr. S. Venkiteswaran	9,500
Mr. K. N. Venkatasubramanian	5,700
Mr. S. K. Tuteja	2,000

*Additionally, wife of Mr. Ameet H. Desai, Ms. Deepali A. Desai has 50,000 Equity Shares.

The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

C) Shareholders/Investors Grievance Committee:

a) Constitution & Composition of Shareholders/Investors Grievance Committee:

The Shareholders/Investors Grievance Committee of Directors was constituted on 30th January, 2007.

The composition of the Shareholders/Investors Grievance Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. K. N. Venkatasubramanian, Chairman	Non-Executive & Independent Director	4	4
Mr. S. K. Tuteja	Non-Executive & Independent Director	4	4
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	4	4

Ms. Dipti Shah, Company Secretary and Compliance officer acts as Secretary of the Committee.

During the year under review Shareholders/Investors Grievance Committee meeting was held Four times on 28th May, 2008, 28th July, 2008, 25th October, 2008 and 30th January, 2009.

b) Brief terms of reference:

To look into redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend, revalidation of dividend warrant or refund order etc.

c) Details of complaints received and redressed during the year:

Opening Balance	During the year		Pending Complaints
	Received	Resolved	
44	3091	3122	13

D) Transfer Committee:

a) Constitution & Composition of Transfer Committee:

The Transfer Committee of the Company was constituted on 25th September, 2000 and was re-constituted on 30th January, 2007.

The composition of the Transfer Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Rajesh S. Adani, Chairman	Non-Executive & Non-Independent Director	6	6
Mr. Ameet H. Desai	Executive Director	6	6
Mr. K. N. Venkatasubramanian	Non-Executive & Independent Director	6	1

During the year under review Transfer Committee meeting was held Six times on 9th May, 2008, 17th May, 2008, 15th September, 2008, 5th November, 2008, 27th December, 2008 and 7th March, 2009.

b) **Brief terms of reference:**

1. To approve and register transfer and/or transmission of Equity and Preference shares and Debentures.
2. To subdivide, consolidate and issue Equity and Preference share certificates and/or Debenture certificate on behalf of the Company.
3. To affix or authorise fixation of common seal of the Company on the Equity and Preference share certificates and Debenture Certificate of the Company.
4. To issue Duplicate Equity and Preference Share Certificates and Debenture Certificate.
5. To apply for dematerialization of the Equity and Preference Shares and Debentures.
6. To do all such acts, deeds or things as may be necessary or incidental to the exercise of above powers.

4. Subsidiary Companies:

None of the subsidiaries of the Company come under the purview of the Material Non-Listed Subsidiary as per criteria given in clause 49 of Listing Agreement. The Audit Committee of the Company reviewed the Financial Statements and Investments made by unlisted subsidiary Companies and the minutes of the unlisted subsidiary companies are placed at the Board Meetings of the Company.

5. General Body Meetings:

a) **The last three Annual General Meetings were held as under:**

Financial Year	Date	Location of Meeting	Time	No. of special Resolutions passed
2005-2006	30.09.2006	Board Room, Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	2.00 p.m.	_
2006-2007	30.07.2007	Board Room, Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	3.00 p.m.	_
2007-2008	26.09.2008	Bhaikaka Bhavan, Law Garden, Ahmedabad – 380 006	9.00 a.m.	1

b) **Whether special resolutions were put through postal ballot last year, details of voting pattern:**

No

c) **Person who conducted the postal ballot exercise:**

N. A.

d) **Whether any resolutions are proposed to be conducted through postal ballot:**

No Special Resolution requiring a Postal Ballot is being proposed at the ensuing Annual General Meeting of the Company.

e) **Procedure for postal ballot:**

Prescribed procedure for postal Ballot as per the provisions contained in this behalf in the companies Act, 1956 and the rules made thereunder namely Companies (Passing of resolution by Postal Ballot) Rules, 2001 shall be complied with whenever necessary.

6. Disclosures:

a) There were no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report.

b) In the preparation of the financial statements, the Company has followed the Accounting Policies and Practices as prescribed in the Accounting Standards have been consistent applied except for the changes mentioned in Notes forming part of Account.

c) The implementation of the risk assessment and minimization procedure containing the project/potential risk areas, its intensity, its effects, causes and measures taken by the Company are reviewed by the committee periodically.

d) The details of utilization of the proceeds of Initial Public Offer (IPO) are disclosed to the Audit Committee and the Board. The details of the utilization of Proceeds of IPO is mentioned in the Directors' Report.

e) Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

f) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.

g) The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31st March, 2009 in compliance with Clause 49 of Listing Agreement.

h) A qualified Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial audit report confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

i) The designated Senior Management Personnel of the company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

7. Means of Communication:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as 'The Business Standard' in English and 'Jan-Satta' in Gujarati. These results are not sent individually to the shareholders but are put on the website of the Company.

The Company's Financial results, Press release, official news and Investors presentations are displayed on the Company's web site www.portofmundra.com

Pursuant to the listing of the Company's shares, your management team has maintained consistent communication with investors at various forums organized by investment bankers and by organizing investor visit to the port and SEZ site.

8. General Shareholders Information:

a) Date, time and venue of the 10th Annual General Meeting:

Monday, the 31st August, 2009 at 11.00 a.m. at Bhaikaka Bhavan, Law Garden, Ahmedabad – 380 006.

b) Financial Year:

Financial year is 1st April to 31st March and financial results will be declared as per the following schedule.

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on June 30, 2009	July 2009
Quarter ending on September 30, 2009	October 2009
Quarter ending on December 31, 2009	January 2010
Annual Result of 2009-10	Within 3 months of the close of financial year

c) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 20th August, 2009 to Monday, the 31st August, 2009 (both days inclusive) for the purpose of 10th Annual General Meeting.

d) Dividend payment date:

The final dividend, if declared, shall be paid on or after September 5, 2009.

e) Unclaimed Shares Lying in the Escrow Account

The Company entered the Capital Market with Initial Public Offer through 100% Book Building process for 4,02,50,000 equity shares of Rs. 10/- each at a premium of Rs. 430/- per share. In light of SEBI's notification No. SEBI/CFD/DIL/LA/2009/24/04 on April 24, 2009, the Company is in the process of opening separate demat account in order to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient/ incorrect information or any other reason. The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

f) Listing on Stock Exchanges:

The Company's shares are listed on the following Stock Exchanges:

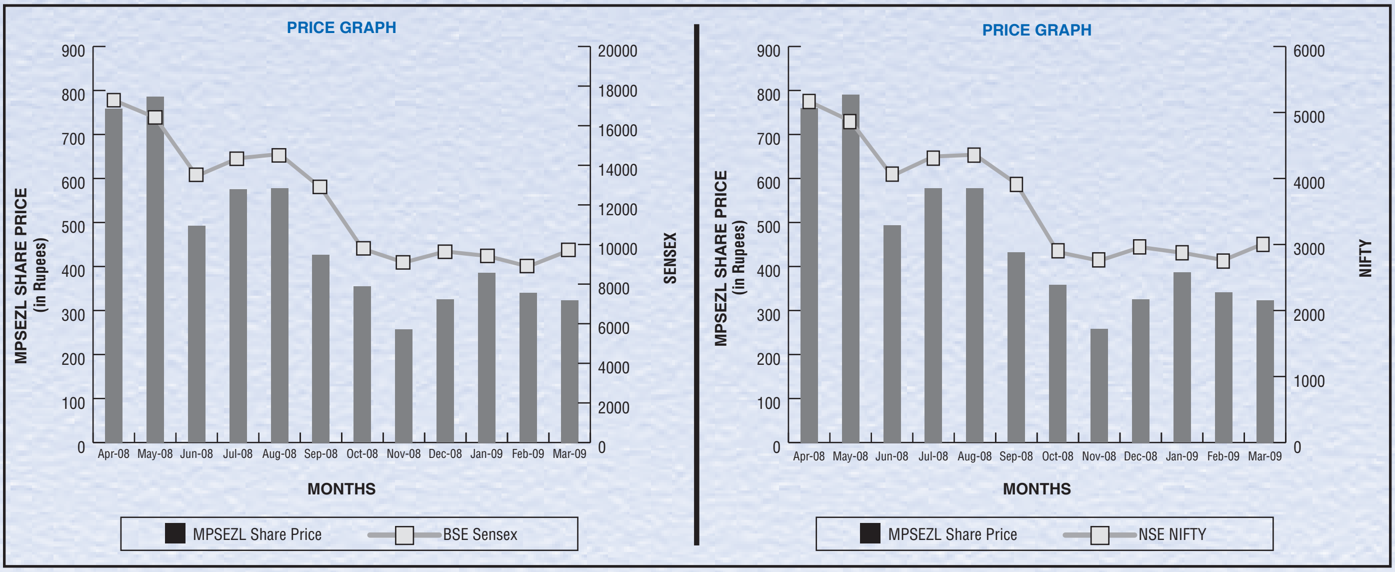
Name of Stock Exchange	Address	Code
Bombay Stock Exchange Limited	Floor 25, P. J Towers, Dalal Street, Mumbai -400 001	532921
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	MUNDRAPORT

Annual Listing Fees for the year 2009-10 have been paid by the Company to BSE and NSE.

g) Market Price Data:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2008	773.70	570.00	774.00	584.75
May, 2008	928.00	739.10	914.95	681.70
June, 2008	826.70	488.00	827.00	488.80
July, 2008	616.40	388.15	617.00	388.10
August, 2008	637.80	554.00	637.00	555.55
September, 2008	605.00	388.45	604.80	392.55
October, 2008	470.00	322.50	434.00	321.50
November, 2008	371.95	250.00	373.00	256.00
December, 2008	345.80	252.55	346.10	253.65
January, 2009	408.55	320.00	408.90	325.35
February, 2009	402.45	332.05	403.00	332.00
March, 2009	339.95	294.00	339.45	290.00

h) Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:



i) Registrar & Transfer Agents:

Name & Address	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078
Tel.	:	91 22 2594 6970/78
Fax.	:	91 22 2594 6969
E-mail	:	rnthelpdesk@linkintime.co.in
Contact Person	:	Mr. Mahesh Masurkar/ Mr. Dhanaji Jondhale
Website	:	www.linkintime.co.in

j) Share Transfer Procedure:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Transfer Committee. All valid share transfers during the year ended 31st March, 2009 have been acted upon.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

k) Shareholding (as on 31st March, 2009):

(a) Distribution of Shareholding as on 31st March, 2009:

No. of shares	No. of shares	% to capital	Total no. of accounts	% to total accounts
1-500	11,691,526	2.92	513,262	99.48
501-1000	1,012,016	0.25	1,347	0.26
1001-2000	886,135	0.22	623	0.12
2001-3000	495,067	0.12	197	0.04
3001-4000	276,398	0.07	78	0.02
4001-5000	302,251	0.08	66	0.01
5001-10000	1,017,231	0.25	139	0.03
10000 & above	384,998,196	96.09	253	0.05
Total	**400,678,820**	**100.00**	**515,965**	**100.00**

(b) **Shareholding Pattern as on 31st March, 2009:**

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Electronic		
Promoter Holding	0	325,361,751	325,361,751	81.20
Mutual Funds/UTI	0	3,499,107	3,499,107	0.87
Banks / FI/ Central Govt. / State Govt. & Insurance Companies	0	7,588,537	7,588,537	1.89
Foreign Institutional Investors	0	25,849,082	25,849,082	6.45
Trusts	0	1,030	1,030	0.00
NRI/ OCBs	0	750,208	750,208	0.19
Foreign Companies	0	12,791,434	12,791,434	3.19
Other Corporate Bodies	0	4,689,807	4,689,807	1.18
Clearing Member	0	683,025	683,025	0.17
Director/Relatives of Director	0	219,930	219,930	0.05
Indian Public	430,332	18,814,587	19,244,909	4.81
Total	**430,332**	**400,248,498**	**400,678,820**	**100.00**

l) **Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.89% of the Company's share capital are dematerialized as on 31st March, 2009.

The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE742F01034.

m) **Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity :** Nil

n) **Site location:**
"Adani House", Navinal Island,
Mundra - 370 421,
Kutch, Gujarat.

o) **Address of Correspondence:**

i) Ms. Dipti Shah,
Company Secretary & Compliance Officer
"Adani House",
Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad -380 009
Tel.: 91 79 2656 5555
Fax: 91 79 2656 5500
E-mail: dshah@adanigroup.com, kpbhagia@adanigroup.com

ii) For transfer/dematerialization of shares, change of address of members and other queries.
Mr. Mahesh Masurkar/ Mr. Dhanaji Jondhale
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400078.
Tel. : 91 22 2594 6970/78
Fax. : 91 22 2594 6969
E-mail : rnthelpdesk@linkintime.co.in

q) Non-mandatory Requirements:

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. **Chairman's Office:**

   Your Company has an Executive Chairman and hence, the need for implementing this non mandatory requirement has not arisen.

2. **Remuneration Committee:**

   Your Company has a Remuneration Committee to recommend appointment/ re-appointment and to recommend/ review remuneration of the Executive Chairman/ Managing Director/ Whole Time Directors.

3. **Shareholders Right:**

   The quarterly/ half quarterly results of your Company after being subjected to a Limited Review by the Statutory Auditors are published in newspapers and posted on Company's website www.portofmundra.com. The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

4. **Postal Ballot:**

   The provisions relating to Postal Ballot will be complied with in respect of matters as and when applicable.

5. **Audit Qualifications:**

   There are no qualifications in the Auditor's Report on the financial statements to the shareholders of the Company.

6. **Training of Board Members:**

   There is not formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experienced professional persons.

7. **Whistle Blower Policy:**

   The Company has not established any formal whistle blower policy.

Declaration

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2008 – 09."

For Mundra Port And Special Economic Zone Limited

Place: Ahmedabad **Gautam S. Adani**
Date: 20th May, 2009 *Chairman & Managing Director*

Certificate on Corporate Governance

To,

The Members of

Mundra Port And Special Economic Zone Limited

We have examined the compliance of Corporate Governance by Mundra Port And Special Economic Zone Limited ("the Company") for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementations thereof adopted by the Company for ensuing compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Place: Ahmedabad
Date: 20th May, 2009

Certificate of Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2009 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:

a) There have been no significant changes in internal control system during the year.

b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Gautam S. Adani
Chief Executive Officer

Ameet H. Desai
Chief Financial Officer

Place: Ahmedabad
Date: 18th May, 2009

Auditors' Report

To the Members of

Mundra Port And Special Economic Zone Limited:

1. We have audited the attached Balance Sheet of Mundra Port And Special Economic Zone Limited ('the Company') as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we draw attention to Note No. 10 in Schedule 23 to the financial statements in respect of eligibility for income tax holiday as per provisions of Section 80-IAB of the Income Tax Act, 1961.

5. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. 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;

   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   v. On the basis of the written representations received from the directors as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;

      b) in the case of the profit and loss account, of the profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Chartered Accountants
Per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 20th May, 2009

Annexure referred to in paragraph [3] of our report of even date

Re: [Mundra Port And Special Economic Zone Limited]

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

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c) and (d) of the Companies (Auditors Report) Order, 2003 (as amended), are not applicable to the Company.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (f) and (g) of the Companies (Auditors Report) Order, 2003 (as amended), are not applicable to the Company.

(iv) Part of the Company's purchases of fixed assets and sale of services are stated to be of unique and specialized nature, and hence, in such cases, the comparison of prices with the market rates or with purchases from/sales to other parties can not be made. Read with the above, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The Company does not sell any goods due the nature of its business.

(v) According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues outstanding for income-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, except as follows:

Name of the statute	Nature of dues	Amount (Rs. lacs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty in relation to import of Crude Petroleum Oil	26.60	November, 2004	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty in relation to import of Acrylonitrile	14.20	July 3, 2003	Assistant Commissioner of Customs, Mundra
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty, fine and penalty on the import of a tug and bunkers	207.15	June, 2005	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Customs Act, 1962	Order from Commissioner Customs, directing to pay differential duty and penalty for short delivery of imported goods of various customers	2.62	March, 2007	Commissioner of Customs (Appeals), Ahmedabad
Customs Act, 1962	Order from Dy Commissioner Customs directing to pay differential duty and penalty for short delivery of imported goods of various customers	7.59	February, 2007	Commissioner of Customs (Appeals), Ahmedabad
Customs Act, 1962	Demand Notice from Deputy Commissioner of Customs directing to pay education cess against import of Steel Sole Plates	4.44	December, 2006	Deputy Commissioner of customs, Gujarat
Customs Act, 1962	Demand Notice from Deputy Commissioner of Customs directing to pay duty by holding that Company wrongly availed duty benefit under DFCEC Scheme on import of equipment	25.03	August, 2007	Deputy Commissioner of Customs, Gujarat
Customs Act, 1962	Demand Notice from Assistant Commissioner of Customs directing to pay duty by holding that Company wrongly availed duty benefit on import of equipment components	1.29	January, 2008	Assistant Commissioner of Customs, Ahmedabad
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on steel and cement etc.	1,121.93	April, 2006 and April, 2007	High Court of Gujarat
Finance Act, 1994	Show Cause Notice from Additional Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on input services	55.73	April, 2006	Commissioner of Central Excise (Appeals), Rajkot
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on steel and cement etc.	1,076.71	October, 2007	Commissioner of Central Excise and Customs, Rajkot
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on steel and cement etc.	1,406.98	November, 2007	Commissioner of Central Excise and Customs, Rajkot

Name of the statute	Nature of dues	Amount (Rs. lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on Air conditioners, input services, steel and cement etc.	1,891.50	October, 2008	Commissioner of Central Excise (Appeals), Rajkot
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on input services, steel and cement etc.	1,894.63	April, 2009	Commissioner of Central Excise Customs, Rajkot

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for credit facility taken by a body corporate from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures. The Company has created security or charge in respect of debentures issued in earlier years.

(xx) We have verified that the end use of money raised by public issue is as disclosed in the Notes to the financial statements.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, which have been relied upon by us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Associates
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 20th May, 2009

ADANI

Balance Sheet as at 31st March, 2009

	Schedules	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**40,348.98**	40,348.98
Reserves and Surplus	2	**254,178.11**	220,902.26
		294,527.09	261,251.24
Loan Funds			
Secured Loans	3	**228,497.58**	188,476.64
Unsecured Loan	4	**2,802.25**	2,197.94
		231,299.83	190,674.58
Amount Received/Receivable under Long-term Lease/Infrastructure Usage Agreements	5	**65,184.65**	68,109.54
(Refer Note 7 of Schedule 23)			
Deferred Tax Liabilities	6	**22,969.96**	17,741.59
Total		**613,981.53**	537,776.95
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		**378,194.89**	320,166.80
Less : Accumulated Depreciation/Amortisation		**53,052.78**	35,983.90
Net Block		**325,142.11**	284,182.90
Capital Work-in-Progress including Capital Advances		**123,255.26**	40,583.37
	7	**448,397.37**	324,766.27
Investments	8	**43,174.66**	108,266.25
Current Assets, Loans and Advances			
Inventories	9	**2,648.97**	1,846.75
Sundry Debtors	10	**21,164.32**	29,633.69
Cash and Bank Balances	11	**113,071.19**	88,956.37
Other Current Assets	12	**5,223.25**	4,513.95
Loans and Advances	13	**15,782.79**	13,291.84
		157,890.52	138,242.60
Less : Current Liabilities and Provisions			
Current Liabilities	14	**30,792.54**	25,542.65
Provisions	15	**4,688.48**	7,955.52
		35,481.02	33,498.17
Net Current Assets		**122,409.50**	104,744.43
Miscellaneous Expenditure (to the extent not written-off or adjusted)	16	**-**	-
Total		**613,981.53**	537,776.95
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the balance sheet

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

Profit and Loss Account for the year ended 31st March, 2009

	Schedules	For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
INCOME			
Income from Operations (Refer Note 14 of Schedule 23)		**113,512.25**	81,820.67
Other Income	17	**4,432.41**	2,790.35
		117,944.66	84,611.02
EXPENDITURE			
Operating Expenses	18	**26,141.37**	18,358.46
Personnel Expenses	19	**3,670.35**	2,660.94
Administrative and Other Expenses	20	**7,536.34**	7,260.39
Financial Expenses (net)	21	**13,295.02**	10,621.89
Depreciation/Amortisation		**13,723.50**	10,063.84
		64,366.58	48,965.52
Profit before Tax, Prior Period Items and Extraordinary Item		**53,578.08**	35,645.50
- Prior Period Items (Refer Note 9 of Schedule 23)		**(2,174.98)**	(129.51)
Profit before Tax and Extraordinary Item		**51,403.10**	35,515.99
- Extraordinary item		**-**	1,166.13
Profit before Tax		**51,403.10**	36,682.12
Provision For Taxation			
- Current Tax (net of reversal of Rs.1,457.46 lacs for the previous year)		**(76.79)**	2,604.01
- Deferred Tax Charge		**5,228.37**	13,031.00
- Fringe Benefit Tax		**143.00**	181.41
- MAT Credit Utilised		**-**	(475.48)
Profit after Tax		**46,108.52**	21,341.18
Balance brought forward from Previous Year		**23,753.54**	9,503.65
Amount available for Appropriation		**69,862.06**	30,844.83
Less : - Appropriations :			
Interim Dividend on Equity Shares		**8,015.69**	-
Dividend on Preference Shares		**0.03**	0.03
Proposed final dividend on Equity Shares		**4,006.79**	6,010.18
Transfer to Capital Redemption Reserve		**14.06**	14.02
Transfer to General Reserve		**4,610.85**	1,067.06
Surplus Carried to Balance Sheet		**53,214.64**	23,753.54
Basic and Diluted Earnings per Share	22		
Nominal Value of each share Rs. 10			
- Computed on the basis of earnings including extraordinary items		**11.51**	5.69
- Computed on the basis of earnings excluding extraordinary items		**11.51**	5.49
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the profit and loss account.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

Cash Flow Statement for the year ended 31st March, 2009

		For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
A.	**Cash Flow from Operating Activities**		
	Net profit before taxation, and extraordinary items	**51,403.10**	35,515.99
	Adjustments for:		
	Depreciation	**13,723.50**	10,063.84
	Sundry Balances written off (Net)	**39.84**	12.16
	Provision written back	**(0.98)**	(156.77)
	Provision for Doubtful Debts and Advances	**-**	59.01
	Amortisation of Amounts Received under Long-term Infrastructure Usage Agreements	**(2,924.82)**	(6,038.90)
	Interest Expense	**19,806.49**	13,344.30
	Unrealised Foreign Exchange (Gain)/Loss	**(230.26)**	(88.60)
	Unrealised derivative (Gain)/Loss	**2,798.00**	-
	Interest Income	**(10,128.12)**	(1,958.35)
	Profit on sale of Current Investments	**(2,439.06)**	(2,492.77)
	Provision for diminution in value of Investment	**-**	100.00
	Dividend Income	**(177.48)**	(33.02)
	(Profit)/Loss on sale of Fixed Assets	**(1,507.69)**	(53.63)
	Operating Profit before Working Capital Changes	**70,362.52**	48,273.26
	Adjustments for:		
	Decrease/(Increase) in Debtors	**8,469.37**	4,871.06
	(Increase) in Inventories	**(802.22)**	(802.95)
	(Increase)/Decrease in Loans and Advances	**(8,726.20)**	(4,639.90)
	Increase in Current Liabilities and Provisions	**2,464.88**	3,479.36
	Cash Generated from Operations	**71,768.35**	51,180.83
	Direct Taxes paid (Net)	**(2,261.55)**	(432.29)
	Cash Flow before extraordinary item	**69,506.80**	50,748.54
	Extraordinary item	**-**	1,166.13
	Net Cash from Operating Activities	**69,506.80**	51,914.67
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	**(125,686.76)**	(95,660.56)
	Purchase of Investments/Share application money paid (Refer Note 2 below)	**(165,362.01)**	(423,610.64)
	Share application money received back	**1,250.00**	250.00
	Sale of Investments	**165,937.42**	403,523.35
	Sale of Fixed Assets	**2,560.70**	1,716.66
	Dividend Income	**177.48**	33.02
	Interest Received	**9,883.37**	1,554.21
	Net Cash used in Investing Activities	**(111,239.80)**	(112,193.96)

		For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
C.	**Cash Flow from Financing Activities**		
	Receipt of Long-term Borrowings	**46,569.61**	73,214.34
	Repayment of Long-term Borrowings	**(17,781.94)**	(10,925.03)
	Inter-corporate deposit/loans given	**(34,365.67)**	(2,064.42)
	Inter-corporate deposit/loans received back	**34,804.42**	1,139.00
	Inter-corporate deposit received	**2,500.00**	-
	Inter-corporate deposit refund	**(2,500.00)**	-
	Interest and Finance Charges Paid	**(19,680.76)**	(12,781.46)
	Proceeds from Issue of Equity Shares	**-**	177,099.98
	Miscellaneous Expenditure-Share Issue Expenses	**(754.25)**	(5,229.92)
	Payment of Dividend	**(14,025.87)**	-
	Net Cash Flow from Financing Activities	**(5,234.46)**	220,452.49
D.	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**(46,967.46)**	160,173.20
E.	**Cash and Cash Equivalents at start of the period**	**163,440.60**	3,267.40
F.	**Cash and Cash Equivalents at close of the period**	**116,473.14**	163,440.60
	Components of Cash and Cash Equivalents		
	Cash and Cheques on Hand	**6.85**	189.30
	Balances with Scheduled Banks		
	- On Current Accounts	**15,967.14**	7,011.18
	- On Margin Money Account	**1,707.17**	788.14
	- On Fixed Deposit Accounts	**85,791.98**	77,420.74
	- On Liquid Investment	**13,000.00**	78,031.24
		116,473.14	163,440.60

Notes:

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
2. Purchase of Investments (including share application money) include Rs. 3,393.99 lacs (Previous Year Rs. 17,229.30 lacs) paid for investment in subsidiaries, joint ventures and associates.
3. Sale of Investments include Rs.Nil (Previous Year Rs. 1.00 lacs) received on disposal of an associate entity.
4. Components of cash and cash equivalents does not includes share application money refundable Rs. 20.39 lacs (previous year Rs. 954.36 lacs), balance in dividend accounts Rs. 40.61 lacs (previous year Rs. 0.25 lacs) and margin/term deposit above 90 days Rs. 9,537.05 lacs (previous year Rs. 2,592.40 lacs).
5. Previous year's figures have been regrouped where necessary to conform to the year's classification.
6. Figures in brackets represents Cash Outflow.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

ADANI

Schedules forming part of the Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 1 : Share Capital		
Authorised		
5,000,000 (Previous Year 5,000,000) 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 10 each	**500.00**	500.00
995,000,000 (Previous Year 995,000,000) Equity Shares of Rs. 10 each	**99,500.00**	99,500.00
	100,000.00	100,000.00
Issued, Subscribed and Paid-up		
Preference Share Capital		
2,811,037 (Previous Year 2,811,037) 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Redeemable at a premium of Rs. 990 per Share on 28/03/2024)	**281.10**	281.10
Equity Share Capital		
400,678,820 (Previous Year 400,678,820) fully paid up Equity Shares of Rs. 10 each	**40,067.88**	40,067.88
	40,348.98	40,348.98

Notes:

Out of the above

(i) 180,214,410 Equity Shares of Rs. 10 each were allotted as fully paid up Bonus shares by capitalisation of Securities Premium Account and Profit and Loss Account balance.

(ii) 40,216,410 Equity Shares of Rs. 10 each were allotted to the shareholders of Adani Port Limited, as fully paid up pursuant to the scheme of amalgamation, for consideration other than cash.

(iii) 224,146,540 Equity Shares (Previous Year 144,777,330) equity shares of Rs. 10 each are held by Adani Infrastructure Services Private Limited, the Holding Company. The Company became subsidiary of Adani Infrastructure Services Private Limited in the current year.

Schedules forming part of the Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 2 : Reserves and Surplus		
Capital Redemption Reserve		
Balance as per last Account	**56.22**	42.20
Add: Transferred from Profit and Loss Account	**14.06**	14.02
	70.28	56.22
Preference Share Capital Redemption Reserve		
Balance as per last Account	**5,565.90**	4,174.44
Add: Transferred from Securities Premium Account	**1,391.46**	1,391.46
	6,957.36	5,565.90
Securities Premium Account		
- Preference		
Balance as per last Account	**22,263.48**	23,654.94
Less: Transferred to Preference Share Capital Redemption Reserve	**(1,391.46)**	(1,391.46)
	20,872.02	22,263.48
- Equity		
Balance as per last Account	**167,260.38**	-
Add: Received as per Initial Public Offer	**-**	173,075.00
Less: Miscellaneous Expenditure adjusted (Refer Note 27 of Schedule 23)	**(754.25)**	(5,814.62)
	166,506.13	167,260.38
Debenture Redemption Reserve		
Balance as per last Account	**148.84**	183.84
Less: Transferred to General Reserve	**(35.00)**	(35.00)
	113.84	148.84
General Reserve		
Balance as per last Account	**1,853.90**	751.84
Add: Transferred from Profit & Loss Account	**4,610.85**	1,067.06
Add: Transferred from Debenture Redemption Reserve	**35.00**	35.00
Add/(Less): Adjustment for Exchange Fluctuations (Refer Note 2 (c) of Schedule 23)	**(55.91)**	-
	6,443.84	1,853.90
Balance in Profit and Loss Account	**53,214.64**	23,753.54
	254,178.11	220,902.26

Schedules forming part of the Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 3 : Secured Loans		
Debentures		
1,400,000 (Previous Year 1,400,000)15% Secured Non-Convertible Redeemable Debentures of Rs.100 each (Redeemable at par in 40 equal quarterly installments commencing from August, 2002, 27 installments paid till 31st March, 2009)	**455.00**	595.00
Term Loans from Banks		
Rupee Loans (Refer Notes 5, 6 and 7 below)	**124,656.93**	126,152.81
Foreign Currency Loans (Refer Notes 3 and 4 below)	**32,353.76**	19,596.29
Suppliers and Contractors Bills accepted under letters of credit issued against Secured Term Loans sanctioned by Banks (Refer Notes 2, 3 and 4 below)	**41,269.27**	10,423.62
	198,279.96	156,172.72
Term Loans from Financial Institutions		
Rupee Loans (Refer Note 8 below)	**25,959.77**	27,479.61
Foreign Currency Loans	**3,802.85**	3,977.75
	29,762.62	31,457.36
Vehicle Loans from a Bank	**-**	2.48
(Secured by hypothecation of the respective Vehicle)		
Interest accrued and due on loans	**-**	249.08
	228,497.58	188,476.64

Notes:

1. Debentures amounting to Rs. 455.00 lacs (Previous Year Rs. 595.00 lacs), Secured Rupee Term Loans aggregating to Rs. 10,841.42 lacs and Secured Foreign Currency Loans aggregating to Rs. 8,240.83 lacs (Previous Year Rs. 13,854.02 lacs and Rs. 1,931.46 lacs respectively) from Banks and Rupee Term Loans aggregating to Rs. 600.00 lacs and Foreign Currency loans aggregating to Rs. 3,802.85 lacs (Previous Year Rs. 750.00 lacs and Rs. 3,977.75 lacs respectively) from Financial Institutions are secured by first mortgage and charge on all the immovable and movable assets of the Company (save & except assets on which exclusive charged is created as stated elsewhere), both present and future, on *pari passu* basis, subject to prior charges of Banks on specified movable assets which may be created in their favour by way of security for working capital facilities and further secured by a second charge on the immovable and movable assets (including receivables) pertaining to the SPM Project and also secured by a second charge on the immovable and movable assets pertaining to Container Terminal-II and Terminal-II Assets, referred to in Note Nos. 2, 4, 5, 6 & 7 below.
2. Foreign Currency Loans from Banks include Term Loan amounting to Rs. 5,502.60 lacs and Rs. 4,738.35 lacs (Previous Year Rs. 5,182.23 lacs and Rs. Nil) respectively from State Bank of India and Yes Bank Ltd. for the purchase of Tugs, secured by exclusive charge on the Tugs; and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.
3. Foreign Currency Loans from Banks include Term Loan amounting to Rs. 1,345.45 lacs, Rs. 8,276.47 lacs, Rs. 6,493.07 lacs and Rs. 3,024.99 lacs (Previous Year Rs. 1,357.07 lacs, Rs. Nil, Rs. 2,413.19 lacs and Rs. 2,828.20 lacs) respectively from Hypo Vereins Bank, Germany, State Bank of India, Axis Bank and Syndicate Bank for the purchase of Cranes secured by exclusive charge on the Cranes.
4. Foreign Currency Loans from Banks include Term Loan amounting to Rs. 18,851.50 lacs, Rs. 10,088.10 lacs and Rs. 7,061.67 lacs (Previous Year Rs. 8,393.70 lacs, Rs. 7,914.06 lacs and Rs. Nil) respectively from State Bank of India-Nassau, Axis Bank-DIFC and UCO Bank for the purchase of Dredger, secured by exclusive charge on Dredger and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.
5. Secured Term Loans from Banks include Term Loans aggregating to Rs. 59,236.06 lacs (Previous Year Rs. 55,859.53 lacs) secured by first mortgage and charge on all the immovable and movable assets of Container Terminal-II Project and further by a second mortgage and charge on the Company's other immovable and movable assets, both present and future, on *pari passu* basis, over which the first charge is created in respect of the loans referred to at Note 1 above.
6. Secured Term Loans from Banks include Term Loans aggregating to Rs. 53,111.73 lacs (Previous Year Rs. 54,815.05 lacs) secured by first mortgage and charge on all the immovable and movable assets of Terminal-II Assets and its extension and further by a second mortgage and charge on the Company's other immovable and movable assets, both present and future, on *pari passu* basis, over which the first charge is created in respect of the loans referred to at Note 1 above.

Schedules forming part of the Balance Sheet

Schedule - 3 : Secured Loans (Contd.)

7. Secured Term Loans from Banks include Term Loans aggregating to Rs. 1,467.72 lacs (Previous Year Rs. 1,875.76 lacs) secured by exclusive charge on the Tugs; and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.
8. Secured Rupee Term Loans from Financial Institutions include Term Loan aggregating to Rs. 25,359.77 lacs (Previous Year Rs. 26,729.61 lacs) from Infrastructure Development Finance Company Limited, secured by first mortgage and charge on all the immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project and the fixed charges pertaining to that project receivable from Indian Oil Corporation Limited and further secured by a second mortgage and charge on the Company's other immovable and movable assets (including receivables), both present and future, over which the first charge is created in respect of the Loans referred to at Note 1 above.
9. Debentures; Term Loans from Banks and Financial Institutions; Letter of Credits from Banks and Vehicle Loans from a Bank include amounts repayable within one year aggregating to Rs. 16,407.13 lacs (Previous Year Rs. 9,303.00 lacs).

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 4 : Unsecured Loans		
From Banks		
Suppliers Credit (Repayable on 14th August, 2010)	**2,802.25**	2,197.94
	2,802.25	2,197.94
Schedule - 5 : Amounts received / receivable under Long-term Lease/Infrastructure Usage Agreements		
Balance as per last Account	**68,109.47**	74,148.44
Less: Transferred to Income from Operations	**(2,924.82)**	(6,038.90)
	65,184.65	68,109.54
Schedule - 6 : Deferred Tax Liability		
Deferred Tax Liabilities		
Differences in amortisation of intangible assets as per tax books and financial books	**478.52**	590.70
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	**22,491.44**	17,150.89
	22,969.96	17,741.59

Schedules forming part of the Balance Sheet

SCHEDULE - 7: FIXED ASSETS

(Rupees in Lacs)

Sr. No.	Particulars	Gross Block (At Cost)				Depreciation/Amortisation				Net Block	
		As at 01-04-2008	Additions	Deductions	**As at 31-03-2009**	Up to 01-04-2008	For the period	Deductions	**Up to 31-03-2009**	**As at 31-03-2009**	As at 31-03-2008
	INTANGIBLE ASSETS										
1	Goodwill	7,859.49	-	-	**7,859.49**	1,404.12	281.34	-	**1,685.46**	**6,174.03**	6,455.40
2	Software	1,450.21	321.54	-	**1,771.75**	381.66	462.08	-	**843.74**	**928.01**	1,068.60
	TANGIBLE ASSETS										
3	Leasehold Land Development	5,911.49	102.45	-	**6,013.94**	679.44	230.18	-	**909.62**	**5,104.32**	5,232.00
4	Freehold Land	13,816.70	344.53	-	**14,161.23**	-	-	-	**-**	**14,161.23**	13,816.80
5	Buildings	42,584.80	6,741.37	-	**49,326.17**	2,091.95	788.39	-	**2,880.34**	**46,445.83**	40,495.60
6	Marine Structures	58,489.88	154.81	-	**58,644.69**	5,684.24	2,302.90	-	**7,987.14**	**50,657.55**	52,806.50
7	Dredged Channels	53,473.89	1,576.97	-	**55,050.86**	4,261.05	2,207.84	-	**6,468.89**	**48,581.97**	49,212.80
8	Tugs & Boats	15,688.83	6,865.45	1,657.65	**20,896.63**	2,438.15	1,298.83	694.14	**3,042.84**	**17,853.79**	13,250.70
9	Railway Tracks	14,143.61	332.14	-	**14,475.75**	3,233.05	687.60	-	**3,920.65**	**10,555.10**	11,223.10
10	Plant and Machinery	103,039.96	42,531.63	18.66	**145,552.93**	14,715.88	9,162.27	0.15	**23,878.00**	**121,674.93**	87,992.10
11	Office Equipment, Furniture & Fixtures	2,003.58	181.81	36.40	**2,148.99**	559.95	126.72	7.66	**679.01**	**1,469.98**	1,456.30
12	Computer Hardware	1,070.27	288.66	-	**1,358.93**	365.44	178.32	-	**543.76**	**815.17**	707.80
13	Vehicles	634.09	379.90	80.46	**933.53**	168.97	82.75	38.39	**213.33**	**720.20**	465.20
		320,166.80	59,821.26	1,793.17	**378,194.89**	35,983.90	17,809.22	740.34	**53,052.78**	**325,142.11**	284,182.90
	Capital Work-in-Progress									**72,870.02**	19,353.07
	Capital Advances									**50,385.24**	21,230.30
	Total									**448,397.37**	324,766.27
	Previous Year	223,440.00	98,780.40	2,053.60	**320,166.80**	25,091.80	11,282.80	390.70	**35,983.90**	**324,766.27**	

Notes:

i) Foreign Exchange Fluctuation:
Addition/ Deletions) to Buildings, Marine Structures, Dredged Channel, Tugs and Plant & Machinery during the Year include Rs. 185.13 lacs (Previous Year Rs. (84.40) lacs), Rs. 161.76 lacs (Previous Year Rs. (87.70) lacs), Rs. 554.16 lacs (Previous Year Rs. (200.00) lacs), Rs.1,964.89 lacs (Previous Year Rs. (253.90) lacs and Rs. 8,102.08 lacs (Previous Year Rs. (9.30) lacs) respectively, on account of foreign exchange fluctuations. The above Addition/(Deletion) also includes Rs. 8,815.52 lacs (Previous year Rs. Nil) towards exchange difference capitalized during the year on account of Companies (Accounting Standards) Amendment Rules, 2009.

ii) Depreciation of Rs. 4,085.72 lacs (Previous Year Rs. 1,218.96 lacs) relating to the project assets has been transferred to Expenditure During Construction Period.

iii) Freehold Land includes land development cost of Rs. 1,020.40 lacs (Previous Year Rs. 1,020.40 lacs)

iv) Plant and Machinery includes cost of Water Pipeline amounting to Rs.389.80 lacs (Previous year Rs.389.80 lacs), which is constructed on land not owned by the Company.

v) Capital Work-in-Progress includes Expenditure During Construction Period of Rs. 3,343.04 lacs (Previous year Rs. 12,464.30 lacs) and Capital Inventory of Rs. 9,711.65 lacs (Previous Year Rs. 5,206.60 lacs), details of which have been given in Note 17 of Schedule 23.

Schedules forming part of the Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 8 : Investments		
Current Investments, Quoted		
In Units of Mutual Funds		
Nil (Previous Year - 48,121,466) of JM Money Manager Super Plus Fund (Face Value Rs. 10 each)	**-**	5,291.51
Nil (Previous Year - 52,212,448) of DWS Credit Opportunity Cash Fund - Growth (Face Value Rs. 10 each)	**-**	5,420.51
Nil (Previous Year - 46,905,195) of DWS Quarterly Interval Fund Series - I (Face Value Rs. 10 each)	**-**	5,000.00
50,000,000 (Previous Year - 50,000,000) of DWS Fixed Term Fund Series 46 (Face Value Rs. 10 each)	**5,000.00**	5,000.00
Nil (Previous Year - 98,554,941) of DWS Money Plus Advantage Fund (Face Value Rs. 10 each)	**-**	10,002.41
Nil (Previous Year - 26,703,105) of DWS Liquid Plus Fund - Regular Growth Plan (Face Value Rs. 10 each)	**-**	3,503.40
5,000,000 (Previous Year - Nil) of DWS Short Maturity Fund Institutional Weekly Dividend Plan) (Face Value Rs. 10 each)	**500.00**	-
Nil (Previous Year - 39,368,162) of HEFT Cash Management Fund (Face Value Rs. 10 each)	**-**	6,744.11
Nil (Previous Year - 132,657) of DSP Merrill Lynch Fund (Face Value Rs. 1,000 each)	**-**	1,354.60
Nil (Previous Year - 25,000,000) of Reliance Fixed Horizon Fund VI Series (Face Value Rs. 10 each)	**-**	2,500.00
75,000,000 (Previous Year - 75,000,000) of Reliance Fixed Horizon Fund V Series (Face Value Rs. 10 each)	**7,500.00**	7,500.00
Nil (Previous Year - 50,000,000) of ICICI Prudential FMP Series 39 (Face Value Rs. 10 each)	**-**	5,000.00
Nil (Previous Year - 28,113,579) of ICICI Prudential Interval Fund Quarterly (Face Value Rs. 10 each)	**-**	3,000.00
Nil (Previous Year - 50,000,000) of UTI HF MP-03/08 (Face Value Rs. 10 each)	**-**	5,000.00
Nil (Previous Year - 29,370,301) of BSL Interval Income Fund Institutional Quarterly (Face Value Rs. 10 each)	**-**	3,000.00
Nil (Previous Year - 39,475,450) of Birla Dynamic Bond Fund Retail Growth (Face Value Rs. 10 each)	**-**	5,000.00
Nil (Previous Year - 16,560,157) of B332G Birla Sun Life Liquid Plus Institutional Growth (Face Value Rs. 10 each)	**-**	2,500.60
Nil (Previous Year - 22,141,175) of SBI SHF Liquid Plus Fund (Face Value Rs. 10 each)	**-**	2,214.10
	13,000.00	78,031.24
In Bonds		
Nil (Previous Year - 2,500,000) 9% Canbank NCB 09-01-2018 of 100 each	**-**	2,493.75
Nil (Previous Year - 2,000,000) 10.10% SBI NCB 12-08-2022 of 100 each	**-**	2,130.00
	-	4,623.75
Long-term Investments		
Trade, Unquoted		
40,000,000 (Previous Year - 40,000,000) fully paid Equity Shares of Rs. 10 each fully paid up of Kutch Railway Company Limited	**4,000.00**	4,000.00
32,055,000 (Previous Year - 21,195,000) fully paid Equity Shares of Rs. 10 each of Adani Petronet (Dahej) Private Limited.	**3,205.50**	2,119.46
8,580 (Previous Year - 5,230) fully paid Equity Shares of Rs. 100 each of Adinath Polyfills Private Limited	**2,806.78**	1,737.00
	10,012.28	7,856.46

Schedules forming part of the Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 8 : Investments (Contd.)		
In Subsidiary Companies		
Unquoted		
51,050,000 (Previous Year - 51,050,000) fully paid Equity Shares of Rs. 10 each of Adani Logistics Limited	**5,111.38**	5,111.38
147,040,000 (Previous Year - 123,960,000) fully paid Equity Shares of Rs. 10 each of Inland Conware Private Limited	**14,704.00**	12,396.01
2,450,000 (Previous Year - 2,450,000) fully paid Equity Shares of Rs. 10 each of Mundra SEZ Textile and Apparel Park Private Limited	**245.00**	245.00
1,000,000 (Previous Year - 1,000,000) fully paid Equity Shares of Rs. 10 each of Karnavati Aviation Private Limited (Erstwhile Gujarat Adani Aviation Private Limited)	**100.00**	100.00
10,000 (Previous Year - 10,000) fully paid Equity Shares of Rs. 10 each of MPSEZ Utilities Private Limited	**1.00**	1.00
Nil (Previous Year - 10) fully paid Ordinary Shares of US$ 100 each of Mundra Aviation Limited*	**-**	0.41
10,000 (Previous Year - 10,000) fully paid Equity Shares of Rs. 10 each of Rajasthan SEZ Private Limited	**1.00**	1.00
	20,162.38	17,854.80
Total Investments	**43,174.66**	108,366.25
Less: Diminution in the value of Current Investments	**-**	100.00
	43,174.66	108,266.25

* Amount write-off during the year due to dissolution of the Company.

1. Aggregate cost of quoted investments as at 31st March, 2009 Rs. 13,000.00 lacs (Previous Year - Rs. 82,554.99 lacs) (net of provision).
2. Aggregate cost of unquoted investments as at 31st March, 2009 Rs. 30,174.66 lacs (Previous Year - Rs. 25,711.26 lacs).
3. Market value of quoted investments as at 31st March, 2009 Rs. 14,298.86 lacs (Previous Year - Rs. 83,680.60 lacs).
4. The details of investments purchased and sold during the year are given in Note 23 of Schedule 23.
5. 5,180 Shares (Previous Year - 5,230 Shares) of Rs. 100 each of Adinath Polyfills Private Limited are not held by the Company in its own name as on the balance sheet date.
6. 26,035,500 shares (Previous Year - 26,035,500 Shares) of Adani Logistics Limited (ALL), wholly owned subsidiary company, has been pledged against bank borrowings of ALL.

Schedule - 9 : Inventories		
Stores and Spares	**2,648.97**	1,846.75
	2,648.97	1,846.75
Schedule - 10 : Sundry Debtors (Unsecured)		
Debts Outstanding for a period more than six months		
- Considered good (Refer Note 12 of Schedule 23)	**8,179.92**	19,107.51
- Considered doubtful	**158.91**	166.66
Other Debts		
- Considered good	**12,984.40**	10,526.17
	21,323.23	29,800.34
Less: Provision for doubtful debts	**(158.91)**	(166.65)
	21,164.32	29,633.69

Schedules forming part of the Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 11 : Cash and Bank Balances		
Cash and Cheques on Hand	**6.85**	189.30
Balances with Scheduled Banks:		
- On Current Accounts	**15,967.14**	7,011.18
- On Share Application Refund Accounts	**20.39**	954.36
- On Dividend Accounts	**40.61**	0.25
- On Margin Money Accounts	**11,244.22**	3,380.54
- On Fixed Deposit Accounts (Refer Note 25 (b) of Schedule 23)	**85,791.98**	77,420.74
	113,071.19	88,956.37

Note: Margin Money and Fixed Deposit includes Rs. 11,243.55 lacs (Previous Year Rs. 3,651.20 lacs) pledged against bank guarantees and letter of credit.

Schedule - 12 : Other Current Assets		
Interest Accrued on Deposits and Loans	**702.79**	458.04
Accrued Revenue	**4,520.46**	4,055.91
	5,223.25	4,513.95
Schedule - 13 : Loans and Advances		
(Unsecured, Considered Good except to the extent stated)		
Advances and Loans to Subsidiary	**925.67**	1,364.42
Advances Recoverable in Cash or in Kind or for Value to be Received (Includes Rs. Nil; Previous Year Rs. 80.50 lacs, considered doubtful)	**2,620.71**	1,963.88
Balance with Excise & Custom Authorities (Includes Rs. 250.00 lacs; Previous Year Rs. 250.00 lacs earmarked against demand by the Excise department)	**723.96**	370.92
Advance Income Tax/Tax deducted at source (Net of provision Rs. 2,517.81 lacs)	**977.09**	-
Advance Fringe Benefit Tax (Net of provision Rs. 318.31 lacs (Previous Year Rs. 175.30 lacs))	**5.99**	4.54
Share Application Money (Pending allotment)	**8,699.95**	8,025.95
Deposits - Others	**1,829.42**	1,642.63
	15,782.79	13,372.34
Less: Provision for Doubtful Advances	**-**	(80.50)
	15,782.79	13,291.84
Schedule - 14 : Current Liabilities		
Sundry Creditors		
- Micro, Small and Medium Enterprises (Refer Note 8 of Schedule 23)	**19.81**	33.70
- Others	**17,363.98**	11,395.23
Advances/Deposits from Customers	**10,829.09**	10,705.52
Equity Share Application Money Refundable*	**20.39**	954.35
Interest Accrued but not Due on Loans	**945.26**	570.45
Unearned Income	**887.55**	815.90
Dividend Payable *		
- Equity Shares	**40.48**	-
- Preference Shares	**0.01**	-
Other Liabilities	**685.97**	1,067.50
	30,792.54	25,542.65
* Not due for credit to "Investors Education & Protection Fund"		

Schedules forming part of the Balance Sheet

	As at 31st March 2009 Rs. in Lacs	As at 31st March 2008 Rs. in Lacs
Schedule - 15 : Provisions		
Provision of Income Tax (Net of Advance tax Rs. 1,048.78 lacs)	**-**	1,216.80
Proposed Dividend on Equity Shares	**4,006.79**	6,010.18
Proposed Dividend on Preference Shares	**-**	0.03
Leave Encashment	**270.32**	241.80
Gratuity	**17.70**	83.91
Operational Claims (Refer Note 22 of Schedule 23)	**393.67**	402.80
	4,688.48	7,955.52
Schedule - 16 : Miscellaneous Expenditure (to the extent not written-off or adjusted)		
Opening balance	**-**	584.70
Addition during the year - Share Issue Expenses	**754.25**	5,229.92
	754.25	5,814.62
Less : Adjusted against Securities Premium Account (Refer Note 27 of Schedule 23)	**(754.25)**	(5,814.62)
	-	-

Schedules forming part of the Profit and Loss Account

	For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
Schedule - 17 : Other Income		
Dividend Income	**177.48**	33.02
Sale of Scrap	**246.53**	36.77
Profit on Sale of Current Investments	**2,439.06**	2,492.77
Profit on Sale of Fixed Asset	**1,507.69**	53.63
Unclaimed Liabilities/Excess Provision written back	**0.98**	156.77
Miscellaneous Income	**60.67**	17.39
	4,432.41	2,790.35
Schedule - 18 : Operating Expenses		
Handling and Storage Expenses	**12,040.96**	9,769.67
Customer Claims (including provision for demurrage Rs. 88.56 lacs; Previous Year Rs. 29.56 lacs)	**91.79**	533.00
Railway Operating Expenses	**3,158.02**	2,007.77
Tug and Pilotage Charges	**531.07**	515.58
Maintenance Dredging	**392.75**	11.90
Other Marine Expenses	**200.23**	171.93
Repairs to Buildings	**402.76**	458.45
Repairs to Plant & Machinery	**2,128.35**	1,267.41
Power & Fuel	**3,154.87**	2,190.30
Waterfront Charges	**1,986.12**	1,432.45
Construction Contract Expenses	**2,054.45**	-
	26,141.37	18,358.46
Schedule - 19 : Personnel Expenses		
Salaries, Wages and Bonus	**3,121.51**	2,129.64
Leave Encashment Expenses	**29.06**	190.14
Contribution to Provident & Other Funds	**256.68**	162.09
Gratuity	**97.68**	93.57
Workmen and Staff Welfare Expenses	**165.42**	85.50
	3,670.35	2,660.94

Schedules forming part of the Profit and Loss Account

	For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
Schedule - 20 : Administrative and Other Expenses		
Rent	**234.42**	264.44
Rates and Taxes	**148.58**	194.84
Insurance	**414.56**	472.09
Advertisement and Publicity	**517.82**	157.84
Other Repairs and Maintenance	**500.16**	268.45
Legal and Professional Expenses	**1,379.84**	801.68
Travelling and Conveyance	**443.88**	680.41
Payment to Auditors (Refer Note 24 (e) of Schedule 23)	**39.42**	33.67
Director's Sitting Fee	**6.70**	4.90
Director's Commission	**385.18**	705.07
Charity & Donations (Includes Rs. 100.25 lacs paid to Congress I and Rs. 75 lacs paid to Bharatiya Janata Party; Previous Year includes Rs. 50.00 lacs paid to Bharatiya Janata Party)	**1,767.04**	1,321.60
Loss on diminution in the value of Current Investments	**-**	100.00
Sundry Balances Written Off (Net)	**39.84**	12.16
Provision for Doubtful Debts and Advances	**-**	59.01
Other Expenses (Including Aircraft lease rental Rs. Nil; Previous Year Rs. 267.50 lacs)	**1,658.90**	2,184.23
	7,536.34	7,260.39
Schedule - 21 : Financial Expenses		
Interest on Debentures	**77.92**	99.18
Interest on other Fixed Loans	**19,728.57**	13,245.12
Loss on Forward Exchange Variation and Derivatives (Net)	**3,341.74**	-
Bank and Other Finance Charges	**274.91**	134.14
	23,423.14	13,478.44
Less:		
Interest on Bank Deposits, Inter Corporate Deposits, Govt. Securities etc. (Tax Deducted at Source Rs. 587.22 lacs (Previous Year : Rs. 210.10 lacs)	**10,128.12**	1,958.35
Gain on Forward Exchange Variation and Derivatives (Net)	**-**	898.20
	13,295.02	10,621.89
Schedule - 22 : Earnings Per Share (EPS)		
Opening number of Equity Shares for calculating Basic and Diluted EPS	**4,006.79**	3,604.29
Issued during the year	**-**	402.50
Closing number of Equity Shares for Calculating Basic and Diluted EPS	**4,006.79**	4,006.79
a) Computation on the basis of earnings including extraordinary items		
Net profit as per Profit and Loss Account including extraordinary items	**46,108.52**	21,341.08
Less: Dividend on Non-Cumulative Preference Shares	**0.03**	0.03
Net Profit for calculation of Basic EPS	**46,108.49**	21,341.05
Weighted number of Equity Shares considered for Calculating Basic and Diluted EPS	**4,006.79**	3,749.45
Basic and Diluted Earnings per Share in Rupees	**11.51**	5.69
b) Computation on the basis of earnings excluding extraordinary items		
Net profit as per Profit and Loss Account excluding extraordinary items (net of the tax expense)	**46,108.52**	20,571.75
Less: Dividend on Non-Cumulative Preference Shares	**0.03**	0.03
Net Profit for calculation of Basic EPS	**46,108.49**	20,571.72
Number of Equity Shares considered for Calculating Basic and Diluted EPS	**4,006.79**	3,749.45
Basic and Diluted Earnings per Share in Rupees	**11.51**	5.49

Schedule - 23 : Notes to Accounts

1. Nature of operations

Mundra Port and Special Economic Zone Limited (MPSEZL) (erstwhile Gujarat Adani Port Limited) is the developer and operator of the Mundra Port pursuant to the concession agreement with Government of Gujarat (GOG) and Gujarat Maritime Board for 30 years effective from February 17, 2001, with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. This port is a deep water direct berthing port with natural draft of 17 mtrs.

Under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container Terminal Limited) and MPSEZL entered into on January 7, 2003, MPSEZL has given rights to MICTL to handle the container cargo for a period of 28 years i.e. upto February 17, 2031.

Consequent to the introduction of Special Economic Zone Act, 2005, the Company has received the approval of Government of India vide their letter dated April 12, 2006, as a developer of Multi Product Special Economic Zone at Mundra and the surrounding areas. Keeping in view the synergy of its Port Business and SEZ Business, Mundra Special Economic Zone Limited was merged with the Company w.e.f. April 1, 2006. The Company has developed infrastructure for Multi Product Special Economic Zone in the Mundra Region along with the Port facilities.

2. Statement of Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and except for the change in accounting policy discussed more fully below are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Changes in Accounting Policies:

Exchange Differences on Long-term Foreign Currency Monetary Items

Upto December 31, 2008, the Company was charging off exchange differences arising on foreign currency monetary assets and liabilities towards acquisition of fixed assets to Profit and Loss Account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences, in respect of accounting periods commencing on or after December 7, 2006, on long-term foreign currency monetary items, (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origin). As a result, such exchange differences so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset, and in other cases, have been accumulated in Foreign Currency Monetary Item Translation Difference Account and would be amortized over the balance period of such long-term asset/liability but not beyond, accounting period ending on March 31, 2011.

In current year, such exchange differences, pertaining to accounting periods commencing on April 1, 2007 and ending on March 31, 2008, are transferred from General Reserve, to the extent they related to acquisition of depreciable capital assets are adjusted with the cost of such assets amounting to Rs. 55.91 lacs (Gain).

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the Profit and Loss Account after tax for the current period would have been higher in financial expenses (net) by Rs. 8,871.00 lacs, depreciation would have been lower by Rs. 117.25 lacs, the net block of fixed assets would have been lower by Rs. 8,697.84 lacs and general reserve would have been higher by Rs. 55.91 lacs.

d) Fixed Assets

i) Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

ii) In respect of accounting periods commencing on or after December 7, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

iii) Insurance spares/stand by equipments are capitalized as part of mother assets.

e) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto, is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion. The same is treated as preoperative expenditure pending allocation to fixed assets/capital work in progress and is shown under "Capital Work-in-Progress". The same is transferred to fixed assets on commencement of commercial activities.

f) Depreciation

i) Depreciation on Fixed Assets, except for those stated in para (ii) to (vi) below, is provided on straight line method (SLM) at the rates prescribed under Schedule XIV of the Companies Act, 1956, or the rates determined on the basis of useful lives of the respective assets, whichever is higher.

ii) Cost of Leasehold Land Development, Marine Structures and Dredged Channels is amortized over the period of the Concession Agreement of 30 years effective from February 17, 2001, with Gujarat Maritime Board or their useful lives, whichever is lower.

iii) Depreciation on Mobile phones, included under Office Equipment, Furniture and Fixtures, is provided at the rate of 100% in the month of purchase.

iv) Depreciation on Dredging Pipes, included under Plant and Machinery, is provided on the basis of their useful life which is estimated at 18 months.

v) Depreciation on individual assets costing upto Rs. 5,000/- is provided at the rate of 100% in the month of purchase.

vi) Insurance spares / standby equipments are depreciated prospectively over the remaining useful lives of the respective mother assets.

g) Intangibles

Intangible assets are amortized on straight line basis over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life (Years)
Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 years.
Softwares	3 years

h) Impairment

i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j) **Leases**

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

k) **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

l) **Inventories**

Stores and Spares: Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on accrual basis.

Net Realizable Value is the estimated current procurement price in the ordinary course of the business.

m) **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.

i) **Port Operation Services**

Revenue from port operation services including rail infrastructure is recognized as and when the services are rendered.

ii) **Income from Long-term Leases/Infrastructure Usage Agreements**

As a part of its business activity, the Company also leases/sub-leases land on long-term basis to its customers. In some cases, the upfront premium received/ receivable on such sub-leases is refundable proportionately on cancellation of such sub-leases before maturity, while in other cases, it is non-refundable. In cases where such upfront premium is non-refundable, the Company recognizes the entire premium as income in the year in which the sub-lease agreement/memorandum of understanding takes effect while in cases where such upfront is proportionately refundable, such premium is recognized as income pro-rata over the period of sub-lease agreement. Land sub-lease rent receivable under the above agreements is accounted for as income in accordance with the terms of such agreements. Income under Long-term Infrastructure Usage Agreements is recognized in accordance with the terms of such agreements.

iii) **Contract Revenue**

Revenues from construction contracts are recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under “Other Current Assets” and billing in excess of contract revenue has been reflected under “Current Liabilities” in the Balance Sheet. Full provision is made for any loss in the year in which it is first foreseen.

iv) **Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

v) **Dividends**

Revenue is recognized when the shareholders’ right to receive payment is established by the Balance Sheet date.

n) **Foreign Currency Translation**

i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) **Exchange Differences**

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” in the enterprise’s financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv) **Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation of renewal of forward exchange contract is recognized as income or as expense for the year.

v) **Derivative transactions**

The Company enters into various foreign currency option contracts to hedge its risks with respect to foreign currency fluctuations, arising out of import of capital goods using foreign currency loan. At every period end, all outstanding derivative contracts are fair valued on a marked-to-market basis and any loss on valuation is recognized in the profit and loss account. Any gain on marked-to-market valuation of respective contracts is only recognized to the extent of the loss on foreign currency re-instatement of the underlying transaction, keeping in view the principle of prudence as enunciated in AS 1, ‘Disclosure of Accounting Policies’. Any subsequent change in fair values, occurring after Balance Sheet date, is accounted for in subsequent period.

o) **Employee Benefits**

i) **Provident fund and superannuation fund**

Retirement benefits in the form of Provident Fund and Superannuation Fund Schemes are defined contribution schemes and the contributions are charged to the Profit and Loss Account in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

ii) **Gratuity**

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and amount paid/payable in respect of the present value of liability for past services is charged to the Profit and Loss Account every year. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for as liability in the books.

iii) **Leave Benefits**

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

iv) **Actuarial Gains/Losses**

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

p) **Income Taxes**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The Company is eligible and claims tax deductions available under Section 80IAB of the Income Tax Act, 1961, in respect of income attributable to Special Economic Zone activities (including notified port area).

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In view of Company availing tax deduction under Section 80IAB of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which originates during the tax holiday period but reverse after the tax holiday period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

q) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting Preference Dividends) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating dilluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dillutive potential equity shares.

r) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to its present value and are determined based on best management 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 management estimates. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

s) Segment Reporting Policies

The Company's operating businesses are organised and managed separately according to the nature of services provided, with each representing a strategic business unit that offers different services and serves different category of customers. The analysis of geographical segments is based on the geographical location of the customers.

t) Cash and Cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

u) Miscellaneous Expenditure

Miscellaneous Expenditure represents the expenses incurred on Initial Public Offer and the same are adjusted against Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

3. Segment Information

The Company is primarily engaged in the business of developing, operating and maintaining the Mundra Port and port based related infrastructure facilities including Multi Product Special Economic Zone. The entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

4. Related Party Disclosures

The Management has identified the following Companies and individuals as related parties of the Company for the year ended March 31, 2009, for the purposes of reporting as per AS 18 – Related Party Transactions:

List of related parties (As certified by the management)

List of related parties of Mundra Port And Special Economic Zone Limited as on 31st March, 2009

Holding Company	Adani Infrastructure Services Private Limited [w.e.f 12th September, 2008]
Subsidiary Companies	Mundra SEZ Textile and Apparel Park Private Limited Mundra Aviation Limited [upto 31st March, 2009] MPSEZ Utilities Private Limited Rajasthan SEZ Private Limited Inland Conware Private Limited Adani Logistics Limited Karnavati Aviation Private Limited [Formerly Gujarat Adani Aviation Private Limited]
Step down Subsidiary	Inland Conware (Ludhiana) Private Limited [Subsidiary of Inland Conware Private Limited]
Fellow Subsidiary	Baramati Power Private Limited [w.e.f 21st October, 2008]* Shankheshwar Buildwell Private Limited [w.e.f 11th June, 2008]
Key Management Personnel	Mr. Gautam S. Adani Mr. Rajesh S. Adani Mr. Ameet H. Desai Mr. Rajeeva Ranjan Sinha
Joint Ventures	Adani Petronet (Dahej) Port Private Limited
Other Parties which are significantly influenced by the Company (either individually or with others)	Adani Enterprises Limited Adani Power Limited Adani Energy Limited Adani Welspun Exploration Limited Adani Wilmar Limited Adani Shipyard Private Limited Swayam Realtors and Traders Limited Adani Power Maharashtra Limited Adani Power Rajasthan Limited Adani Power Dahej Limited Adani Mundra SEZ Infrastructure Private Limited Vyom Tradelinks Private Limited [upto 30th October, 2008] Mundra Power SEZ Limited* Parsa Kante Collieries Limited Columbia Chrome (India) Private Limited B2B India Private Limited Adani Retail Private Limited Adani Agro Private Limited Adani Properties Private Limited Adani Infrastructure Services Private Limited [upto 10th September, 2008] Shantikrupa Estate Private Limited Shantikrupa Services Private Limited Shantikrupa Infrastructure Private Limited* Adani Foundation Adani Tradelinks Adani Commodities

* These entities have been incorporated/formed during the year.
Aggregate of transactions for the year ended with these parties have been given below.

Detail of Related Party Transactions for the Year ended 31st March, 2009

Particulars	Holding	Subsidiary							Joint Venture	KMP			
	Adani Infra. Services Pvt Ltd.	Mundra SEZ Textile & Apparel Park Pvt. Ltd.	Mundra Aviation Ltd.	Adani Logistics Ltd.	Inland Conware Pvt. Ltd	MPSEZ Utilities Pvt. Ltd.	Rajasthan SEZ Pvt. Ltd.	Karnavati Aviation Pvt.Ltd.	Adani Petronet (Dahej) Port Pvt. Ltd	Gautam S. Adani	Rajesh S. Adani	Ameet H. Desai	Rajeeva R. Sinha
Rendering of Services													
FY 2008-09	-	-	-	211.04	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	634.21	-	-	-	-	-	-	-	-	-
Lease & Infrastructure Usage Charges													
FY 2008-09	-	225.81	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	14.70	-	-	-	-	-	-	-	-	-	-	-
Purchase Goods, Service & facilities													
FY 2008-09	-	-	156.78	-	-	-	-	200.94	-	-	-	-	-
FY 2007-08	-	-	157.56	-	-	-	-	-	-	-	-	-	-
Purchase/(Sale) of Assets (Including Advance)													
FY 2008-09	-	(0.63)	-	-	-	-	-	-	79.84	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment													
FY 2008-09	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	0.04	0.03	-	-
Investment Written-Off													
FY 2008-09	-	-	0.41	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Share Money Invested (Including Application Money)													
FY 2008-09	-	-	-	218.00	3,058.00	-	-	-	2,042.00	-	-	-	-
FY 2007-08	-	-	-	2,450.00	12,395.00	10.00	10.00	100.00	3,422.50	-	-	-	-
Equity Share Application Money refund													
FY 2008-09	-	-	-	-	750.00	-	-	-	500.00	-	-	-	-
FY 2007-08	-	-	-	-	250.00	-	-	-	-	-	-	-	-
Loan Given													
FY 2008-09	-	350.00	-	-	-	-	-	3,065.00	-	-	-	-	-
FY 2007-08	-	(3.00)	-	-	-	-	-	-	-	-	-	-	-
Loan Received back													
FY 2008-09	-	350.00	1,360.58	-	-	-	-	2,132.00	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Reimbursement (Net)													
FY 2008-09	-	1.27	-	4.75	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	1,353.16	1.36	-	-	0.09	2.55	-	-	-	-	-
Remuneration													
FY 2008-09	-	-	-	-	-	-	-	-	-	120.00	-	135.00	120.00
FY 2007-08	-	-	-	-	-	-	-	-	-	120.00	-	90.00	47.00
Commission to Directors													
FY 2008-09	-	-	-	-	-	-	-	-	-	962.94	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	705.10	-	-	-
Sitting Fees													
FY 2008-09	-	-	-	-	-	-	-	-	-	-	2.50	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	1.90	-	-
Donation													
FY 2008-09	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit Received													
FY 2008-09	2,500.00	-	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit Refund													
FY 2008-09	2,500.00	-	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as on 31st March, 2009 [Dr/(Cr)] Advances from Customers													
FY 2008-09	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors/Other Liabilities													
FY 2008-09	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2007-08	-	-	19.10	-	-	-	1.09	2.50	-	-	-	-	-
Debtors													
FY 2008-09	-	238.65	-	76.07	-	-	-	-	-	-	-	-	-
FY 2007-08	-	2,278.46	-	58.27	-	-	-	-	-	-	-	-	-
Loan & Advances (Including Capital Advances)													
FY 2008-09	-	-	-	4.75	-	-	-	925.67	-	-	-	-	-
FY 2007-08	-	-	1,360.58	-	-	-	-	-	-	-	-	-	-
Share Application Money Outstanding													
FY 2008-09	-	-	-	2,668.00	-	-	-	-	5,908.95	-	-	-	-
FY 2007-08	-	-	-	2,450.00	-	-	-	-	5,452.95	-	-	-	-
Corporate Guarantees													
FY 2008-09	-	-	-	-	-	-	-	6,200.00	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Pass through charges recovered relating to Railway Freight and other charges payable to third parties has not been considered for the purpose of related party disclosure.

(Rs. in Lacs)

Associate															
Adani Agro Pvt. Ltd.	Adani Power Ltd.	Adani Energy Ltd.	Adani Agri Logistics Ltd.	Adani Enterprises Ltd.	Adani Foundation	Adani Wilmar Ltd.	Adani Port Infra. Pvt. Ltd.	Adani Properties Pvt. Ltd.	Shanti krupa Estate Pvt. Ltd.	Adani Welspun Exploration Ltd.	Adani Shipyard Pvt. Ltd.	Vyom Tradlinks Pvt Ltd. (upto 30th Oct 2008)	Adani Tradelink	Adani Mundra SEZ Infra-structure Pvt. Ltd.	Total
-	936.35	-	-	13,908.24	-	1,898.74	-	-	-	-	-	1,962.32	-	-	18,916.69
-	4.85	-	-	7,368.55	-	540.19	-	-	-	-	-	1,507.49	-	-	10,055.29
-	29.39	-	-	-	-	20.41	-	-	-	-	-	-	-	3,288.44	3,564.05
-	7.60	-	-	-	-	20.41	-	-	-	-	-	-	-	-	42.71
-	-	0.30	-	3,379.65	-	-	-	5.22	(3.02)	-	-	-	10.86	-	3,750.74
-	-	-	-	2,740.05	-	(0.57)	-	-	55.13	-	-	-	-	-	2,952.17
-	-	-	-	35.56	-	-	-	-	274.25	-	5.94	-	-	4,511.68	4,906.63
-	-	-	-	-	-	-	-	-	-	-	-	-	-	123.40	123.40
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,318.00
-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	10.00	18,398.50
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,250.00
-	-	-	68.88	-	-	-	-	-	-	-	-	-	-	-	318.88
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,415.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.00)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,842.58
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0.05	29.78	-	-	185.41	5.05	64.34	-	(0.00)	-	22.54	-	-	-	2.91	316.12
-	6.38	0.07	-	126.51	-	50.06	-	0.39	-	-	-	-	-	-	1,540.57
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	375.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	962.94
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	705.10
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.90
-	-	-	-	-	1,270.00	-	-	-	-	-	-	-	-	-	1,270.00
-	-	-	-	-	610.00	-	-	-	-	-	-	-	-	-	610.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500.00
-	-	700.00	-	-	-	-	-	-	-	-	-	-	-	-	700.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500.00
-	-	700.00	-	-	-	-	-	-	-	-	-	-	-	-	700.00
-	221.35	-	-	23.76	-	63.48	-	-	-	-	-	-	-	-	308.59
-	-	-	-	374.12	-	50.00	-	-	-	-	-	-	-	-	424.12
-	-	-	-	1,063.96	-	-	-	-	37.26	-	-	-	-	47.15	1,148.38
-	-	0.01	-	966.90	-	2.97	-	0.10	-	-	-	-	-	82.82	1,075.49
-	7,337.19	-	-	2,610.67	-	142.02	-	-	-	-	-	560.36	-	-	10,964.96
-	15,800.35	-	-	840.19	-	117.70	-	-	-	-	-	599.86	-	-	19,694.83
-	23.55	-	-	1.63	5.30	25.87	-	100.00	520.40	23.17	-	-	-	7,070.32	8,700.67
-	3.10	-	-	-	-	-	-	-	-	-	-	-	-	2,606.99	3,970.67
-	-	-	-	-	-	-	-	-	-	-	13.00	-	-	-	8,589.95
-	-	-	-	-	-	-	-	-	-	-	13.00	-	-	-	7,915.95
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200.00
-	7,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500.00

Notes:

1. The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions were entered into by the Company with the related parties during the existence of the related party relationship.
2. No amount has been provided as doubtful debts or advances / written off or written back in the period in respect of debts due from/ to above related parties except write off of Rs 0.41 lacs investment in Mundra Aviation Limited due to dissolution of the said company.
3. Pass through charges relating to railway freight and other charges payable to third parties have not been considered for the purpose of related party disclosure.

5. Interest in joint ventures:

The Company's interest and share in joint ventures in the jointly controlled entities are as follows:

a) List of joint ventures

Sl. No.	Name of Joint Ventures	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation or residence
1	Adani Petronet (Dahej) Port Private Limited	Jointly Controlled Entity	Development of a Solid Cargo Port Terminal	50%	India

b) Financial interest in jointly controlled entities

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows at 31st March, 2009

(Rs. in lacs)

	31st March, 2009	31st March, 2008
Assets	**11,068.09**	5,248.38
Liabilities	**4,978.68**	445.62
Income	**-**	-
Expenses	**27.35**	43.21
Loss before tax	**27.35**	43.21
Capital Commitments	**18,441.81**	9,327.95
Contingent Liabilities	**-**	-

6. The Company takes various types of derivative instruments to hedge its future loans & interest liabilities. The category-wise outstanding position of derivative instruments as at March 31, 2009 and 31 March, 2008 are as under:

Nature	Particulars of Derivatives		Purpose
	31st March, 2009	31st March, 2008	
Cross Currency Swap	Rs.10,938.00 lacs	-	Hedging of loan and interest liability
Principal Only Swap	Rs. 6,453.15 lacs	USD130.00 lacs	Hedging of loan

The details of foreign currency exposures those are not hedged by a derivative instrument or otherwise as at 31st March, 2009 and 31st March, 2008 are as under:

Nature	31st March, 2009		31st March, 2008	
	Amount (Rs. in lacs)	**Foreign Currency (in lacs)**	Amount (Rs. in lacs)	Foreign Currency (in lacs)
Foreign Currency Loan	**36,156.61**	**USD 709.65**	18,377.90	USD 459.80
Creditors	**1,515.94**	**USD 29.75**	2,701.10	USD 67.60
	11.73	**GBP 0.16**	50.10	GBP 0.60
	4.33	**EURO 0.06**	113.80	Euro 1.80
	11.59	**SGD 0.34**	-	-
Supplier's Credit	**2,802.25**	**USD 55.00**	2,197.86	USD 55.00

Closing rates as at 31st March, 2009:

INR/USD = Rs. 50.95

INR/EURO = Rs. 67.48

INR/GBP = Rs. 72.86

INR/SGD = Rs. 33.79

7. Amounts Received/Receivable under Long-term Lease/Infrastructure Usage Agreements

The Company has entered into various long-term agreements granting sub-leases out of its leasehold lands and/or rights to use infrastructure facilities for the period of the sub-leases which are generally co-terminus with the period of the Concession Agreement between the Company, Gujarat Maritime Board and Government of Gujarat. The Company has received/to receive upfront amounts in consideration of grant of the sub-leases and rights to use its infrastructure facilities. Unamortized amounts received/receivable under Long-term Leases/Infrastructure Usage Agreements at the end of the year amounting to Rs. 65,184.65 lacs (Previous Year Rs. 68,109.47 lacs) have been disclosed on the face of the Balance Sheet (Also refer Note 2(m) above).

8. Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March, 2009. This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(Rs. in lacs)

Sl. No.	Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
1.	Principal amount and interest due thereon remaining unpaid to any supplier		
	Principal	**19.81**	33.70
	Interest	**Nil**	Nil
2.	The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**Nil**	Nil
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**Nil**	Nil
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	**Nil**	Nil
	Total	**19.81**	33.70

9. Prior period items include:

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Administrative and Other Expenses		
Reversal of Income from Lease/Infrastructure Usage (Previous Year Construction cost of Vadenagar Lake for community development)	**2,174.98**	129.51
Total	**2,174.98**	129.51

10. The Government of India (GOI) has, vide its letter dated 12th April, 2006, granted approval to the Company's proposal for development, operation and maintenance of a Multi-product Special Economic Zone (SEZ) at Mundra, Gujarat. Subsequently through a Notification dated 23rd June, 2006, the Ministry of Commerce & Industry (Department of Commerce) has included Mundra Port and port limits in notified Special Economic Zone.

The Company is of the view, supported by an external opinion, that it may avail benefit u/s 80IAB of the Income Tax Act, on the entire income of the Company including the Special Economic Zone Operations. Accordingly, the Company has decided to avail benefits u/s 80IAB of the Income Tax Act, 1961, from the accounting year 2007-08 and has not created provision for income tax on income attributable to SEZ activities (including notified port area).

11. The Company has made provision of Rs. 1,380.67 lacs for current taxation based on its profit excluding SEZ (including notified port area) profit for the year ended 31st March, 2009. The Company has reversed the excess tax provision of Rs. 1,457.46 lacs relating to previous year. Provision for dividend distribution tax has not been made as Company is not liable to deposit dividend distribution tax in terms of section 115-O (6) of the Income Tax Act, 1961.

12. Sundry Debtors outstanding for a period more than six months include deferred receivables (amount receivable under Lease/Long-term Infrastructure Usage Agreements) of Rs. 7,347.47 lacs (Previous Year Rs. 18,590.90 lacs).

13. Details of Employee Benefits – Gratuity

The Company has a defined gratuity plan. Every employee gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is fully funded with Life Insurance Company of India (LIC) in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Profit and Loss Account

a) Net Employee benefit expense (recognized in Employee Cost):

(Rs. in lacs)

Particulars	**Gratuity (Funded) 31st March, 2009**	Gratuity (Funded) 31st March, 2008
1. Current Service Cost	54.03	16.99
2. Interest Cost on benefit obligation	11.52	3.47
3. Expected return on plan assets	(18.99)	(2.41)
4. Actuarial loss/(gain)	(2.93)	101.73
5. Net benefit expense	43.63	119.78

Note: Actual return on plan assets Rs. 15.86 lacs (Previous Year Rs. 2.10 lacs).

Balance Sheet

b) Details of Provision for gratuity

(Rs. in lacs)

Particulars	**Gratuity (Funded) 31st March, 2009**	Gratuity (Funded) 31st March, 2008
1. Present value of defined benefit obligation	**195.22**	144.08
2. Fair value of plan assets	**244.87**	168.40
3. Surplus/(deficit) of funds	**49.65**	24.32
4. Net asset/(liability)	**49.65**	24.32

c) Changes in Present Value of the defined benefit obligation are as follows:

(Rs. in lacs)

Particulars	**Gratuity (Funded) 31st March, 2009**	Gratuity (Funded) 31st March, 2008
1. Defined benefit obligation at the beginning of the Period	**144.08**	83.18
2. Current Service Cost	**54.03**	16.99
3. Interest Cost	**11.52**	3.47
4. Actuarial (gain)/loss on obligations	**(6.06)**	97.16
5. Benefits paid	**(8.35)**	(56.73)
6. Defined benefit obligation at the end of the Period	**195.22**	144.08

d) **Changes in Fair Value of Plan Assets are as follows :**

(Rs. in lacs)

Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
Opening fair value of plan assets	**168.40**	86.88
Expected return	**18.99**	2.41
Contributions by employer	**68.96**	140.41
Benefits paid	**(8.35)**	(56.73)
Actuarial gains/(losses)	**(3.13)**	(4.57)
Closing fair value of plan assets	**244.87**	168.40

Note:

1. The present value of the plan assets represents the balance available with the LIC as at the end of the period. The total value of Plan Assets amounting to Rs. 244.87 lacs (Previous year Rs. 168.40 lacs) is as certified by the LIC.
2. The total value of plan assets includes Rs. 78.84 lacs contributed towards gratuity for 2009-10 (Previous Year Rs. 144.92 lacs).

e) **The principle assumptions used in determining Gratuity obligations are as follows:**

Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
Discount rate	**7.75%**	8.00%
Expected rate of return on plan assets	**7.75%**	8.00%
Mortality	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate
Withdrawal rate	**Age Related**	Age Related

f) **Amounts for the current and previous four periods are as follows:**

(Rs. in lacs)

Gratuity	March'09	March'08	March'07	March'06	March'05
Defined benefit obligation	(195.22)	(144.08)	(83.20)	(51.10)	(34.80)
Plan Assets	244.87	168.40	78.30	55.20	32.30
Surplus/(deficit)	49.65	24.32	(4.90)	4.10	(2.50)
Experience loss (gain) on plan liabilities	(6.06)	97.16	22.20	0.90	*
Experience loss (gain) on plan assets	3.13	4.57	(1.50)	(0.90)	*

* In the absence of availability, relevant information on the experience adjustments on plan assets and liabilities has not been furnished above.

14. Income from Operations includes:

a. Land Lease Income, Long-term Infrastructure Usage Income and Income incidental thereto of Rs.10,370.46 lacs (Previous Year Rs. 14,731.50 lacs).

b. Construction contract revenue income of Rs. 3,696.42 lacs (Previous Year Rs. Nil).

15. Assets taken under Operating Leases – residential houses for staff accommodation are obtained under operating lease. Lease rent is payable as per the lease term. The lease rent term is generally for eleven months for residential houses and renewable by mutual agreement. There is no sub-lease and all the leases are cancelable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. There is no escalation clause in the lease agreements. Expenses incurred under such leases have been included in the Profit and Loss Account.

16. The Company had incurred a sum of Rs. 709.50 lacs in an earlier year on consultancy services procured for putting up a Shipyard Project. This amount is being carried forward in the Balance Sheet under the head Capital Work-in-Progress and will be transferred to a Company to be incorporated or divisions of the Company for putting up the project as may be possible.

17. Capital Work-in-Progress includes Expenditure during Construction Period and Capital Inventory, details of which are as follows:

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Expenditure during Construction Period :		
A. Expenditure		
Personnel Expenses		
Salaries, Wages & Bonus	**648.58**	1,328.80
Contribution to Provident Fund	**3.20**	12.00
Workmen and Staff Welfare Expense	**-**	11.00
Sub Total	**651.78**	**1,351.80**
Administrative and Other Expenses		
Power & Fuel	**-**	47.60
Insurance	**-**	1.30
Other Repairs and Maintenance	**2.14**	4.40
Legal and Professional Expenses	**113.40**	1,436.20
Travelling and Conveyance	**167.96**	275.10
Rent	**12.03**	26.30
Custom Establishment Charges	**118.94**	-
Vehicle Hire Charges	**94.20**	-
Security Charges	**177.74**	-
Aircraft Expenses	**507.41**	-
Director Commission	**601.76**	-
Other Expenses	**56.98**	37.60
Sub Total	**1,852.56**	**1,828.50**
Financial Expenses		
Interest on Fixed Loans	**501.24**	2,948.40
Bank and Other Finance Charges	**765.75**	113.50
Sub Total	**1,266.99**	**3,061.90**
Depreciation	**4,085.72**	**1,218.96**
Total Expenditure [A]	**7,857.05**	**7,461.16**
B. Income		
Trial Run Income – Container Terminal-II	**-**	455.20
Total Income [B]	**-**	**455.20**
Total [A – B]	**7,857.05**	**7,005.96**
Brought Forward from Previous Year	**12,464.30**	10,133.44
Total	**20,321.35**	**17,139.40**
Capitalized/Allocated during the year	**16,978.31**	4,675.10
Balance Carried Forward Pending Allocation/Capitalization	**3,343.04**	**12,464.30**
B. Project Materials	**9,711.65**	**5,206.60**

Note: The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption.

18. Capital Commitments:

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	**72,095.26**	40,823.70

19. Disclosure pursuant of Accounting Standard (AS) – 7 (revised)

A) (Rs. in lacs)

Particulars		31st March, 2009	31st March, 2008
a)	Contract revenue recognized during the year	**3,696.42**	Nil
b)	Aggregate amount of contract costs incurred up to 31st March, 2009.	**2,330.11**	Nil
c)	Customer advances outstanding for contracts in progress	**525.38**	Nil
d)	Retention money due from customers for contracts in progress	**-**	Nil
e)	Amount due from customers	**1,281.06**	Nil
f)	Amount due to customers	**-**	Nil

B) Contract revenue accrued in excess of billing amounting to Rs. 65.22 lacs (Previous Year – NIL) has been reflected under the head "other Current Assets".

20. Contingent Liabilities not provided for:

(Rs. in lacs)

	Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
a.	Corporate Guarantee given by the Company against credit facility availed by a body corporate	**6,200.00**	7,500.00
b.	In earlier Years, some contractors. of the Company had filed civil suits against the Company for recovery of damages caused to its machinery in an earthquake Rs. 37.10 lacs (Previous Year Rs. 37.10 lacs), to its cargo stores in Company's godown Rs. 94.40 lacs (Previous Year Rs. 94.40 lacs) and due to mishandling of wheat cargo by the Company Rs. 620.00 lacs (Previous Year Rs. 620.00 lacs). Above civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	**751.50**	751.50
c.	In earlier Years., the Company had received show cause notices from the Custom Authorities for recovery of custom duty and interest on the import of a tug and bunkers. by the Company Rs. 207.13 lacs (Previous Year Rs. 449.29 lacs), import of various Cargoes at Port Rs. 47.86 lacs (Previous Year Rs. 47.86 lacs). The Customs cases are currently pending with, Custom, Excise and Service Tax Appellate Tribunal (Rs. 207.13 lacs), Assistant Commissioner of Customs, Mundra (Rs. 14.20 lacs), Customs, Excise and Service Tax Appellate Tribunal, Mumbai (Rs. 26.60 lacs), Commissioner of Customs (Appeals), Ahmedabad (Rs. 2.62 lacs) and Deputy Commissioner of Customs, Gujarat, (Rs. 4.44 lacs) respectively. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**255.00**	497.15
d.	Joint Commissioner Customs, Mundra has held the Company liable for short delivery of imported goods namely, H.M.S. through Mundra Port to various customers. The Company has been directed to remit the differential duty of Rs. 7.09 lacs and penalty of Rs. 0.50 lacs - under section 117 of the Customs Act has been imposed. MPSEZL has preferred to challenge the said OrdeRs. which are pending before Commissioner of Customs (Appeals) at Ahmedabad. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**7.59**	7.59
e.	Deputy Commissioner of Customs, Mundra has held that the Company wrongly availed duty benefit exemption under DFCEC Scheme on import of secondhand equipment and demanded duty payment of Rs. 25.00 lacs. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Assistant Commissioner of Customs, Aircargo Complex, Ahmedabad and the management is of the view that no liability shall arise on the Company.	**26.33**	26.33

20. Contingent Liabilities not provided for: (Contd.)

(Rs. in lacs)

	Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
f.	Various show cause notices received from Commissioner/Additional Commissioner/ Joint Commissioner/Deputy Commissioner of Customs and Central Excise, Rajkot, for wrongly availing of Cenvat credit/Service tax credit and Education Cess on input services and steel, cement and other misc. fixed assets. The Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of Rs. 250 Lacs against the demand. The matters. are pending before High Court, Gujarat and Commissioner of Central Excise (Appeals), Rajkot. The Company has taken an external opinion in the matter based on which, accordingly management is of the view that no liability shall arise on the Company.	**7,447.48**	5,126.70
g.	Differential amount of customs duty in respect of machinery imported under EPCG Scheme and interest thereon. Based on budgeted sales plan, management is hopeful that it will be able to discharge the obligation by executing the required volume of exports in the future period.	**1,437.50**	2,603.10
h.	Export duty on steel product supplied by units in Domestic Tariff Area (DTA). Based on the appeal filed, by the Company with the High Court, Gujarat, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**269.68**	-

21. For the development of Special Economic Zone (SEZ) in the Mundra Taluka region, the Company is also acquiring land in Mundra and surrounding region under arrangements/agreements with private landowners/parties for development of contiguous SEZ area, apart from acquisition of land from Government of Gujarat. Till 31st March, 2009, the Company has paid an aggregate amount of Rs. 19,164.66 lacs to various private landowners/parties for acquisition of land, out of which Rs.7,889.78 lacs has been capitalized on allotment of a portion of land and the balance amount of Rs. 11,274.88 lacs is outstanding as advance at the year end.

22. Provisions:

(Rs. in lacs)

Description	Opening Balance	Additions during the year	Utilization during the year	Closing Balance
Operational Claims	402.80 (681.08)	- (540.80)	9.13 (819.08)	393.67 (402.80)

Previous year figures are in bracket

Note: Operational Claims are the expected claims made/to be made by the customers towards shortages of stock, handling loss, damages to the cargo, etc. Based on the past experience, the Company has made certain provisions in the books.

23. Following Non-trade Investments have been Purchased and Sold during the year:

(Rs in lacs)

Description	Numbers/Units	Purchase	Sale
DWS Insta Cash Plus Fund - Institutional Plan Growth	90,838,929	11,800.00	11,809.58
DWS Money Plus Fund Institutional Plan Growth	115,899,544	13,302.43	13,407.70
DWS Liquid Plus Fund Institutional Growth	14,984,865	1,500.00	1,523.51
DWS Liquid Plus Fund - Regular Growth Plan	7,518,285	1,007.15	1,030.81
DWS Credit Opportunities Cash Fund-90 Days Regular Growth	29,241,761	3,000.00	3,049.48
UTI Fixed Income Interval Fund Institutional Growth Plan	8,431,782	900.00	915.83
UTI Liquid Plus Fund Institutional Plan Growth Option	181,997	2,000.00	2,008.97
SBI Debt Fund Series 30 Days	30,250,003	3,025.00	3,052.62
SBI Premier Liquid Fund - Super Institutional Growth	17,333,665	2,237.10	2,243.58
SBI SHF Liquid Plus Institutional Plan Growth	56,192,947	7,046.61	7,108.31

SBI Magnum Institutional Cash Fund	20,159,579	3,800.00	3,823.87
SBI Debt Fund Series 180 Days Growth	20,000,000	2,000.00	2,091.74
SBI Premier Liquid Fund Institutional Growth	13,288,885	1,750.00	1,750.41
JM High Liquidity Fund - super Institutional Plan-daily Dividend	46,236,004	6,000.00	6,001.43
JM Money Manager Fund - Super Plus Plan - Growth	82,669,448	16,002.31	16,111.48
B503G Birla Cash Plus Institutional Premium Growth	23,042,183	3,000.00	3,000.65
Birla Sun Life Liquid Plus Institutional Growth	58,698,371	9,072.57	9,126.03
Birla Sun Life Liquid Plus Institutional Premium Growth	22,697,869	3,000.00	3,000.73
DSP Merrill Lynch Cash Plus Institutional Plan Growth	95,637	1,000.00	1,000.21
DSP Merrill Lynch Liquid Plus Institutional Plan Growth	88,721	3,000.00	3,057.30

24. Additional Information pursuant to the provisions of para 3, 4, 4C and 4D of Part-II of Schedule-VI to the Companies Act, 1956 to the extent applicable:

a) Managing Director's Remuneration: (Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Salaries, Wages and Bonus	**120.00**	120.00
Commission	**962.94**	705.10
Total	**1,082.94**	825.10

b) Executive Director's and Whole time Director's Remuneration (Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Salaries, Wages and Bonus	**241.32**	127.09
Contribution to Provident fund	**13.68**	9.91
Total	**255.00**	137.00

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable separately and, therefore, not included in above.

c) Non-Executive Directors' Remuneration:

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Commission	**60.00**	51.00
Total	**60.00**	51.00

d) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956, for calculation of commission payable to directors

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Profit before tax as per Profit and Loss Account	**51,403.10**	36,682.10
Add:		
Directors' Remuneration	**624.43**	962.10
(Profit) /Loss on Sale of Fixed Assets	**(1,507.69)**	(53.60)
Director's Sitting Fees	**6.70**	4.90
Commission to Non Executive Directors	**60.00**	51.00
Profit on Sale of Investments	**(2,439.06)**	(2,492.80)
Loss in diminution in value of Current Investments	**-**	100.00
Net Profit as per Section 349 of the Companies Act, 1956	**48,147.48**	35,253.70
Commission payable to Managing Director @ 2% (as restricted by the Shareholders)	**962.94**	705.10
Commission to Non-Executive Directors	**60.00**	51.00

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e) **Details of Payment to Auditors:**

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Audit fee	**23.40***	15.30
Other Services (Including Limited Reviews Rs. 12.00 lacs, Previous Year Rs. 11.90 lacs) and Certification (Rs. Nil, Previous Year Rs. 1.86 lacs)	**12.00**	13.76
Reimbursement of out-of-pocket Expenses	**4.02**	4.61
Total	**39.42**	33.67

* Includes Rs. 3.40 lacs pertaining to previous year.

f) **Expenditure in Foreign Currency (accrual basis):**

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Travelling Expenses	**17.89**	40.60
Interest	**2,654.92**	1,332.30
Bank Charges	**175.41**	277.70
Aircraft Operating/Lease Rent	**216.61**	267.40
Fees and Legal Expenses	**167.66**	124.90
Others	**163.19**	68.90

g) **Earnings in Foreign Currency (accrual basis):**

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Marine Services (Directly)	**64.12**	1,599.90

h) **CIF value of Imports:**

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Stores & Spares (including Fuel)	**4,020.31**	123.50
Capital goods	**39,526.55**	25,472.80

i) **Imported and indigenous stores and spares consumed:**

(Rs. in lacs)

Particulars	Total Consumption		% of Total Consumption	
	2008-09	2007-08	**2008-09**	2007-08
Imported	**1,465.24**	64.70	**37.18**	2.08
Indigenous	**2,475.60**	3,042.60	**62.82**	97.92
Total	**3,940.84**	3,107.30	**100.00**	100.00

j) **Net dividend remitted in foreign exchange:**

(Rs. In lacs)

Particulars	Year ended 31st March, 2009		Year ended 31st March, 2008
(in foreign currency)	**Final**	**Interim**	
Number of non-resident shareholders	6	6	-
Number of equity shares held on which dividend was due	68,075,202	68,075,202	-
Amount remitted	1,021.13	1,361.50	-
Year to which it relates	2007-08	2008-09	-

25. (a) Initial Public Offer (IPO) fund utilization: The Company has spent Rs. 98,495.57 lacs out of initial issue of share capital of Rs. 177,100.00 lacs as follows:

(Rs. in lacs)

Particulars	Proposed Utilizations to be made out of the IPO proceeds	Actual as on 31st March, 2009
a) Issue Expenses	5,000.00	**4,154.84**
b) Investment in Adani Logistics Limited	4,800.00	**2,468.00**
c) Investment in Adani Petronet (Dahej) Port Private Limited	20,946.00	**4,147.00**
d) Investment in Inland Conware Private Limited	10,878.00	**4,508.00**
e) Coal Terminal Project	45,000.00	**31,770.08**
f) SEZ Project	50,000.00	**19,128.47**
g) Construction and Development of basic infrastructure facilities at Mundra	40,476.00	**32,319.18**
Total	177,100.00	**98,495.57**

(b) As at 31st March, 2009, the unutilized Initial Public Offer (IPO) proceeds of Rs. 78,604.43 lacs are lying as invested in Bank deposits and balance with banks as at 31st March, 2009.

26. The following are the details of loans and advances of the Company outstanding at the end of the year in terms of Securities and Exchange Board of India's circular dated 10th January, 2003:

(Rs. in lacs)

Loans and Advances to Subsidiaries	Outstanding amount as at		Maximum amount outstanding during the year	
	31st March, 2009	31st March, 2008	**31st March, 2009**	31st March, 2008
Mundra Aviation Limited	**Nil**	1,360.60	**1,360.60**	1,360.60
Rajasthan SEZ Private Limited	**Nil**	1.10	**1.10**	1.10
Karnavati Aviation Private Limited	**925.67**	2.80	**2,752.92**	2.80

27. Miscellaneous Expenditure – Share Issue Expenses:

The Company has incurred expenses of Rs. 754.25 lacs (Previous Year Rs. 5,814.62 lacs) during the year paid to, in connection with its Initial Public Offer (IPO). In terms of Section 78 of the Companies Act, 1956, the Company has adjusted the said share issue expense against the Securities Premium received from the said IPO.

28. Previous Year Comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	034182	State Code	04
Balance Sheet Date	31 03 2009 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES THOUSANDS)

Pubilc Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES THOUSANDS)

Total Liabilities	61398153	Total Assets	61398153
SOURCES OF FUNDS			
Paid up Capital	4034898	Reserves & Surplus	25417811
Secured Loans	22849758	Unsecured Loans	280225
APPLICATION OF FUNDS			
Net Fixed Assets	44839737	Investments	4317466
Net Current Assets	12240950	Miscellaneous Expenditure	NIL
Accumulated Assets	NIL		

* Total liabilities include deferred tax liability (net) of Rs. 22,96,996 thousand and Amount Received/Receivable under Long-term Lease/infrastructure usage agreements of Rs. 65,18,465 thousand.

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RUPEES THOUSANDS)

Turnover	11794466	Total Expenditure	6654156
Profit/(Loss) Before Tax + –	✓ 5140310	Profit/(Loss) After Tax + –	✓ 4610852
Earnings Per Share (Rs.)	11.51	Dividend %	30

(Please tick Appropriate + – for Profit, – for loss)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS & SERVICES OF THE COMPANY (as per monetary terms)

Product Description	PORT SERVICE	Item Code No. (ITC Code)	NOT APPLICABLE

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : 20th May, 2009

Statement pursuant to Approval U/S 212(8) of the Companies Act, 1956

(Rs. in lacs)

		Name of the Subsidiaries						
Sl. No.	**Particulars**	**Mundra SEZ Textile and Apparel Park Pvt. Ltd. (MITAP)**	**MPSEZ Utilities Pvt. Ltd.**	**Rajasthan SEZ Pvt. Ltd.**	**Inland Conware Pvt. Ltd. (Refer Note No.1)**	**Adani Logistics Ltd.**	**Karnavati Aviation Pvt. Ltd.**	**Inland Conware (Ludhiana) Pvt. Ltd.**
(a)	Capital (Paid Up)	405.36	1.00	1.00	14,704.00	5,105.00	100.00	1.00
(b)	Reserves	2,351.79	-	-	(626.93)	(2,180.69)	6.29	-
(c)	Total Assets	6,061.02	14.60	1.06	46,451.79	17,500.86	7,860.05	152.92
(d)	Total Liabilities	3,303.86	13.60	0.06	35,701.51	16,508.62	7,824.75	151.92
(e)	Details of Investment (except in case of investment in subsidiaries)							
	24,85,841 units of DWS Ultra Short-term Fund Institutional Plan - Daily Dividend	248.96	-	-	-	-	-	-
	2,65,400 Shares of Mundra SEZ Textile & Apparel Park Pvt. Ltd. of Rs. 10 each	-	-	-	-	26.54	-	-
(f)	Turnover	166.23	-	-	240.91	5,596.27	766.62	-
(g)	Profit/(Loss) before taxation	(48.05)	-	-	(620.95)	(1,887.61)	10.89	-
(h)	Provision for taxation (Net)	0.16	-	-	5.98	28.58	4.60	-
(i)	Profit/(Loss) after taxation	(48.21)	-	-	(626.93)	(1,916.19)	6.29	-
(j)	Proposed Dividend	-	-	-	-	-	-	-

Note:

1. Investment made by Inland Conware Pvt. Ltd. in 100% subsidiary Inland Conware (Ludhiana) Pvt. Ltd. Rs. 1.00 lac not shown above in Investment.

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to subsidiary companies

(Rs. in lacs)

Sr. No.	Particulars	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	Adani Logistics Ltd.	Inland Conware Pvt. Ltd.	Inland Conware (Ludhiana) Pvt. Ltd.	MPSEZ Utilities Pvt. Ltd.	Rajasthan SEZ Pvt. Ltd.	Karnavati Aviation Pvt. Ltd.
1	Financial Year of subsidiary ended on	31st March, 2009	31st March, 2009	31st March, 2009	31st March, 2009	March 31, 2009	31st March, 2009	31st March, 2009
2	Shares of the Subsidiary Company held on the above date and the extent of holding							
	i) Number of Shares	2,715,400	51,050,000	147,040,000	10,000	10,000	10,000	1,000,000
	ii) Extent of holding	67.00%	100%	100%	100%	100%	100%	100%
3	Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern members of Mundra Port And Special Economic Zone Limited							
	i) Dealt with the accounts of Mundra Port And Special Economic Zone Limited	32.30	(1,916.19)	(626.93)	Nil	Nil	Nil	6.29
	ii) Not dealt with the accounts of Mundra Port And Special Economic Zone Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Net aggregate amount of profit/(losses) of the subsidiary for the previous financial year so far as they concern members of Mundra Port And Special Economic Zone Limited							
	i) Dealt with the accounts of Mundra Port And Special Economic Zone Limited	Nil	(268.40)	Nil	Nil	Nil	Nil	Nil
	ii) Not dealt with the accounts of Mundra Port And Special Economic Zone Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Auditors' Report

The Board of Directors

Mundra Port And Special Economic Zone Limited

1. We have audited the attached Consolidated Balance Sheet of Mundra Port And Special Economic Zone Limited ('the Company), its subsidiaries, associates and joint venture entities (collectively, the "Group") as at 31st March, 2009, and the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 121,080 lacs as at 31st March, 2009, the total revenue of Rs. 6,559 lacs and Cash Flows amounting to Rs. 16,001 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose report(s) have been furnished to us, and our opinion is based solely on the report of other auditors.
4. Without qualifying our opinion, we draw attention to Note No. 11 in Schedule 23 to the financial statements in respect of eligibility for income tax holiday as per provisions of Section 80-IAB of the Income Tax Act, 1961.
5. We report that the Consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Mundra Port Group as at 31st March, 2009;
   (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
   (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 20th May, 2009

ADANI

Consolidated Balance Sheet as at 31st March, 2009

	Schedules	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**40,348.98**	40,348.98
Share Application Money		**97.54**	163.70
Reserves and Surplus	2	**252,610.09**	221,644.84
		293,056.61	262,157.52
Loan Funds			
Secured Loans	3	**279,909.77**	204,424.52
Unsecured Loan	4	**9,662.36**	2,377.35
		289,572.13	206,801.87
Amount Received/Receivable under Long-term Lease/Infrastructure Usage Agreements (Refer Note 9 of Schedule 23)	5	**65,047.82**	65,679.10
Deferred Tax Liabilities (Net)	6	**22,960.46**	17,708.29
Minority Interest		**926.12**	173.05
Total		**671,563.14**	552,519.83
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		**410,425.93**	333,949.34
Less : Accumulated Depreciation/Amortisation		**54,458.66**	36,560.20
Net Block		**355,967.27**	297,389.14
Capital Work- in- Progress including Capital Advances		**161,948.60**	69,339.43
	7	**517,915.87**	366,728.57
Investments	8	**20,720.89**	88,862.74
Current Assets, Loans and Advances			
Inventories	9	**2,668.20**	1,849.34
Sundry Debtors	10	**22,929.50**	30,188.94
Cash and Bank Balances	11	**129,513.24**	90,290.74
Other Current Assets	12	**5,470.16**	4,513.94
Loans and Advances	13	**11,529.69**	7,405.30
		172,110.79	134,248.26
Less : Current Liabilities and Provisions			
Current Liabilities	14	**34,690.30**	29,387.15
Provisions	15	**4,696.44**	7,941.23
		39,386.74	37,328.38
Net Current Assets		**132,724.05**	96,919.88
Miscellaneous Expenditure (to the extent not written-off or adjusted)	16	**202.33**	8.64
Total		**671,563.14**	552,519.83
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the balance sheet

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

Consolidated Profit and Loss Account for the Year ended 31st March, 2009

	Schedules	For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
INCOME			
Income from Operations (Refer Note 14 of Schedule 23)		**119,492.89**	81,702.30
Other Income	17	**4,459.54**	2,790.35
		123,952.43	84,492.65
EXPENDITURE			
Operating Expenses	18	**31,945.86**	18,358.50
Personnel Expenses	19	**4,037.74**	2,661.00
Administrative and Other Expenses	20	**7,943.65**	7,106.75
Financial Expenses (net)	21	**14,594.61**	10,787.81
Loss on sale of Investment in an Associate		**-**	3.46
Depreciation/Amortisation		**14,679.14**	10,228.70
		73,201.00	49,146.22
Profit before Tax, Prior Period Items and Extraordinary Item		**50,751.43**	35,346.43
- Prior Period Items (Refer Note 10 of Schedule 23)		**(2,165.25)**	(129.51)
Profit before Tax and Extraordinary Item		**48,586.18**	35,216.92
- Extraordinary item		**-**	1,166.13
Profit before Tax		**48,586.18**	36,383.05
Provision For Taxation			
- Current Tax (net of reversal of Rs.1,457.46 lacs for the previous year)		**(67.39)**	2,603.97
- Deferred Tax Charge		**5,252.15**	13,030.95
- Fringe Benefit Tax		**148.98**	181.36
- MAT Credit Utilised		**-**	(475.54)
Profit after Tax		**43,252.44**	21,042.31
Pre-acquisition Profits adjusted against goodwill		**-**	129.50
Share in current years Profit / (Loss) of Associates (net)		**-**	(130.00)
Net Profit attributable to shareholders of Mundra Port And Special Economic Zone Ltd.		**43,252.44**	21,041.81
Balance brought forward from Previous Year		**23,431.11**	9,480.59
Amount available for Appropriation		**66,683.55**	30,522.40
Less : - Appropriations :			
Interim Dividend on Equity Shares		**8,015.69**	-
Dividend on Preference Shares		**0.03**	0.03
Proposed final dividend on Equity Shares		**4,006.79**	1,067.06
Transfer to Capital Redemption Reserve		**14.06**	14.02
Transfer to General Reserve		**4,610.85**	6,010.18
Balance Carried to Balance Sheet		**50,036.13**	23,431.11
Basic and Diluted Earnings per Share	22		
Nominal Value of each share Rs. 10			
- Computed on the basis of earnings including extraordinary items		**10.79**	5.61
- Computed on the basis of earnings excluding extraordinary items		**10.79**	5.41
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the profit and loss account.

As per our report of even date	**For and on behalf of the Board of Directors**	
For S. R. BATLIBOI & ASSOCIATES	**Gautam S. Adani**	**Rajesh S. Adani**
Chartered Accountants	*Chairman and Managing Director*	*Director*
per Sudhir Soni	**Ameet H. Desai**	**Dipti Shah**
Partner	*Executive Director*	*Company Secretary*
Membership No. 41870		
Place: Mumbai	**Place: Ahmedabad**	
Date: 20th May, 2009	**Date: 20th May, 2009**	

ADANI

Consolidated Cash Flow Statement for the year ended 31st March, 2009

		For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
A.	**Cash Flow from Operating Activities**		
	Net profit before taxation, and extraordinary items	**48,586.18**	35,216.92
	Adjustments for:		
	Depreciation	**14,679.14**	10,228.70
	Sundry Balances written off (Net)	**40.95**	12.15
	Provision written back	**(0.98)**	(156.77)
	Provision for Doubtful Debts and Advances	**-**	59.01
	Amortisation of Amounts Received under Long Term Infrastructure Usage Agreements	**(2,913.63)**	(5,920.56)
	Interest Expense	**21,136.10**	13,491.75
	Unrealised Foreign Exchange (Gain) / Loss	**(230.26)**	(88.60)
	Unrealised derivative (Gain) / Loss	**2,798.00**	-
	Interest Income	**(10,210.35)**	(1,958.35)
	Profit on sale of Current Investments	**(2,439.16)**	(2,492.76)
	Provision for diminution in value of Investment	**-**	100.00
	Dividend Income	**(194.36)**	(33.02)
	(Profit)/Loss on sale of Fixed Assets	**(1,517.80)**	(53.63)
	Operating Profit before Working Capital Changes	**69,733.83**	48,404.84
	Adjustments for:		
	Decrease/ (Increase) in Debtors	**7,259.44**	1,964.10
	(Increase) in Inventories	**(818.86)**	(805.54)
	(Increase)/ Decrease in Loans and Advances	**(9,799.67)**	(5,298.53)
	Increase in Unamortized balance of Amounts Received under Long Term Infrastructure Usage Agreements	**2,282.35**	11.96
	Increase in Current Liabilities and Provisions	**2,233.85**	7,267.55
	Cash Generated from Operations	**70,890.94**	51,544.38
	Direct Taxes paid (Net)	**(2,445.35)**	(444.69)
	Cash Fow before extraordinary item	**68,445.59**	51,099.69
	Extraordinary item	**-**	1,166.13
	Net Cash from Operating Activities	**68,445.59**	52,265.82
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	**(159,225.11)**	(137,097.18)
	Purchase of Investments / Share application money paid	**(160,654.64)**	(398,450.92)
	Sale of Investments (Refer note 2 below)	**165,937.42**	403,523.35
	Sale of Fixed Assets	**7,845.47**	1,081.24
	Dividend Income	**194.36**	33.02
	Interest Received	**9,718.69**	1,554.21
	Net Cash used in Investing Activities	**(136,183.81)**	(129,356.28)

Consolidated Cash Flow Statement for the year ended 31st March, 2009

		For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
C.	**Cash Flow from Financing Activities**		
	Procurement of Long Term Borrowings	**88,714.62**	89,341.62
	Repayment of Long Term Borrowings	**(17,781.94)**	(10,925.03)
	Inter-corporate deposit/ loans given	**33,440.00**	435.96
	Inter-corporate deposit received	**(33,440.00)**	-
	Inter-corporate deposit received	**2,500.00**	-
	Inter-corporate deposit refund	**(2,500.00)**	-
	Interest & Finance Charges Paid	**(20,722.64)**	(12,879.81)
	Proceeds from Issue of Equity Shares	**261.25**	177,263.68
	Miscellaneous Expenditure	**(754.25)**	(5,234.19)
	Payment of Dividend	**(14,025.87)**	-
	Government Grant Received	**529.38**	742.75
	Net Cash Flow from Financing Activities	**36,220.55**	238,744.98
D.	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**(31,517.67)**	161,654.52
E.	**Cash and Cash Equivalents at start of the period**	**165,345.72**	3,691.20
F.	**Cash and Cash Equivalents at close of the period**	**133,828.05**	165,345.72
	Components of Cash & Cash Equivalents		
	Cash and Cheques on Hand	**27.20**	216.34
	Balances with Scheduled Banks		
	- On Current Accounts	**16,543.73**	8,266.42
	- On Margin Money Account	**1,707.17**	788.11
	- On Fixed Deposit Accounts	**101,637.09**	77,472.86
	- On Liquid Investment	**13,912.86**	78,601.99
		133,828.05	165,345.72

Notes:

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
2. Components of cash and cash equivalents does not includes share application money refundable Rs.20.39 lacs (previous year Rs. 954.36 lacs), balance in dividend accounts Rs. 40.61 lacs (Previous Year Rs. 0.25 lacs) and margin/term deposit above 90 days Rs. 9,537.05 lacs (Previous Year Rs. 2,592.40 lacs).
3. Previous year's figures have been regrouped where necessary to conform to the year's classification.
4. Figures in brackets represents Cash Outflow.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

ADANI

Schedules forming part of the Consolidated Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 1 : Share Capital		
Authorised		
5,000,000 (Previous Year 5,000,000) 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 10 each	**500.00**	500.00
995,000,000 (Previous Year 995,000,000) Equity Shares of Rs.10 each.	**99,500.00**	99,500.00
	100,000.00	100,000.00
Issued, Subscribed and Paid-up		
Preference Share Capital		
2,811,037 (Previous Year 2,811,037) 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Redeemable at a premium of Rs. 990 per Share on 28/03/2024)	**281.10**	281.10
Equity Share Capital		
400,678,820 (Previous Year 400,678,820) fully paid up Equity Shares of Rs. 10 each	**40,067.88**	40,067.88
	40,348.98	40,348.98

Notes:

Out of the above

(i) 180,214,410 Equity Shares of Rs. 10 each were allotted as fully paid up Bonus shares by capitalisation of Securities Premium Account and Profit and Loss Account balance.

(ii) 40,216,410 Equity Shares of Rs. 10 each were allotted to the shareholders of Adani Port Limited, as fully paid up pursuant to the scheme of amalgamation, for consideration other than cash.

(iii) 224,146,540 Equity Shares (Previous Year 144,777,330) equity shares of Rs. 10 each are held by Adani Infrastructure Services Private Limited, the Holding Company. The Company became subsidiary of Adani Infrastructure Services Private Limited in the current year.

Schedules forming part of the Consolidated Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 2 : Reserves and Surplus		
Capital Reserve		
Balance as per last Account	**1,062.22**	319.46
Add : Government grant received during the year	**545.48**	742.76
	1,607.70	1,062.22
Capital Redemption reserve		
Balance as per last Account	**56.22**	42.20
Add: Transferred from Profit and Loss Account	**14.06**	14.02
	70.28	56.22
Preference Share Capital Redemption Reserve		
Balance as per last Account	**5,565.89**	4,174.43
Add: Transferred from Securities Premium Account	**1,391.46**	1,391.46
	6,957.35	5,565.89
Securities Premium Account		
- Preference		
Balance as per last Account	**22,263.46**	23,654.92
Less: Transferred to Preference Share Capital Redemption Reserve	**(1,391.46)**	(1,391.46)
	20,872.00	22,263.46
- Equity		
Balance as per last Account	**167,260.45**	-
Add: Received as per Initial Public Offer	**-**	173,075.00
Less: Miscellaneous Expenditure adjusted (Refer Note 25 of Schedule 23)	**(754.25)**	(5,814.55)
	166,506.20	167,260.45
Debenture Redemption Reserve		
Balance as per last Account	**148.75**	183.75
Less: Transferred to General Reserve	**(35.00)**	(35.00)
	113.75	148.75
General Reserve		
Balance as per last Account	**1,856.74**	751.84
Add: Transferred from Profit & loss Account	**4,610.85**	1,067.06
Add: Transferred from Debenture Redemption Reserve	**35.00**	37.84
Add/(Less): Adjustment for Exchange Fluctuation (Refer note 3 (c) of Schedule 23)	**(55.91)**	-
	6,446.68	1,856.74
Balance in Profit and Loss Account	**50,036.13**	23,431.11
	252,610.09	221,644.84

Schedules forming part of the Consolidated Balance Sheet

	As at 31st March 2009 Rs. in Lacs	As at 31st March 2008 Rs. in Lacs
Schedule - 3 : Secured Loans		
Debentures		
1,400,000 (Previous Year 1,400,000) 15% Secured Non-Convertible Redeemable Debentures of Rs.100 each (Redeemable at par in 40 equal quarterly installments commencing from August, 2002, 27 installments paid till 31st March, 2009)	**455.00**	595.00
Term Loans from Banks		
Rupee Loans (Refer Note 5,6,7 and 10 below)	**150,594.12**	130,152.80
Foreign Currency Loans (Refer Notes 2, 3, 4 and 11 below)	**57,828.76**	31,544.18
Suppliers and Contractors Bills accepted under letters of credit issued against Secured Term Loans sanctioned by Banks	**41,269.27**	10,423.62
	249,692.15	172,120.60
Term Loans from Financial Institutions		
Rupee Loans (Refer Note 8 below)	**25,959.77**	27,479.61
Foreign Currency Loans	**3,802.85**	3,977.75
	29,762.62	31,457.36
Vehicle Loans from a Bank	**-**	2.48
(Secured by hypothecation of the respective Vehicle)		
Interest accrued and due on loans	**-**	249.08
	279,909.77	204,424.52

Notes:

1. Debentures amounting to Rs. 455.00 lacs (Previous Year Rs. 595.00 lacs), Secured Rupee Term Loans aggregating to Rs. 10,841.42 lacs and Secured Foreign Currency Loans aggregating to Rs. 8,240.83 lacs (Previous Year Rs. 13,854.02 lacs and Rs. 1,931.46 lacs respectively) from Banks and Rupee Term Loans aggregating to Rs. 600.00 lacs and Foreign Currency loans aggregating to Rs. 3,802.85 lacs (Previous Year Rs. 750.00 lacs and Rs. 3,977.75 lacs respectively) from Financial Institutions are secured by first mortgage and charge on all the immovable and movable assets of the Company (save & except assets on which exclusive charge is created as stated elsewhere), both present and future, on *pari passu* basis, subject to prior charges of Banks on specified movable assets which may be created in their favour by way of security for working capital facilities and further secured by a second charge on the immovable and movable assets (including receivables) pertaining to the SPM Project and also secured by a second charge on the immovable and movable assets pertaining to Container Terminal-II and Terminal-II Assets, referred to in Note Nos. 2, 4, 5, 6 & 7 below.
2. Foreign Currency Loans from Banks include Term Loans amounting to Rs. 5,502.60 lacs and Rs. 4,738.35 lacs (Previous Year Rs. 5,182.23 lacs and Rs. Nil) respectively from State Bank of India and Yes Bank Ltd. for the purchase of Tugs, secured by exclusive charge on the Tugs; and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.
3. Foreign Currency Loans from Banks include Term Loans amounting to Rs. 1,345.45 lacs, Rs. 8,276.47 lacs, Rs. 6,493.07 lacs and Rs. 3,024.99 lacs (Previous Year Rs. 1,357.07 lacs, Rs. Nil, Rs. 2,413.19 lacs and Rs. 2,828.20 lacs) respectively from Hypo Und Vereins Bank, Germany, State Bank of India, Axis Bank and Syndicate Bank for the purchase of Cranes secured by exclusive charge on the Cranes.
4. Foreign Currency Loans from Banks include Term Loans amounting to Rs. 18,851.50 lacs, Rs. 10,088.10 lacs and Rs. 7,061.67 lacs (Previous Year Rs. 8,393.70 lacs, Rs. 7,914.06 lacs and Rs. Nil) respectively from State Bank of India, Nassau, Axis Bank, DIFC and UCO Bank for the purchase of Dredger, secured by exclusive charge on Dredger; and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.
5. Secured Term Loans from Banks include Term Loans aggregating to Rs. 59,236.06 lacs (Previous Year Rs. 55,859.53 lacs) secured by first mortgage and charge on all the immovable and movable assets of Container Terminal - II Project and further by a second mortgage and charge on the Company's other immovable and movable assets, both present and future, on *pari passu* basis, over which the first charge is created in respect of the loans referred to at Note 1 above.
6. Secured Term Loans from Banks include Term Loans aggregating to Rs. 53,111.73 lacs (Previous Year Rs. 54,815.05 lacs) secured by first mortgage and charge on all the immovable and movable assets of Terminal-II Assets and its extension and further by a second mortgage and charge on the Company's other immovable and movable assets, both present and future, on *pari passu* basis, over which the first charge is created in respect of the loans referred to at Note 1 above.

Schedules forming part of the Consolidated Balance Sheet

Schedule - 3 : Secured Loans (Contd.)

7. Secured Term Loans from Banks include Term Loans aggregating to Rs. 1,467.72 lacs (Previous Year Rs. 1,875.76 lacs) secured by exclusive charge on the Tugs; and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.

8. Secured Rupee Term Loans from Financial Institutions include Term Loan aggregating to Rs. 25,359.77 lacs (Previous Year Rs. 26,729.61 lacs) from Infrastructure Development Finance Company Limited, secured by first mortgage and charge on all the immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project and the fixed charges pertaining to that project receivable from Indian Oil Corporation Limited and further secured by a second mortgage and charge on the Company's other immovable and movable assets (including receivables), both present and future, over which the first charge is created in respect of the Loans referred to at Note 1 above.

9. Debentures; Term Loans from Banks and Financial Institutions; Letter of Credits from Banks and Vehicle Loans from a Bank include amounts repayable within one year aggregating to Rs. 16,407.13 lacs (Previous Year Rs. 9,303.00 lacs).

10. Secured Term Loans taken by the subsidiaries and a joint venture entity include Rupee Term Loans aggregating to Rs. 25,937.19 lacs and Secured Foreign Currency Loan aggregating to Rs. 25,475.00 lacs (Previous Year Rs. 4,000.00 lacs and Rs. 8,004.40 lacs respectively) from Banks are secured by equitable mortage of immovable properties of the Company and first charge by way of hypothecation of all movable and intangible assets. Out of the above, Rupee Term Loan aggregating to Rs. 8,562.62 lacs and Foreign Currency Loan are further secured by assignment of book debts, operating cash flows, revenues and receivables of projects of Inland Conware Private Limited. Further, Rupee Term Loan aggregating to Rs. 12,874.58 lacs of Adani Logistcis Limited and Rs. 4,500.00 lacs of Adani Petronet (Dahej) Port Private Limited are also secured by pledge of 51% paid-up Equity Share Capital of the Company till completion of the Project and 30% thereafter and all current assets of the Company respectively.

11. Foreign Currency Loan taken by a subsidiary of Rs. Nil (Previous Year Rs. 3,943.50 lacs) from State Bank of India, Hong Kong, for the Aircraft, is secured by exclusive charge on the Aircraft.

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 4 : Unsecured Loans		
From Others		
Inter Corporate Deposit	**-**	179.50
Suppliers Credit	**9,662.36**	2,197.85
	9,662.36	2,377.35

Note : Term Loan from Bank and Inter Corporate Deposits include amounts repayable within one year aggregating to Rs. Nil (Previous Year Rs. 179.50 lacs)

Schedule - 5 : Amounts received/receivable under Long-term Lease/Infrastructure Usage Agreements		
Balance as per last Account	**65,679.10**	71,587.70
Add: Received during the period	**2,282.35**	11.96
Less: Transferred to Income from Operations	**(2,913.63)**	(5,920.56)
	65,047.82	65,679.10
Schedule - 6 : Deferred Tax Liability (Net)		
Deferred Tax Liabilities		
Differences in amortisation of intangible assets as per tax books and financial books	**478.52**	590.72
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	**23,260.33**	17,150.87
Total	**23,738.85**	17,741.59
Deferred Tax Assets		
Effect of expenditure debited to profit & loss account in the current year/earlier years but allowable for tax purpose in the following years	**778.39**	33.30
Total	**778.39**	33.30
Net Deferred Tax Liability	**22,960.46**	17,708.29

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Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 7: FIXED ASSETS

Rupees in Lacs

		Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
Sr. No.	Particulars	As at 01-04-2008	Additions /	Deductions/ Adjustments	**As at 31-03-2009**	Up to 01-04-2008	For the period	Deductions/ Adjustments	**Up to 31-03-2009**	**As at 31-03-2009**	As at 31-03-2008
	INTANGIBLE ASSETS										
1	Goodwill	8,130.20	-	-	**8,130.20**	1,404.12	281.34	-	**1,685.46**	**6,444.74**	6,726.12
2	Software	1,450.59	509.44	-	**1,960.03**	381.70	470.33	-	**852.03**	**1,108.00**	1,068.63
3	Liscense Fees - Indian Railways	5,000.00	-	-	**5,000.00**	125.34	250.00	-	**375.34**	**4,624.66**	4,874.71
	TANGIBLE ASSETS										
4	Leasehold Land	54.08		-	**54.08**	0.57	0.00	-	**0.57**	**53.51**	53.54
5	Leasehold Land Development	6,508.38	115.50	-	**6,623.88**	797.67	251.39	-	**1,049.06**	**5,574.82**	5,710.73
6	Freehold Land	13,816.80	3,648.31	-	**17,465.11**	-	2.29	-	**2.29**	**17,462.82**	13,816.85
7	Buildings	42,645.98	11,255.54	-	**53,901.52**	2,091.29	882.05	-	**2,973.34**	**50,928.18**	40,551.22
8	Marine Structures	58,489.88	154.81	-	**58,644.69**	5,684.24	2,302.90	-	**7,987.14**	**50,657.55**	52,806.54
9	Dredged Channels	53,473.89	1,576.97	-	**55,050.86**	4,261.05	2,207.84	-	**6,468.89**	**48,581.97**	49,212.83
10	Tugs & Boats	15,688.83	6,865.45	1,657.65	**20,896.63**	2,438.15	1,298.83	694.14	**3,042.84**	**17,853.79**	13,250.74
11	Railway Tracks	14,143.61	806.41	-	**14,950.02**	3,233.05	700.16	-	**3,933.21**	**11,016.81**	11,223.14
12	Plant and Machinery	103,152.74	44,559.05	18.66	**147,693.13**	14,720.94	9,203.86	0.15	**23,924.65**	**123,768.48**	88,094.32
13	Aircrafts	5,274.84	6,973.99	5,274.84	**6,973.99**	161.86	147.37	-	**309.23**	**6,664.76**	5,112.95
14	Wagons	2,269.81	5,977.37	-	**8,247.18**	144.02	206.82	-	**350.84**	**7,896.34**	2,125.84
15	Office Equipment, Furniture & Fixtures	2,037.03	211.25	36.40	**2,211.88**	566.93	133.77	7.66	**693.04**	**1,518.84**	1,494.32
16	Computer Hardware	1,145.75	513.11	-	**1,658.86**	377.02	215.56	-	**592.58**	**1,066.28**	772.02
17	Vehicles	666.93	377.40	80.46	**963.87**	172.23	84.31	38.39	**218.15**	**745.72**	494.60
		333,949.34	83,544.60	7,068.01	**410,425.93**	36,560.18	18,638.82	740.34	**54,458.66**	**355,967.27**	297,389.10
	Capital Work-in-Progress									**158,361.73**	47,297.78
	Capital Advances									**3,586.87**	22,041.70
	Total									**517,915.87**	366,728.57
	Previous Year	223,494.10	112,508.89	2,053.65	**333,949.34**	25,092.30	11,858.60	390.70	**36,560.20**	**366,728.57**	

Notes:

i) Foreign Exchange Fluctuation:

Addition/(Deletions) to Buildings, Marine Structures, Dredged Channel, Tugs and Plant & Machinery during the year include Rs.185.13 lacs (Previous Year Rs. (84.40) lacs), Rs. 161.76 lacs (Previous Year Rs. (87.70) lacs), Rs. 554.16 lacs (Previous Year Rs. (200.00) lacs), Rs. 1,964.89 lacs (Previous year Rs. (253.90) lacs and Rs. 8,102.08 lacs (Previous Year Rs. (9.30) lacs) respectively, on account of foreign exchange fluctuations. The above Addition/(Deletion) also includes exchange difference capitalized during the year Rs. 8,815.52 lacs (Previous Year Rs. Nil) on account of Companies (Accounting Standards) Amendment Rules, 2009.

ii) Depreciation of Rs. 4,156.95 lacs (Previous Year Rs. 1,241.10 lacs) relating to the project assets has been transferred to Expenditure During Construction Period.

iii) Freehold Land includes land development cost of Rs. 1,020.40 lacs (Previous Year Rs. 1,020.40 lacs).

iv) Plant and Machinery includes cost of Water Pipeline amounting to Rs. 389.80 lacs (Previous Year Rs. 389.80 lacs), which is constructed on land not owned by the Company.

v) Capital Work-in-Progress includes Expenditure During Construction Period of Rs. 4,348.33 lacs(Previous Year Rs. 13,430.50 lacs) and Capital Inventory of Rs. 9,711.65 lacs (Previous Year Rs. 5,206.60 lacs), details of which have been given in Note 18 of Schedule 23.

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 8 : Investments		
Current Investments, Quoted		
In Units of Mutual Funds		
Nil (Previous Year - 48,121,466) of JM Money Manager Super Plus Fund (Face Value Rs. 10 each)	-	5,291.51
Nil (Previous Year - 52,212,448) of DWS Credit Opportunity Cash Fund - Growth (Face Value Rs. 10 each)	-	5,420.51
Nil (Previous Year - 46,905,195) of DWS Quarterly Interval Fund Series - I (Face Value Rs. 10 each)	-	5,000.00
50,000,000 units (Previous Year - 50,000,000) of DWS Fixed Term Fund Series 46 (Face Value Rs. 10 each)	**5,000.00**	5,000.00
Nil (Previous Year - 98,554,941) of DWS Money Plus Advantage Fund (Face Value Rs. 10 each)	-	10,002.41
Nil (Previous Year - 26,703,105) of DWS Liquid Plus Fund - Regular Growth Plan (Face Value Rs. 10 each)	-	3,503.40
Nil units (Previous Year - 5691475) of DWS Money Plus Fund - Daily Dividend (Face Value Rs 10 each)	-	570.75
5,000,000 (Previous Year - Nil) of DWS Short Maturity Fund Institutional Weekly Dividend Plan) (Face Value Rs. 10 each)	**500.00**	-
2,485,841 (Previous Year - Nil) of DWS Ultra Short term Fund - Institutional Plan - Daily Dividend (Face Value Rs. 10 each)	**248.96**	-
Nil (Previous Year - 39,368,162) of HDFC Cash Management Fund (Face Value Rs. 10 each)	-	6,744.11
Nil (Previous Year - 132,657) of DSP Merrill Lynch Fund (Face Value Rs. 1,000 each)	-	1,354.60
Nil (Previous Year - 25,000,000) of Reliance Fixed Horizon Fund VI Series (Face Value Rs.10 each)	-	2,500.00
75,000,000 (Previous Year - 75,000,000) of Reliance Fixed Horizon Fund V Series (Face Value Rs.10 each)	**7,500.00**	7,500.00
Nil (Previous Year - 50,000,000) of ICICI Prudential FMP Series 39 (Face Value Rs. 10 each)	-	5,000.00
Nil (Previous Year - 28,113,579) of ICICI Prudential Interval Fund Quarterly (Face Value Rs.10 each)	-	3,000.00
Nil (Previous Year - 50,000,000) of UTI HF MP-03/08 (Face Value Rs.10 each)	-	5,000.00
391 (Previous Year - Nil) of UTI Liquid Plus Institutional Plan - Daily Dividend (Face Value Rs.1,000 each)	**3.91**	-
Nil (Previous Year - 29,370,301) of BSL Interval Income Fund Institutional Quarterly (Face Value Rs. 10 each)	-	3,000.00
Nil (Previous Year - 39,475,450) of Birla Dynamic Bond Fund Retail Growth (Face Value Rs. 10 each)	-	5,000.00
Nil (Previous Year - 16,560,157) of B332G Birla Sun Life Liquid Plus Institutional Growth (Face Value Rs. 10 each)	-	2,500.60
Nil (Previous Year - 22,141,175) of SBI SHF Liquid Plus Fund (Face Value Rs. 10 each)	-	2,214.10
40,598,466 (Previous Year - Nil) of SBI Magnum Insta Cash Fund - Daily Dividend Option (Face Value Rs. 10 each)	**405.98**	-
24,531,048 (Previous Year - Nil) of Tata Floater Fund (Face Value Rs. 10 each)	**254.01**	-
	13,912.86	78,601.99
In Bonds		
Nil (Previous Year - 2,500,000) 9% Canbank NCB 09-01-2018 of 100 each	-	2,493.75
Nil (Previous Year - 2,000,000) 10.10% SBI NCB 12-08-2022 of 100 each	-	2,130.00
	-	4,623.75
Long-term Investments		
Trade, Unquoted		
40,000,000 (Previous Year - 40,000,000) fully paid Equity Shares of Rs. 10 each fully paid up of Kutch Railway Company Limited	**4,000.00**	4,000.00
8,580 (Previous Year - 5,230) fully paid Equity Shares of Rs. 100 each of Adinath Polyfills Private Limited	**2,806.78**	1,737.00
Bharuch Dahej Railway Company Limited	**1.25**	-
	6,808.03	5,737.00
In Subsidiary Companies		
Unquoted		
Nil (Previous Year - Nil) fully paid Equity Shares of Rs. 10 each of Adani Logistics Limited	-	-
Add : Share in opening accumulated profits	-	1.90
Add : Share in profit/(loss) for the current year	-	(131.40)
Less: Profits attributable to conversion of associate to 100% subsidiary	-	129.50

Schedules forming part of the Consolidated Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 8 : Investments (Contd.)		
Nil (Previous Year - Nil) fully paid up shares of Rs. 10 each of Adani Mundra SEZ Infrastructure Private Limited		
Add : Share in opening accumulated profits	**-**	0.21
Add : Share in profit for current year	**-**	0.14
Less: Profits/(Loss) attributable to stake sold during the year	**-**	(0.35)
	-	-
Total Investments	**20,720.89**	88,962.74
Less: Diminution in the value of Current Investments	**-**	(100.00)
	20,720.89	88,862.74

1. Aggregate cost of quoted investments as at 31st March, 2009 Rs.13,912.86 lacs (Previous Year - Rs. 83,125.74 lacs)
2. Aggregate cost of unquoted investments as at 31st March, 2009 Rs. 6,803.03 lacs (Previous Year - Rs. 5,737.00 lacs)
3. Market value of quoted investments as at March 31, 2009 Rs.15,211.72 lacs (Previous year - Rs. 84,350.30 lacs)
4. 5,180 Shares (Previous Year - 5,230 Shares) of Rs. 100 each of Adinath Polyfills Private Limited are not held by the Company in its own name as on the Balance Sheet date.

Schedule - 9 : Inventories		
Stores and Spares	**2,668.20**	1,849.34
	2,668.20	1,849.34
Schedule - 10 : Sundry Debtors (Unsecured)		
Debts Outstanding for a period more than six months		
- Considered good (Refere Note 13 of Schedule 23)	**8,337.05**	19,107.52
- Considered doubtful	**158.91**	166.66
Other Debts		
- Considered good	**14,592.45**	11,081.42
	23,088.41	30,355.60
Less: Provision for doubtful debts	**(158.91)**	(166.66)
	22,929.50	30,188.94
Schedule - 11 : Cash and Bank Balances		
Cash and Cheques on Hand	**27.20**	216.34
Balances with Scheduled Banks:		
- On Current Accounts	**16,543.73**	8,266.42
- On Share Application Refund Accounts	**20.39**	954.36
- On Dividend Accounts	**40.61**	0.25
- On Margin Money Accounts	**11,244.22**	3,380.51
- On Fixed Deposit Accounts (Refer Note 24(b) of Schedule 23)	**101,637.09**	77,472.86
	129,513.24	90,290.74

Note: Margin Money and Fixed Deposit includes Rs. 11,243.55 lacs (Previous Year Rs. 3,651.20 lacs) pledged against bank guarantees and letter of credit

Schedules forming part of the Consolidated Balance Sheet

	As at 31st March, 2009 Rs. in Lacs	As at 31st March, 2008 Rs. in Lacs
Schedule - 12 : Other Current Assets		
Interest Accrued on Deposits and Loans	**949.70**	458.04
Accrued Revenue	**4,520.46**	4,055.90
	5,470.16	4,513.94
Schedule - 13 : Loans and Advances		
(Unsecured, Considered Good except to the extent stated)		
Advances Recoverable in Cash or in Kind or for Value to be Received (Includes Rs. Nil; Previous Year Rs. 80.50 lacs, considered doubtful)	**3,217.39**	2,605.58
Balance with Excise & Custom Authorities (Includes Rs. 250.00 lacs; Previous Year Rs. 250.00 lacs earmarked against demand by the Excise department)	**1,843.00**	370.92
Advance Income Tax (Net of Provision Rs. 2,520.07 lacs; Previous Year Rs. 2,609.68 lacs)	**1,165.78**	-
Advance Fringe Benefit Tax (Net of Provision Rs. 327.24 lacs; Previous Year Rs. 175.30 lacs)	**-**	8.48
Share Application Money (Pending allotment)	**3,458.58**	2,849.48
Deposits - Others	**1,844.94**	1,651.34
	11,529.69	7,485.80
Less: Provision for Doubtful Advances	**-**	(80.50)
	11,529.69	7,405.30
Schedule - 14 : Current Liabilities		
Sundry Creditors		
- Micro, Small and Medium Enterprises	**19.81**	33.70
- Others	**19,564.04**	14,948.31
Advances/Deposits from Customers	**11,551.28**	10,897.60
Equity Share Application Money Refundable*	**20.39**	954.35
Interest Accrued but not Due on Loans	**1,282.10**	619.56
Unearned Income	**887.55**	774.14
Dividend Payable*		
- Equity Shares	**40.48**	-
- Preference Shares	**0.01**	-
Other Liabilities	**1,324.64**	1,159.49
	34,690.30	29,387.15
* Not due to credit to "Investors Education and Protection Fund"		
Schedule - 15 : Provisions		
Provision for Income Tax (Net of Advance Tax Rs. 3,685.86 lacs; Previous Year Rs. 1,409.37 lacs)	**-**	1,200.30
Provision for Fringe Benefit Tax (Net of Advance Tax Rs. 324.92 lacs; Previous Year Rs. 185.25 lacs)	**2.32**	-
Proposed Dividend on Equity Shares	**4,006.79**	6,010.18
Proposed Dividend on Preference Shares	**-**	0.03
Leave Encashment	**274.49**	243.20
Gratuity	**19.17**	84.71
Operational Claims (Refer Note 23 of Schedule 23)	**393.67**	402.81
	4,696.44	7,941.23
Schedule - 16 : Miscellaneous Expenditure (to the extent not written-off or adjusted)		
Opening balance	**8.64**	589.00
Addition during the year - Share Issue Expenses	**754.25**	5,234.19
- Foreign Currency Monetary Item Translation Difference Account	**193.69**	-
	956.58	5,823.19
Less : Adjusted against Securities Premium Account (Refer Note 25 of Schedule 23)	**(754.25)**	(5,814.55)
	202.33	8.64

Schedules forming part of the Consolidated Profit And Loss Account

	For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
Schedule - 17 : Other Income		
Dividend Income	**194.36**	33.02
Sale of Scrap	**246.53**	36.77
Profit on Sale of Current Investments	**2,439.16**	2,492.76
Profit on Sale of Fixed Asset	**1,517.80**	53.63
Unclaimed Liabilities / Excess Provision written back	**0.98**	156.77
Miscellaneous Income	**60.71**	17.40
	4,459.54	2,790.35
Schedule - 18 : Operating Expenses		
Handling and Storage Expenses	**17,761.46**	9,769.65
Customer Claims (including provision for demurrage Rs. 88.56 lacs; Previous Year Rs. 29.56 lacs)	**91.79**	533.00
Railway Operating Expenses	**3,158.02**	2,007.76
Tug and Pilotage Charges	**531.07**	515.56
Maintenance Dredging	**392.75**	11.90
Other Marine Expenses	**254.20**	172.10
Repairs to Buildings	**407.25**	458.45
Repairs to Plant & Machinery	**2,128.84**	1,267.36
Power & Fuel	**3,179.91**	2,190.27
Waterfront Charges	**1,986.12**	1,432.45
Construction Contract Expenses	**2,054.45**	-
	31,945.86	18,358.50
Schedule - 19 : Personnel Expenses		
Salaries, Wages and Bonus	**3,465.39**	2,129.63
Leave Encashment Expenses	**29.06**	190.16
Contribution to Provident & Other Funds	**270.40**	162.07
Gratuity	**97.68**	93.64
Workmen and Staff Welfare Expenses	**175.21**	85.50
	4,037.74	2,661.00
Schedule - 20 : Administrative and Other Expenses		
Rent	**242.35**	264.45
Rates and Taxes	**170.61**	194.79
Insurance	**428.33**	472.09
Advertisement and Publicity	**556.14**	157.76
Other Repairs and Maintenance	**531.51**	268.45
Legal and Professional Expenses	**1,524.56**	818.24
Travelling and Conveyance	**499.89**	680.41
Payment to Auditors	**46.55**	33.98
Director Sitting Fee	**7.20**	4.90
Director Commission	**385.18**	705.07
Charity & Donations (Includes Rs. 100.25 lacs paid to Congress I and Rs. 75 lacs paid to Bharatiya Janata Party; Previous Year includes Rs. 50.00 lacs paid to Bharatiya Janata Party)	**1,767.10**	1,321.60
Loss on diminution in the value of Current Investments	**-**	100.00
Sundry Balances Written Off (Net)	**40.95**	12.16
Provision for Doubtful Debts and Advances	**-**	59.01
Other Expenses	**1,743.28**	2,013.84
	7,943.65	7,106.75

Schedules forming part of the Consolidated Profit And Loss Account

	For the year ended 31st March, 2009 Rs. in Lacs	For the year ended 31st March, 2008 Rs. in Lacs
Schedule - 21 : Financial Expenses		
Interest on Debentures	**77.92**	99.16
Interest on other Fixed Loans	**21,058.18**	13,392.59
Loss on Forward Exchange Variation and Derivatives	**3,338.15**	-
Bank and Other Finance Charges	**330.71**	134.39
	24,804.96	13,626.14
Less:		
Interest on Bank Deposits, Inter Corporate Deposits, Govt. Securities etc. (Tax Deducted at Source Rs. 600.37 lacs (Previous Year : Rs. 210.10 lacs)	**10,210.35**	1,958.35
Gain on Forward Contracts and Derivatives	**-**	879.98
	14,594.61	10,787.81
Schedule 22 : Earnings Per Share (EPS)		
Opening number of Equity Shares for calculating Basic and Diluted EPS	**4,006.79**	3,604.29
Issued during the year	**-**	402.50
Closing number of Equity Shares for Calculating Basic and Diluted EPS	**4,006.79**	4,006.79
a. Computation on the basis of earnings including extraordinary items		
Net profit as per Profit and Loss Account including extraordinary items	**43,252.44**	21,041.81
Less : Dividend on Non Cummulative Preference Shares	**0.03**	0.03
Net profit attributable to equity share holders	**43,252.41**	21,041.78
Weighted number of Equity Shares considered for Calculating Basic and Diluted EPS	**4,006.79**	3,749.45
Basic and Diluted Earnings per Share in Rupees	**10.79**	5.61
b. Computation on the basis of earnings excluding extraordinary items		
Net profit as per Profit and Loss Account excluding extraordinary items (net of the tax expense)	**43,252.44**	20,272.05
Less : Dividend on Non Cummulative Preference Shares	**0.03**	0.03
Net profit attributable to equity share holders	**43,252.41**	20,272.02
Number of Equity Shares considered for Calculating Basic and Diluted EPS	**4,006.79**	3,749.45
Basic and Diluted Earnings per Share in Rupees	**10.79**	5.41

NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS OF MUNDRA PORT AND SPECIAL ECONOMIC ZONE ITS SUBSIDIARIES AND ASSOCIATES

Schedule - 23 : Notes to Consolidated Accounts

1. Nature of operations

Mundra Port And Special Economic Zone Limited (MPSEZL) (erstwhile Gujarat Adani Port Limited) is the developer and operator of the Mundra Port pursuant to the concession agreement with Government of Gujarat (GOG) and Gujarat Maritime Board for 30 years effective from February 17, 2001, with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. This port is a deep water direct berthing port with natural draft of 17 mtrs.

Under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container Terminal Limited) and MPSEZL entered into on January 7, 2003, MPSEZL has given rights to MICTL to handle the container cargo for a period of 28 years i.e. upto February 17, 2031.

Consequent to the introduction of Special Economic Zone Act, 2005, Company has received the approval of Government of India vide their letter dated April 12, 2006, as a developer of Multi Product Special Economic Zone at Mundra and the surrounding areas. Keeping in view the synergy of its Port Business and SEZ Business, Mundra Special Economic Zone Limited was merged with the Company w.e.f. April 1, 2006. The Company is gradually developing infrastructure for Multi Product Special Economic Zone in the Mundra Region along with the Port facilities.

The Company's subsidiaries, joint venture and their nature of operations are as follows:

i. Adani Logistics Limited (ALL), a 100% subsidiary of MPSEZL, operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

ii. Inland Conware Private Limited (ICPL), a 100% subsidiary of MPSEZL, is setting up multi-modal cargo storage-cum-logistics services through development of inland container depots at various strategic locations.

iii. MPSEZ Utilities Private Limited (MUPL), a 100% subsidiary of MPSEZL, is in the process of planning, provision, operation, development, maintenance, improvement, of and extension of utility services of every description at Mundra Special Economic Zone in Kutch district.

iv. Rajasthan SEZ Private Limited (RSEZ), a 100% subsidiary of MPSEZL, is engaged in business of establishing and developing Special Economic Zone and Industrial Estates/Parks in the state of Rajasthan.

v. Mundra SEZ Textile and Apparel Park Private Limited (MITAP), a 67% subsidiary of MPSEZL, is in the process of setting up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district.

vi. Inland Conware (Ludhiana) Private Limited (ICLPL), a 100% subsidiary of ICPL and a step down subsidiary of MPSEZL, is engaged in the business of acquisition of land for setting up and running of inland container depots.

vii. Karnavati Aviation Private Limited (KAPL – erstwhile Gujarat Adani Aviation Private Limited), a 100% subsidiary of MPSEZL, is providing executive transport services through its aircraft.

viii. Adani Petronet (Dahej) Port Private Limited (APPPL), a 50% joint venture entity of MPSEZL, which is setting up bulk cargo port operations at Dahej, Gujarat.

2. Principles of consolidation

The Consolidated financial statements relate to the Mundra Port Group which comprises the financial statements of MPSEZL and its subsidiaries as well as joint venture entity as at 31 March 2009. In the preparation of consolidated financial statements, investment in the subsidiaries and joint venture entity have been accounted for in accordance with Accounting Standard (AS) 21 – 'Consolidated Financial Statements', AS 23 – 'Accounting for Investment in Associates in Consolidated Financial Statement' and AS 27 – 'Financial Reporting of interests in Joint Ventures', as notified accounting standards by Companies Accounting Standards Rules, 2006. Consolidated financial statements have been prepared on the following basis:

i. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions, except where cost cannot be recovered.

ii. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest. Interest in the assets, liabilities, income and expenses of the Joint Venture Entity are consolidated using the proportionate consolidation method after eliminating all significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions to the extent of Company's proportionate share, except where cost cannot be recovered.

iii. The difference between the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the investee companies as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

iv. Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

v. Investments in Associates are accounted for using the equity method. The excess cost of investment over the proportionate share in equity of Associate as at the date of acquisition of stake is identified as Goodwill and included in the carrying value of the Investment in the Associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the Associate prepares and presents consolidated financial statements, such consolidated financial statements of the Associates are used for the purpose of equity accounting. In other cases, audited standalone financial statements of Associates are used for the purpose of consolidation.

vi. Financial statements of the subsidiaries are prepared for the same reporting year as the parent company i.e. for the year ended March 31, 2009, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.

3. Statement of Significant Accounting Policies

a) Basis of Preparation

The consolidated financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention on accrual basis.

The accounting policies have been consistently applied by the Company and except for the change in accounting policy discussed more fully below are consistent with those used in the previous year.

b) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) **Changes in Accounting Policies:**

Exchange Differences on Long-term Foreign Currency Monetary Items

During the year 2007-08, the Company was charging off exchange differences arising on foreign currency monetary assets and liabilities towards acquisition of fixed assets to Profit and Loss Account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences for the above said year. As a result, such exchange differences so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset, and in other cases, have been accumulated in Foreign Currency Monetary Item Translation Difference Account and would be amortized over the balance period of such long term asset/liability but not beyond, accounting period ending on March 31, 2011.

In current year, such exchange differences, pertaining to accounting periods commencing on April 1, 2007 and ending on March 31, 2008. are transferred from General Reserve, to the extent they related to acquisition of depreciable capital assets are adjusted with the cost of such assets amounting to Rs. 55.91 lacs (Gain) and in other cases, are transferred to the Foreign Currency Monetary Item Translation Difference Account Rs 193.69 lacs (net of tax).

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the Profit and Loss Account after tax for the current period would have been higher in finance cost (net) by Rs. 11,628.42 lacs, depreciation would have been lower by Rs. 121.49 Lacs, the net block of fixed assets would have been lower by Rs. 11,260.22 lacs and general reserve would have been higher by Rs. 55.91 lacs.

d) **Fixed Assets**

i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

ii. In respect of accounting periods commencing on or after December 7, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

iii. Insurance spares/standby equipments are capitalized as part of mother assets.

e) **Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion. The same is treated as preoperative expenditure pending allocation to fixed assets and is shown under "Capital Work-in-Progress" and the same is transferred to fixed assets on commencement of commercial activities.

f) **Depreciation**

i. Depreciation on Fixed Assets, except for those stated in para (ii) to (vi) below, is provided on straight line method (SLM) at the rates prescribed under Schedule XIV of the Companies Act, 1956, or the rates determined on the basis of useful lives of the respective assets, whichever is higher.

ii. Depreciation on Leasehold Land (other than land on perpetual lease) is provided over the lease period.

iii. Cost of Leasehold Land Development, Marine Structures and Dredged Channels is amortized over the period of the Concession Agreement of 30 years effective from February 17, 2001, with Gujarat Maritime Board or their useful lives, whichever is lower.

iv. Depreciation on Mobile phones, included under Office Equipment, Furniture and Fixtures, is provided at the rate of 100% in the month of purchase.

v. Depreciation on Dredging Pipes, included under Plant and Machinery, is provided on the basis of their useful life which is estimated at 18 months.

vi. Depreciation on individual assets costing upto Rs. 5,000/- is provided at the rate of 100% in the month of purchase.

vii. Insurance spares/standby equipments are depreciated prospectively over the remaining useful lives of the respective mother assets.

g) Intangibles

Intangible assets are amortized on straight line basis over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life (Years)
Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 years.
Softwares	3 years
License Fees paid to Indian Railways for movement of Container Trains	2 Over the balance period of License from the date of commencement operations i.e. over 20 years

h) Impairment

i. The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

k) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

l) Inventories

Stores and Spares: Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on accrual basis.

Net Realizable Value is the estimated current procurement price in the ordinary course of business.

m) Government Grant

In accordance with the Accounting Standard 12 "Accounting for Government Grants", grants in the nature of capital subsidy are credited to the Capital Reserve and shown under the head Reserves & Surplus.

n) 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.

Port Operation Services

Revenue from port operation services including rail infrastructure is recognized as and when the services are rendered.

Income from Long-Term Leases/Infrastructure Usage Agreements

As a part of its business activity, the Company also leases/sub-leases land on long term basis to its customers. In some cases, the upfront premium received/receivable on such sub-leases is refundable proportionately on cancellation of such sub-leases before maturity, while in other cases, it is non-refundable. In cases where such upfront premium is non-refundable, the Company recognizes the entire premium as income in the year in which the sub-lease agreement/memorandum of understanding takes effect while in cases where such upfront is proportionately refundable, such premium is recognized as income pro-rata over the period of sub-lease agreement. Land sub-lease rent receivable under the above agreements is accounted for as income in accordance with the terms of such agreements. Income under Long Term Lease/Infrastructure Usage Agreements is recognized in accordance with the terms of such agreements. In case of Subsidiary Mundra SEZ Textile and Apparel Park Private Limited, the upfront premium received/receivable under Long Term Leases/Infrastructure Usage Agreement is recognized as income pro-rata over the period of sub-lease agreement. (3.41% of the unamortized amount under Long-term Lease/Infrastructure Usage Agreements)

Income from Container Train Operations

Income from Container Train Operations is recognized when the Services gets completed.

Contract Revenue

Revenues from construction contracts are recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the Balance Sheet. Full provision is made for any loss in the year in which it is first foreseen.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

o) Foreign Currency Translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. Exchange Differences

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation of renewal of forward exchange contract is recognised as income or as expense for the year.

v. Translation on integral and non integral foreign operations

The consolidated financial statements of an integral operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the consolidated financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates on the dates of the transactions. All resulting exchange differences are accounted in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or an expenses in the same period in which the gain or loss on disposal is recognized.

vi. Derivative transactions

The Company enters into various foreign currency option contracts to hedge its risks with respect to foreign currency fluctuations, arising out of import of capital goods using foreign currency loan. At every period end, all outstanding derivative contracts are fair valued on a marked-to-market basis and any loss on valuation is recognized in the profit and loss account. Any gain on marked-to-market valuation of respective contracts is only recognized to the extent of the loss on foreign currency re-instatement of the underlying transaction, keeping in view the principle of prudence as enunciated in AS 1,' Disclosure of Accounting Policies'. Any subsequent change in fair values, occurring after Balance Sheet date, is accounted for in subsequent period.

p) Employee Benefits

i. Provident fund and superannuation fund

Retirement benefits in the form of Provident Fund and Superannuation Fund Schemes are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

ii. **Gratuity**

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each consolidated financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and amount paid/payable in respect of the present value of liability for past services is charged to the Profit and Loss Account every year. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for as liability in the books. In case of subsidiaries, other than Adani Logistics Limited and Inland Conware Private Limited, gratuity liability has been provided for on actual computation basis for the benefits standing to the credit of the employees at the end of each consolidated financial year. (0.82 % of the total gratuity liability of the group).

iii. **Leave Benefits**

Short term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. In case of subsidiaries, other than Adani Logistics Limited and Inland Conware Private Limited, leave benefits liability is provided for on actual computation basis for the benefits standing to the credit of the employees at the end of each consolidated financial year. (0.49 % of the total leave liability of the group).

iv. **Actuarial Gains/Losses**

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

q) **Income Taxes**

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The Company is eligible and claims tax deductions available under Section 80IAB of the Income Tax Act, 1961, in respect of income derived from Multipurpose Special Economic Zone notified area in the Mundra Region along with the Port facilities.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In view of Company availing tax deduction under Section 80IAB of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which originates during the tax holiday period but reverse after tax holiday period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

r) **Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting Preference Dividends) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to its present value and are determined based on best management 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 management estimates. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.

t) Segment Reporting Policies

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each representing a strategic business unit that offers different services and serves different category of customers. The analysis of geographical segments is based on the geographical location of the customers.

u) Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

v) Miscellaneous Expenditure

Miscellaneous Expenditure represents the expenses incurred on Initial Public Offer, preliminary expenses and balance of Foreign Currency Monetary Item Translation Difference Account (Refer note O (iii) above). Initial public offer expenses are adjusted against Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

4. Segment Information

Business Segment: The identified reportable Segments are Port and Special Economic Zone activities and Others in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

Other Segment includes Aircraft Operating Lease Income, Services as per Concession agreement with Government of India, Ministry of Railways for movement of Container Trains on specific Railway Routes and Multi-modal Cargo storage cum logistics services through development of Inland Container Depots at various strategic locations.

There being no business outside India, the entire business has been considered as single geographic segment. The segment information on consolidated financial statement with Segment wise Revenue, Result and Capital Employed for the year ended March 31, 2009 is given below:

(Rs. in lacs)

Sr. No.	Particulars	Port and SEZ Activities	Others	Total
1.	**Revenue**			
	External Sales	**115,173.03**	**6,557.71**	**121,730.74**
		81,966.87	*172.13*	*82,139.00*
	Less : Inter-Segment Sales	**-**	**(411.83)**	**(411.83)**
		-	*(172.13)*	*(172.13)*
	Segment Revenue	**115,173.03**	**6,145.88**	**121,318.91**
		81,966.87	-	*81,966.87*
	Unallocated Corporate Income (Net)	**-**	**-**	**12,843.87**
		-	-	*4,484.13*
	Total Revenue	**115,173.03**		**134,162.78**
		81,966.87		*86,451.00*

Sr. No.	Particulars	Port and SEZ Activities	Others	Total
2.	**Results**			
	Segment Results (PBIT)	**61,902.68**	**(1,355.41)**	**60,547.27**
		43,490.07	*(11.12)*	*43,478.95*
	Unallocated Corporate Income (Net)	**-**	**-**	**12,843.87**
		-	-	*4,484.13*
	Operating Profit	**-**	**-**	**73,391.14**
		-	-	*47,963.08*
	Interest Expenses	**-**	**-**	**24,804.96**
		-	-	*12,746.16*
	Profit before tax	**-**	**-**	**48,586.18**
		-	-	*35,216.92*
	Current Taxes	**-**	**-**	**(67.39)**
		-	-	*2,207.60*
	MAT Credit Entitlement	**-**	**-**	**-**
		-	-	*(475.54)*
	Deferred Tax	**-**	**-**	**5,252.15**
		-	-	*13,030.95*
	Fringe Benefit Tax	**-**	**-**	**148.98**
		-	-	*181.36*
	Total Tax	**-**	**-**	**5,333.74**
		-	-	*14,944.37*
	Profit after tax and before Exceptional Items	**-**	**-**	**43,252.44**
		-	-	*20,272.55*
	Exceptional Items (net of tax of Rs. 396.37 lacs)	**-**	**-**	**-**
		-	-	*769.76*
	Profit after tax and Exceptional Items	**-**	**-**	**43,252.44**
		-	-	*21,042.31*
	Add: Pre-acquisition Profits adjusted against Goodwill	**-**	**-**	**-**
		-	-	*129.50*
	(Less)/ Add: Share in Associate's (loss) / profit after tax	**-**	**-**	**-**
		-	-	*130.00*
	Less: Minority Interest	**-**	**-**	**-**
		-	-	-
	Net profit	**-**	**-**	**43,252.44**
		-	-	*21,041.81*
3.	**Other Information**			
	Segment Assets	**491,176.82**	**57,623.84**	**671,360.96**
		371,686.34	*14,480.61*	*552,511.19*
	Unallocated Corporate Assets	**-**	**-**	**122,560.31**
		-	-	*166,344.24*
	Total Assets	**491,176.82**	**57,623.84**	**671,360.96**
		371,686.34	*14,480.61*	*552,511.19*
	Segment Liabilities	**610,750.88**	**59,886.29**	**670,637.17**
		535,222.65	*17,124.12*	*552,346.77*
	Unallocated Corporate Liabilities	**-**	**-**	**-**
		-	-	-
	Total liabilities	**610,750.88**	**59,886.29**	**670,637.17**
		535,222.65	*17,124.12*	*552,346.77*
	Capital Expenditure during the year	**142,493.25**	**33,660.47**	**176,153.72**
		97569.87	*42,482.60*	*140,052.47*
	Segment Depreciation(Expense)	**13,723.50**	**955.64**	**14,679.14**
		10,063.84	*164.86*	*10,228.70*
	Non-Cash Expenses other than Depreciation	**7,860.84**	**-**	**7,860.84**
		13,013.52	-	*13,013.52*

Previous year figures are in italics

5. The Company has seven subsidiaries in the consolidated financial statements. Mundra Port And Special Economic Zone Limited's share in the voting power of these companies as at March 31 2009 are

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%)
1	Adani Logistics Limited	India	100.00
2	Inland Conware Private Limited	India	100.00
3	Inland Conware (Ludhiana) Private Limited (Subsidiary of Inland Conware Private Limited)	India	100.00
4	Karnavati Aviation Private Limited	India	100.00
5	MPSEZ Utilities Private Limited	India	100.00
6	Mundra SEZ Textile and Apparel Park Private Limited (MITAP)	India	67.00
7	Rajasthan SEZ Private Limited	India	100.00
8	Mundra Aviation Limited (Refer Note 1 below)	India	100.00

Note : 1. The Company got dissolved w.e.f December 31, 2008

2. Interest in Joint Venture has been shown separately under Note 7 below.

6. Related Party Disclosures

The Management has identified the following Companies and individuals as related parties of the Company for the year ended 31st March, 2009 for the purposes of reporting as per AS 18 – Related Party Transactions:

List of related parties (As certified by the management)

Holding Company	Adani Infrastructure Services Private Limited [w.e.f 12th September, 2008]
Fellow Subsidiary	Baramati Power Private Limited [w.e.f 21st October, 2008] Shankheshwar Buildwell Private Limited [w.e.f 11th June, 2008]
Key Management Personnel	Mr. Gautam S. Adani Mr. Rajesh S. Adani Mr. Ameet H. Desai Mr. Rajeeva Ranjan Sinha
Joint Ventures	Adani Petronet (Dahej) Port Private Limited
Other Parties which are significantly influenced by the Company (either individually or with others)	Adani Enterprises Limited Adani Power Limited Adani Energy Limited Adani Welspun Exploration Limited Adani Wilmar Limited Adani Shipyard Private Limited Swayam Realtors and Traders Limited Adani Power Maharashtra Limited Adani Power Rajasthan Limited Adani Power Dahej Limited Vyom Tradelinks Private Limited [upto 30th October, 2008] Mundra Power SEZ Limited* Parsa Kante Collieries Limited Columbia Chrome (India) Private Limited B2B India Private Limited Adani Retail Private Limited Adani Agro Private Limited Adani Properties Private Limited Adani Infrastructure Services Private Limited [upto 11th September, 2008] Shantikrupa Estate Private Limited Shantikrupa Services Private Limited Shantikrupa Infrastructure Private Limited* Adani Foundation Adani Tradelinks Adani Commodities

* These entities have been incorporated/formed during the year

Aggregate of transactions for the year ended with these parties have been given below.

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Detail of Related Party Transactions for the Year 31st March, 2009

Particulars	Holding	KMP						
	Adani Infra. Services Pvt. Ltd.	Gautam S. Adani	Rajesh S. Adani	Ameet H. Desai	Rajeeva R. Sinha	Adani Agro Pvt. Ltd.	Adani Power Ltd.	Adani Energy Ltd.
Rendering of Services								
FY 2008-09	-	-	-	-	-	-	1,203.67	-
FY 2007-08	-	-	-	-	-	-	4.85	-
Lease & Infrastructure Usage Charges								
FY 2008-09	-	-	-	-	-	-	29.39	-
FY 2007-08	-	-	-	-	-	-	7.60	-
Purchase Goods, Service & facilities								
FY 2008-09	-	-	-	-	-	-	-	0.30
FY 2007-08	-	-	-	-	-	-	-	-
Purchase/(Sale) of Assets (Including Advance)								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Purchase of Investments								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	0.04	0.03	-	-	-	-	-
Equity Share Money Invested (Including Application Money)								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Equity Share Application Money refund								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Loan Given								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Loan Received back								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Expenses Reimbursement (Net)								
FY 2008-09	-	-	-	-	-	0.05	29.78	0.40
FY 2007-08	-	-	-	-	-	-	6.38	0.07
Rent Paid								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Remuneration								
FY 2008-09	-	120.00	-	135.00	120.00	-	-	-
FY 2007-08	-	120.00	-	90.00	47.00	-	-	-
Commission to directors								
FY 2008-09	-	962.94	-	-	-	-	-	-
FY 2007-08	-	705.10	-	-	-	-	-	-
Sitting Fees								
FY 2008-09	-	-	2.50	-	-	-	-	-
FY 2007-08	-	-	1.90	-	-	-	-	-
Donation								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Inter Corporate Deposit Received								
FY 2008-09	2,500.00	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	700.00
Inter Corporate Deposit refund								
FY 2008-09	2,500.00	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	700.00
Closing Balance as on March 31,2009 [Dr/(Cr)]								
Advances from Customers								
FY 2008-09	-	-	-	-	-	-	221.35	-
FY 2007-08	-	-	-	-	-	-	-	-
Creditors / Other Liabilities								
FY 2008-09	-	-	-	-	-	-	-	0.40
FY 2007-08	-	-	-	-	-	-	-	0.01
Debtors								
FY 2008-09	-	-	-	-	-	-	7,337.19	-
FY 2007-08	-	-	-	-	-	-	15,800.35	-
Loan & Advances (Including Capital Advances)								
FY 2008-09	-	-	-	-	-	-	23.55	-
FY 2007-08	-	-	-	-	-	-	3.10	-
Share Application Money Outstanding								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	-	-
Corporate Guarantees								
FY 2008-09	-	-	-	-	-	-	-	-
FY 2007-08	-	-	-	-	-	-	7,500.00	-

Note : Pass through charges recovered relating to Railway Freight and other charges payable to third parties has not been considered for the purpose of related party disclosure.

(Rs. in lacs)

			Associate									
Adani Agri Logistics Ltd.	Adani Enterprises Ltd.	Adani Foundation	Adani Wilmar Ltd.	Adani Port Infra. Pvt. Ltd.	Adani Properties Pvt. Ltd.	Shanti krupa Estate Pvt. Ltd.	Adani Welspun Exploration Ltd.	Adani Shipyards Pvt. Ltd.	Vyom Tradlinks Pvt .Ltd. (upto 30th Oct. 2008)	Adani Tradelink	Adani Mundra SEZ Infrastructure Pvt. Ltd.	Total
-	14,027.51	-	2,330.98	-	-	-	-	-	1,962.32	-	-	19,524.48
-	7,368.55	-	540.19	-	-	-	-	-	1,507.49	-	-	9,421.08
-	-	-	20.41	-	-	-	-	-	-	-	3,288.44	3,338.24
-	-	-	20.41	-	-	-	-	-	-	-	-	28.01
-	3,379.65	-	-	-	5.22	(3.02)	-	-	-	10.86	-	3,393.01
-	2,740.05	-	(0.57)	-	-	55.13	-	-	-	-	-	2,794.61
-	35.56	-	-	-	-	274.25	-	5.94	-	-	4,511.68	4,827.42
-	-	-	-	-	-	-	-	-	-	-	123.40	123.40
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.07
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1.00	-	-	10.00	11.00
-	-	-	-	-	-	-	-	-	-	-	-	-
68.88	-	-	-	-	-	-	-	-	-	-	-	68.88
-	-	-	-	-	160.00	-	-	-		-		160.00
-	-	-	-	-	-	-	-	-		-		-
-	-	-	-	-	(17.50)	-	-	-		-		(17.50)
-	-	-	-	-	17.50	-	-	-		-		17.50
-	205.28	5.05	64.34	-	(0.00)	-	22.54	-	-	-	2.91	330.36
-	126.51	-	50.06	-	0.39	-	-	-	-	-	-	183.40
-	-	-	10.17	-	-	-	-	-	-	-	-	10.17
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	375.00
-	-	-	-	-	-	-	-	-	-	-	-	257.00
-	-	-	-	-	-	-	-	-	-	-	-	962.94
-	-	-	-	-	-	-	-	-	-	-	-	705.10
-	-	-	-	-	-	-	-	-	-	-	-	2.50
-	-	-	-	-	-	-	-	-	-	-	-	1.90
-	-	1,270.00	-	-	-	-	-	-	-	-	-	1,270.00
-	-	610.00	-	-	-	-	-	-	-	-	-	610.00
-	-	-	-	-	-	-	-	-	-	-	-	2,500.00
-	-	-	-	-	-	-	-	-	-	-	-	700.00
-	-	-	-	-	-	-	-	-	-	-	-	2,500.00
-	-	-	-	-	-	-	-	-	-	-	-	700.00
-	23.76	-	63.48	-	-	-	-	-	-	-	-	308.59
-	374.12	-	50.00	-	-	-	-	-	-	-	-	424.12
-	1,066.81	-	-	-	-	37.26	-	-	-	-	47.15	1,151.63
-	966.90	-	2.97	-	0.10	-	-	-	-	-	82.82	1,052.80
-	2,610.67	-	158.70	-	-	-	-	-	560.36	-	-	10,666.92
-	840.19	-	117.70	-	-	-	-	-	599.86	-	-	17,358.10
-	1.63	5.30	25.87	-	100.00	520.40	23.17	-	-	-	7,070.32	7,770.25
-	-	-	-	-	-	-	-	-	-	-	2,606.99	2,610.09
-	-	-	-	-	-	-	-	13.00	-	-	-	13.00
-	-	-	-	-	-	-	-	13.00	-	-	-	13.00
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	7,500.00

Notes:

1. The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions were entered into by the Company with the related parties during the existence of the related party relationship.

2. No amount has been provided as doubtful debts or advances / written off or written back in the period in respect of debts due from/ to above related parties except write off of Rs. 0.41 lacs investment in Mundra Aviation Limited due to dissolution of the said company.

7. Interest in joint ventures:

The Company's interest and share in joint ventures in the jointly controlled entities are as follows:

a) List of joint ventures

Sl. No.	Name of Joint Ventures	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation or residence
1	Adani Petronet (Dahej) Port Private Limited	Jointly Controlled Entity	Development of a Solid Cargo Port Terminal	50%	India

b) Financial interest in jointly controlled entities

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows at 31st March, 2009.

(Rs. in lacs)

	31st March, 2009	31st March, 2008
Assets	**11,068.09**	5,248.38
Liabilities	**4,978.68**	445.62
Income	**-**	-
Expenses	**27.35**	43.21
Loss before tax	**27.35**	43.21
Capital Commitments	**18,441.81**	9,327.95
Contingent Liabilities	**-**	-

8. The Company takes various types of derivative instruments to hedge its future loans & interest liabilities. The category-wise outstanding position of derivative instruments as at 31 March, 2009 and 31 March, 2008 is as under:

Nature	**Particulars of Derivatives**		**Purpose**
	31st March, 2009	31st March, 2008	
Cross Currency Swap	Rs.10,938.00 lacs	-	Hedging of loan and interest liability
Principal Only Swap	Rs. 6,453.15 lacs	USD130.00 lacs	Hedging of loan

The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2009 is as under:

Nature	**31st March, 2009**		31st March, 2008	
	Amount (Rs. in lacs)	**Foreign Currency (In lacs)**	Amount (Rs. in lacs)	Foreign Currency (in lacs)
Foreign Currency Loan	**61,631.61**	**USD 1,209.65**	30,325.80	USD 759.80
Creditors	**1,515.94**	**USD 29.75**	2,701.10	USD 67.60
	11.73	**GBP 0.16**	50.10	GBP 0.60
	4.33	**EURO 0.06**	113.80	Euro 1.80
	11.59	**SGD 0.34**	-	-
Supplier's Credit	**2,802.25**	**USD 55.00**	2,197.86	USD 55.00

Closing rates as at 31 March, 2009:

INR / USD = Rs. 50.95

INR / EURO = Rs. 67.48

INR / GBP = Rs. 72.86

INR/ SGD = Rs. 33.79

9. Amounts Received / Receivable under Long-Term Infrastructure Usage Agreements:

The Company has entered into various long-term agreements granting sub-leases out of its leasehold lands and/or rights to use infrastructure facilities for the period of the sub-leases which are generally co-terminus with the period of the Concession Agreement between the Company, Gujarat Maritime Board and Government of Gujarat. The Company has received/to receive upfront amounts in consideration of grant of the sub-leases and rights to use its infrastructure facilities. Unamortized amounts received/receivable under Long-term Leases/Infrastructure Usage Agreements at the end of the year amounting to Rs. 65,047.82 lacs (Previous Year Rs. 65,679.10 lacs) have been disclosed on the face of the Balance Sheet (Also refer Note 3(n) above).

10. Prior period items include:

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Administrative and Other Expenses		129.51
(Previous Year Construction cost of Vadenagar Lake for community development)	-	-
Excess Gratuity expense related to previous year written back	(9.73)	
Income from Lease/Infrastructure Usage (Reversed)	2,174.98	
Total	**2,165.25**	129.51

11. The Government of India (GOI) has, vide its letter dated April 12, 2006, granted approval to the Company's proposal for development, operation and maintenance of a Multi-product Special Economic Zone (SEZ) the Company's land at Mundra, Gujarat. Subsequently through a Notification dated June 23, 2006, the Ministry of Commerce & Industry (Department of Commerce) has included Mundra Port and port limits in notified Special Economic Zone.

The Company is of the view, supported by an external opinion, that it may avail benefit u/s 80IAB of the Income Tax Act on the entire income of the Company including the Special Economic Zone Operations. Accordingly, the Company has decided to avail benefits u/s 80IAB of the Income Tax Act, 1961 from accounting year 2007-08 and has not created provision for income tax on income attributable to SEZ activities (including notified port area).

12. The Company has made provision of Rs. 1,390.07 lacs for current taxation based on its profit excluding SEZ (including notified port area) profit for the year ended March 31, 2009. The Company has reversed the excess tax provision of Rs. 1,457.46 lacs relating to previous year. Provision for dividend distribution tax has not been made as the Company is not liable to deposit dividend distribution tax in terms of Section 115-O (6) of the Income Tax Act, 1961.

13. Sundry Debtors outstanding for a period more than six months include deferred receivables (amount receivable under Lease/Long-term Infrastructure Usage Agreements) of Rs. 7,347.47 lacs (Previous Year Rs. 18,590.90 lacs).

14. Income from Operations includes:

i) Land Lease Income, Long-term Infrastructure Usage Income and Income incidental thereto of Rs. 10,038.99 lacs (Previous Year Rs. 14,731.50 lacs).

ii) Construction contract revenue income of Rs. 3,696.42 lacs (Previous Year Rs. Nil).

15. Details of employee benefits – Gratuity:

The Company has a defined gratuity plan. Every employee gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is fully funded with Life Insurance Company of India (LIC) in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss Account

a) Net Employee benefit expense (recognised in Employee Cost):

(Rs. in lacs)

Sl. No.	Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
1.	Current Service cost	60.05	25.99
2.	Interest Cost on benefit obligation	11.52	3.47
3.	Expected return on plan assets	(19.47)	(2.92)
4.	Actuarial loss / (gain)	4.24	105.26
5.	Net benefit expense	56.34	131.80

Note: Actual return on plan assets Rs. 15.86 lacs (Previous Year Rs. 2.10 lacs)

b) Details of Provision for gratuity:

(Rs. in lacs)

Sl. No.	Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
1.	Present value of defined benefit obligation	**219.85**	156.11
2.	Fair value of plan assets	**263.48**	181.07
3.	Surplus/(deficit) of funds	**43.63**	24.96
4.	Net asset/ (liability)	**43.63**	24.96

c) Changes in Present Value of the defined benefit obligation are as follows :

(Rs. in lacs)

Sl. No.	Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
1.	Defined benefit obligation at the beginning of the Period	**156.11**	83.18
2.	Current Service cost	**60.05**	25.99
3.	Interest Cost	**11.52**	3.47
4.	Actuarial (gain) / loss on obligations	**1.12**	100.70
5.	Benefits paid	**(8.95)**	(57.23)
6.	Defined benefit obligation at the end of the period	**219.85**	156.11

d) Changes in Fair Value of Plan Assets are as follows :

(Rs. in lacs)

Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
Opening fair value of plan assets	**181.07**	91.28
Expected return	**19.58**	2.81
Contributions by employer	**74.90**	148.77
Benefits Paid	**(8.95)**	(57.22)
Actuarial gains/(losses)	**(3.12)**	(4.57)
Closing fair value of plan assets	**263.48**	181.07

Note: The present value of the plan assets represents the balance available with the LIC as at the end of the period. The total value of Plan Assets amounting to Rs 263.48 lacs (Previous year Rs. 181.07 lacs) is as certified by the LIC.

e) The principle assumptions used in determining Gratuity obligations are as follows:

Sl. No.	Particulars	Gratuity (Funded) 31st March, 2009	Gratuity (Funded) 31st March, 2008
1.	Discount rate	**7.00 % to 7.75%**	7.00% to 8.00%
2.	Expected rate of return on plan assets	**7.75% to 9.00%**	8.00% to 9.00%
3.	Mortality	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate
4.	Withdrawal rate	**Age Related**	Age Related

f) Amounts for the current and previous four periods are as follows:

(Rs. in lacs)

Gratuity	March '09	March '08	March '07	March '06	March '05
Defined benefit obligation	**(219.85)**	(156.11)	(83.20)	(51.10)	(34.80)
Plan Assets	**263.48**	181.07	78.30	55.20	32.30
Surplus / (deficit)	**43.63**	24.96	(4.90)	4.10	(2.50)
Experience loss (gain) on plan liabilities	**1.12**	100.70	22.20	0.90	*
Experience loss (gain) on plan assets	**3.12**	4.57	(1.50)	(0.90)	*

* In the absence of availability, relevant information on the experience adjustments on plan assets and liabilities has not been furnished above.

16. Assets taken under Operating Leases – residential houses for staff accommodation are obtained under operating lease. Lease rent is payable as per the lease term. The lease rent term is generally for eleven months for residential houses and renewable by mutual agreement. There is no sub-lease and all the leases are cancelable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. There is no escalation clause in the lease agreements. Expenses incurred under such leases have been included in the Profit & Loss Account.

17. The Company had incurred a sum of Rs. 709.50 lacs in an earlier year on consultancy services procured for putting up a Shipyard Project. This amount is being carried forward in the Balance Sheet under the head Capital Work-in-Progress and will be transferred to a Company to be incorporated or divisions of the Company for putting up the project as may be possible.

18. Capital Work in Progress includes Expenditure during Construction Period and Capital Inventory, details of which are as follows:

(Rs. in lacs)

Particular	**Year ended 31st March, 2009**	Year ended 31st March, 2008
Expenditure		
Salaries, Wages & Staff Welfare	**670.57**	1,580.58
Contribution to PF	**3.57**	12.00
Workman and Staff Welfare	**-**	11.00
Sub Total	**674.14**	**1,603.58**
Administrative & Other Exp.		
Power & Fuel	**17.75**	54.05
Insurance	**0.48**	2.30
Other Repairs & Maintenance	**2.71**	10.28
Legal & Professional Exp.	**143.31**	1,625.09
Traveling & Conveyance Exp.	**175.26**	396.72
Rent	**36.53**	30.36
Custom Establishment Charges	**118.94**	-
Vehicle Hire Charges	**94.20**	-
Security Charges	**182.88**	-
Aircraft Expenses	**507.41**	-
Director Commission	**601.76**	-
Office Exp	**3.79**	-
Other Expenses	**67.25**	138.32
Infrastructure Usage Charges	**70.90**	-
Rates & Taxes	**0.75**	-
Sub Total	**2,023.92**	**2,257.12**
Financial Expenses		
Interest of Fixed Loans	**503.44**	3,101.46
Bank and Other Finance Charges	**768.00**	273.08
Sub Total	**1,271.44**	**3,374.54**
Depreciation	**4,156.95**	1,241.10
Prov. for Taxation / FBT	**0.00**	7.83
Total Expenditure (A)	**8,126.46**	**8,484.16**
Income		
Miscellaneous Income	**64.98**	28.94
Exchange Differences (net)	**0.06**	-
Trial Run Income	**-**	455.20
Total (B)	**65.04**	**484.14**
Net (A)- (B)	**8,061.42**	**8,000.02**
B/F from Previous Year	**13,430.50**	**10,135.40**
Total	**21,491.91**	**18,135.42**
Capitalized / Allocated during the year	**17,143.58**	**4,704.93**
Balance Carried forward pending Allocation/Capitalization	**4,348.33**	**13,430.50**
Project Material	**9,711.65**	**5,206.60**

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19. Capital Commitments

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	**95,408.93**	55,360.00

20. Disclosure pursuant of Accounting Standard (AS) – 7 (revised)

A) (Rs. in lacs)

Sl. No.	Particulars	31st March, 2009	31st March, 2008
a)	Contract revenue recognized during the year	**3,696.42**	Nil
b)	Aggregate amount of contract costs incurred up to 31st March 2009.	**2,330.11**	Nil
c)	Customer advances outstanding for contracts in progress	**525.38**	Nil
d)	Retention money due from customers for contracts in progress.	**-**	Nil
e)	Amount due from customers	**1,281.06**	Nil
f)	Amount due to customers	**-**	Nil

B) Contact revenue accrued in excess of billing amounting to Rs.65.22 lacs (previous Year –Nil) has been reflected under the head "other Current Assets".

21. Contingent Liabilities not provided for

(Rs. in lacs)

	Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
a.	Corporate Guarantee given by the Company against credit facility availed by a body corporate.	**6,200.00**	7,502.60
b.	In earlier years, some contractors of the Company had filed civil suits against the Company for recovery of damages caused to its machinery in an earthquake Rs. 37.10 lacs (Previous Year Rs. 37.10 lacs), to its cargo stores in Company's godown Rs. 94.40 lacs (Previous Year Rs. 94.40 lacs) and due to mishandling of wheat cargo by the Company Rs. 620.00 lacs (Previous Year Rs. 620.00 lacs). Above civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	**751.50**	751.50
c.	In earlier years, the Company had received show cause notices from the Custom Authorities for recovery of custom duty and interest on the import of a tug and bunkers by the Company Rs. 207.13 lacs (Previous Year Rs. 449.29 lacs), import of various Cargoes at Port Rs. 47.86 lacs (Previous Year Rs. 47.86 lacs). The Customs cases are currently pending with, Custom, Excise and Service Tax Appellate Tribunal (Rs. 207.13 lacs), Assistant Commissioner of Customs, Mundra (Rs. 14.20 lacs), Customs, Excise and Service Tax Appellate Tribunal, Mumbai (Rs. 26.60 lacs), Commissioner of Customs (Appeals), Ahmedabad (Rs. 2.62 lacs) and Deputy Commissioner of Customs Gujarat, (Rs. 4.44 lacs) respectively. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**255.00**	287.30
d.	Joint Commissioner Customs, Mundra has held the Company liable for short delivery of imported goods namely, H.M.S. through Mundra Port to various customers. The Company has been directed to remit the differential duty of Rs. 7.09 lacs and penalty of Rs. 0.50 lacs - under section 117 of the Customs Act has been imposed. MPSEZL has preferred to challenge the said Orders which are pending before Commissioner of Customs (Appeals) at Ahmedabad. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**7.59**	7.59

	Particulars	**Year ended 31st March, 2009**	Year ended 31st March, 2008
e.	Deputy Commissioner of Customs, Mundra has held that the Company wrongly availed duty benefit exemption under DFCEC Scheme on import of second hand equipment and demanded duty payment of Rs. 25.00 Lacs. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Assistant Commissioner of Customs, Aircargo Complex, Ahmedabad and the management is of the view that no liability shall arise on the Company.	**26.33**	26.33
f.	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot, for wrongly availing of Cenvat credit/Service tax credit and Education Cess on input services and steel, cement and other misc. fixed assets. The Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of Rs. 250 Lacs against the demand. The matters are pending before High Court, Gujarat and Commissioner of Central Excise (Appeals), Rajkot. The Company has taken an external opinion in the matter based on which, accordingly management is of the view that no liability shall arise on the Company.	**7,447.48**	5,126.70
g.	Differential amount of customs duty in respect of machinery imported under EPCG Scheme and interest thereon. Based on budgeted sales plan, management is hopeful that it will be able to discharge the obligation by executing the required volume of exports in the future period.	**1,437.50**	2,603.10
h.	Export duty on steel product supplied by units in Domestic Tariff Area (DTA). Based on the appeal filed, by the Company with the High Court, Gujarat, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	**287.03**	-
i.	Company's Subsidiary received show cause cum Demand Notice issued by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009 of Rs. 1,467.00 lacs along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft under Non-Scheduled Operation Permit (NSOP).	**1,467.00**	-

22. For the development of Special Economic Zone (SEZ) in the Mundra Taluka region, the Company is also acquiring land in Mundra and surrounding region under arrangements/agreements with private landowners/ parties for development of contiguous SEZ area, apart from acquisition of land from Government of Gujarat. Till 31 March, 2009, the Company has paid an aggregate amount of Rs.19,164.66 lacs to various private landowners/parties for acquisition of land, out of which Rs. 7,889.78 lacs has been capitalized on allotment of a portion of land and the balance amount of Rs.11,274.88 lacs is outstanding as advance at the year end.

23. Provisions:

(Rs. in lacs)

Description	Opening Balance	Additions during the year	Utilization during the year	Closing Balance
Operational Claims	402.81 (681.07)	- (540.80)	9.14 (819.06)	393.67 (402.81)

Previous year figures are in bracket

Note: Operational Claims are the expected claims made/to be made by the customers towards shortages of stock, handling loss, damages to the cargo and is different from non recovery of dues from customers. Based on the past experience, Company has made certain provisions in the books.

24. (a) Initial Public Offer (IPO) fund utilization: The Company has spent Rs. 98,495.57 lacs out of initial issue of share capital of Rs. 177,100.00 lacs as follows:

(Rs. in lacs)

Particulars	Proposed Utilizations to be made out of the IPO proceeds	Actual as on 31st March, 2009
a) Issue Expenses	5,000.00	**4,154.84**
b) Investment in Adani Logistics Limited	4,800.00	**2,468.00**
c) Investment in Adani Petronet (Dahej) Port Private Limited	20,946.00	**4,147.00**
d) Investment in Inland Conware Private Limited	10,878.00	**4,508.00**
e) Coal Terminal Project	45,000.00	**31,770.08**
f) SEZ Project	50,000.00	**19,128.47**
g) Construction and Development of basic infrastructure facilities at Mundra	40,476.00	**32,319.18**
Total	177,100.00	**98,495.57**

(b) As at 31st March, 2009, the unutilized Initial Public Offer (IPO) proceeds of Rs. 78,604.43 lacs are lying as invested in Bank deposits balance with banks as at 31st March, 2009.

25. Miscellaneous Expenditure – Share Issue Expenses

The Company has incurred expenses of Rs. 754.25 lacs (Previous Year Rs. 5,814.55 lacs) during the year paid to, in connection with its Initial Public Offer (IPO). In terms of Section 78 of the Companies Act, 1956 the Company has adjusted the said share issue expense against the Securities Premium received from the said IPO.

26. Previous Year Comparatives

Previous Year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 20th May, 2009

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Ameet H. Desai
Executive Director

Dipti Shah
Company Secretary

Place: Ahmedabad
Date: 20th May, 2009

ADANI

Mundra Port And Special Economic Zone Limited

Registered Office: "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009

FORM OF PROXY

I/We____of. ____being a member / members of the above Company hereby appoint Shri / Smt. ____ of ____or failing him ____________________________________of ____as my/our proxy to vote for me/us and on my / our behalf at the 10th Annual General Meeting of the Company to be held on Monday, 31st August, 2009 at 11.00 a.m. and at any adjournment thereof.

Signed this _________________ day of _________________ 2009.

Signature ________________________

Affix 1
Rupee
Revenue
Stamp

Folio No. _________________ DPID No.* _________________ Client ID No.* _________________

*Applicant for members holding shares in electronic form.

Note: The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of that power must be deposited at the Registered Office of the Company at "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad not less than 48 hours before the date and time for holding the Annual General Meeting.

ADANI

Mundra Port And Special Economic Zone Limited

Registered Office: "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009

ATTENDANCE SLIP

(to be handed over, duly filled in, at the Entrance of the Meeting Place)

Name of the attending Member / Proxy (in block letters): ____

I hereby record my presence at the 10th Annual General Meeting on Monday, 31st August, 2009.

Folio No. ___________________________ DPID No.* ___________________________ Client ID No.*____________________________

*Applicable for members holding shares in electronic form.

Place: Ahmedabad

____

Member's / Proxy's Signature

Note: Shareholders / Proxy holders are requested to bring the Attendance Slips with them, duly completed when they come to the meeting and hand them over at the gate, affixing signature on it.

ADANI
“Adani House”, Nr. Mithakhali Circle,
Navrangpura, Ahmedabad 380 009, Gujarat, INDIA
Ph: +91-79-26565555, Fax: +91-79-25556490
www.mundraport.com