

Converging Global Routes of Business Opportunities to India



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 than 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.

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. K. N. Venkatasubramanian
Mr. S. Venkiteswaran
Mr. Arun Duggal
Mr. D. T. Joseph, IAS (Retd.)
Mr. Pankaj Kumar, IAS
Dr. Ravindra Dholakia

COMPANY SECRETARY

Ms. Dipti Shah

AUDITORS

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

BANKS AND FINANCIAL INSTITUTIONS

Allahabad Bank	ICICI Bank Ltd.
Axis Bank Ltd.	IFCI Ltd.
Bank of India	ING Vysya Bank Ltd.
Canara Bank	Jammu and Kashmir Bank
Corporation Bank	Kotak Mahindra Bank Ltd.
DZ Bank	Punjab National Bank
EXIM Bank	State Bank of India
HDFC Bank Ltd.	UCO Bank
Hypo Und Vereins Bank AG	Yes Bank Ltd.

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
Fax: 022- 2594 6969

CONTENTS

Directors' Report	2
Management Discussion and Analysis	7
Corporate Governance Report	11
Auditors' Report on Abridged Financial Statements	23
Abridged Balance Sheet	28
Abridged Profit and Loss Account	29
Cash Flow Statement	30
Notes to the Abridged Financial Statements	32
Balance Sheet Abstract and Company's General Business Profile	48
Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956 relating to Subsidiary Companies	49
Auditors' Report on Abridged Consolidated Financial Statements	50
Abridged Consolidated Balance Sheet	52
Abridged Consolidated Profit and Loss Account	53
Consolidated Cash Flow Statement	54
Notes to the Abridged Consolidated Financial Statements	56
Financial Information of Subsidiary Companies	72

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Twelfth Annual Report of your Company together with the Audited Accounts for the financial year ended March 31, 2011.

Financial Highlights:

The standalone performance of the Company for the financial year ended March 31, 2011 is summarized below:

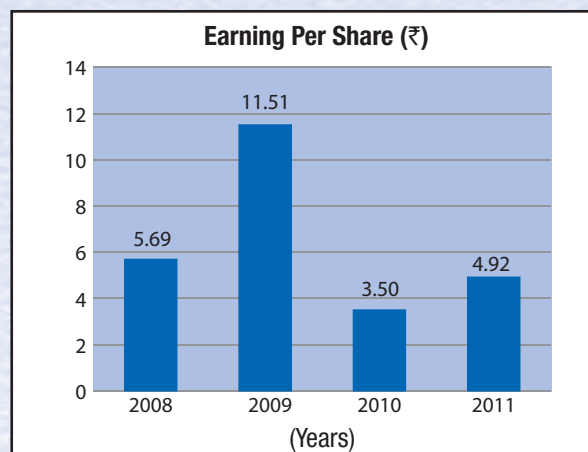
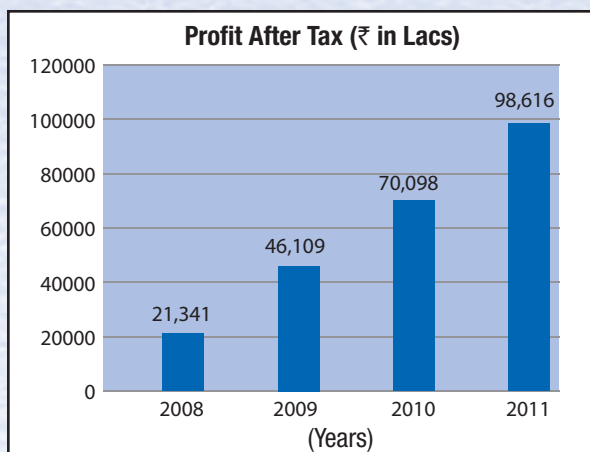
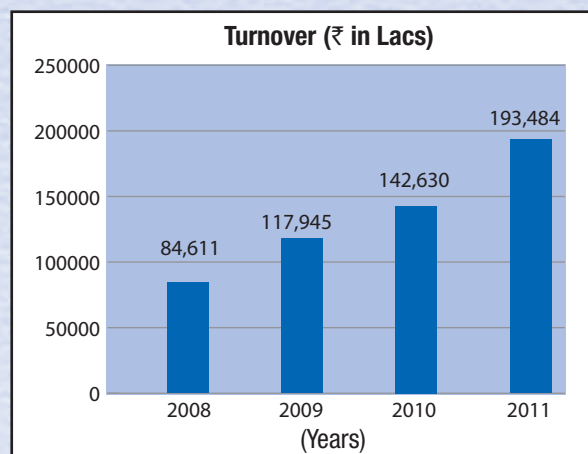
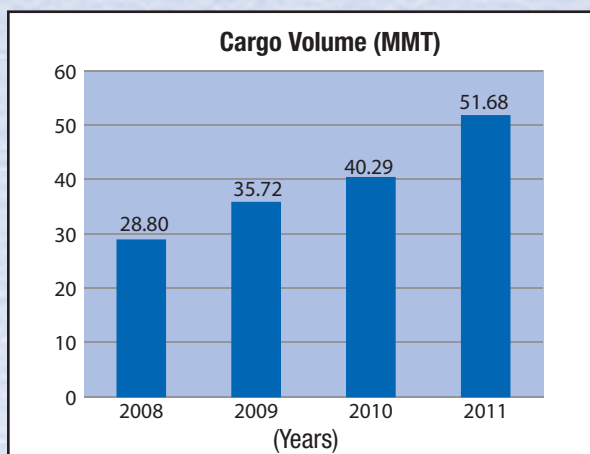
Particulars	(₹ in Lacs)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Income from operations	1,88,507.22	1,39,251.70
Other Income	4,976.37	3,378.20
Total Income	1,93,483.59	1,42,629.90
Operating & Administrative Expenses	57,507.95	43,137.50
Operating Profit before Interest, Depreciation and Tax	1,35,975.64	99,492.40
Interest and Financial Charges	7,501.40	4,147.02
Depreciation / Amortization	20,786.25	16,814.10
Profit Before Tax and Prior Period Adjustment	1,07,687.99	78,261.05
Less: Prior Period Adjustments	–	(2,215.66)
Provision for tax (including deferred tax)	9,071.99	5,947.83
Profit after tax	98,616.00	70,097.56
Surplus brought forward from previous year	89,415.11	53,214.64
Balance available for appropriation	1,88,031.11	1,23,312.20
Appropriations:		
Interim Dividends on Equity Shares	18,031.95	10,018.68
Dividend on Preference Shares	0.03	0.03
Proposed Final Dividend on Equity Shares (current year amount represents rounding off effect relating to previous year, previous year ₹ Nil)	1.52	6,010.18
Transfer to Capital Redemption Reserve	14.06	14.06
Transfer to General Reserve	9,861.60	7,009.76
Transfer to Debenture Redemption Reserve	11,024.22	10,844.38
Balance carried to Balance Sheet	1,49,097.73	89,415.11

Operations Review:

Your Company has scaled new heights during the year under review. It has emerged as the 7th largest port in the Country in terms of annual cargo handling volumes for the financial year 2010-11.

The key aspects of your Company's performance during the financial year 2010-11 are as follows:

- Cargo volume increased by 28% from 40.29 million tonnes in 2009-10 to 51.68 million tonnes in 2010-11.
- Turnover increased by 36% from ₹ 1,42,630 Lacs in 2009-10 to ₹ 1,93,484 Lacs in 2010-11.
- Profit After Tax increased by 41% from ₹ 70,098 Lacs in 2009-10 to ₹ 98,616 Lacs in 2010-11.
- Earning Per Share (EPS) for the year increased by 41% from ₹ 3.50 in 2009-10 to ₹ 4.92 in 2010-11.



* EPS for the year 2008 & 2009 has been calculated at face value of ₹ 10/- each and EPS for the year 2010 & 2011 has been calculated at face value of ₹ 2/- each

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

Capital Restructuring:

In order to bring down the unit market value of the shares to make them more affordable to the retail investors, at the Annual General Meeting held on August 21, 2010, the members have approved sub-division of one equity share of ₹ 10/- each into five equity shares of ₹ 2/- each. Accordingly, effective from September 24, 2010 being Record Date, the Company's equity shares of ₹ 10/- each stands sub-divided into equity shares of the face value of ₹ 2/- each.

Dividend:

The outstanding performance of the Company has enabled Directors to declare and pay two interim dividends of Re. 0.50 (25%) and Re. 0.40 (20%) on equity share of ₹ 2/- each aggregating to Re. 0.90 (45%) per share on 2,00,33,94,100 equity shares of ₹ 2/- each and Dividend on 0.01% Non Cumulative Redeemable Preference Shares of ₹ 10/- each for the financial year 2010-11. The total outgo on account of dividend is ₹ 18,031.95 Lacs. Having declared two interim dividends, your Board has not recommended a final dividend for the financial year 2010-11.

Subsidiaries:

As on March 31, 2011, your Company had eleven subsidiaries as follows:

- 1) Adani Petronet (Dahej) Port Pvt. Ltd.
- 2) Adani Logistics Ltd.
- 3) Mundra SEZ Textile and Apparel Park Pvt. Ltd.
- 4) Karnavati Aviation Pvt. Ltd.
- 5) MPSEZ Utilities Pvt. Ltd.
- 6) Rajasthan SEZ Pvt. Ltd.
- 7) Adani Murmugao Port Terminal Pvt. Ltd.
- 8) Mundra International Airport Pvt. Ltd.
- 9) Adani Hazira Port Pvt. Ltd.



- 10) Hazira Infrastructure Pvt. Ltd.
- 11) Hazira Road Infrastructure Pvt. Ltd.

In order to create more business opportunities and to make strategic investment, following subsidiaries were incorporated subsequent to March 31, 2011, out of which two were foreign subsidiaries:

- (i) Adani Vizag Coal Terminal Pvt. Ltd.
- (ii) Adani International Container Terminal Pvt. Ltd.
- (iii) Mundra Port Pty Ltd, Australia
- (iv) Mundra Port Holdings Pty Ltd, Australia

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 General Circular issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with Balance Sheet of the Company.

However, as directed by the Ministry of Corporate Affairs, some key information has been disclosed in a brief abstract forming part of this annual report. Accordingly, the annual report of the Company contains the consolidated audited financial statements prepared pursuant to clause 41 of the listing agreement as prescribed by SEBI and prepared in accordance with the accounting standards prescribed by the Institute of Chartered Accountants of India (ICAI).

The annual accounts of the Subsidiary Companies and related detailed information shall be made available to the shareholders of the Holding and Subsidiary Companies shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders during working hours at the Company's registered office and that of the respective subsidiary companies concerned. Details of major subsidiaries of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

Holding Company:

Adani Enterprises Ltd. (AEL) the flagship company of Adani group is a diversified conglomerate and operates in diverse range of sectors such as power project development, coal mining, commodities trading, real estate development, agro processing oil, gas explorations and logistics. In order to bring the several businesses in Adani Group under one flagship company the promoter entities of the Company have been merged with AEL. Consequently pursuant to section 4 of the Companies Act, 1956, AEL has become the Holding Company of your Company in place of erstwhile Adani Infrastructure Services Pvt. Ltd.

Fixed Deposits:

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

"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 I attached herewith and forms part of this Annual Report.

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

The particulars, as prescribed under clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure to the Directors' Report forming part of the complete version of Annual Report. Pursuant to the exemption under Section 219(1)(b)(iv) of the Companies Act, 1956, the said annexure has not been enclosed with the Directors' Report forming part of the Abridged version of the Annual Report 2010-11.

Your Company has incurred expenditure in foreign exchange to the extent of ₹ 44,605.49 Lacs during the year under review. Foreign exchange earnings during the year were ₹ 375.02 Lacs.

Quality, Health, Safety and Environment:

At Mundra Port and Special Economic Zone Limited (MPSEZL), Quality, Health, Safety and Environmental (QHSE) responsibilities are integral. MPSEZL has acquired International Standards ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007, certification specifying the requirements for an Integrated Management System (IMS) as a part of its objectives to improve quality, health, safety and environment in the work place.

Company has received IMS certification for "Providing Port Facilities for Handling Bulk, Liquid and Containerized Cargo, Single Point Mooring, Storage and Transportation of Cargo by Road, Rail and Pipeline". The certification has set up processes and systems that makes Mundra Port a world class port offering high quality services to customers as well as establishes the port as a great place to work in safe, secure and healthy environment.

Corporate Governance and Management Discussion and Analysis Report:

Committed to good corporate governance practices, your Company fully confirm to the standards set out by the Securities and Exchange Board of India and other regulatory authorities and has implemented and complied with all of its major stipulations. The Report on Corporate Governance along with the Compliance Certificate from the Practicing Company Secretary in line with Clause 49 of the Listing Agreement validating our claim and the Report on Management Discussion and Analysis are annexed and forms part of this Annual Report.

Your Company in compliance with the requirements of the Listing Agreement has also 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. S. K. Tuteja has resigned from the Board with effect from February 12, 2011. The Board express gratitude for the expert advice and services rendered by him and significant contributions made during his tenure as a Director.

As per Section 256 of the Companies Act, 1956 and Article 152 of the Articles of Association of the Company, Mr. S. Venkiteswaran, Dr. Malay Mahadevia 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 there are no material departures from the same;
- Accounting Policies selected have been applied consistently except one which has been mentioned in the notes and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at March 31, 2011 and of the profit of your Company for the year ended on that date;
- 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; and
- The annual accounts have been prepared on a going concern basis.

Insurance:

The Company continues to carry adequate insurance for all assets against foreseeable perils.

Particulars of Employees:

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, a statement showing 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 and others entitled thereto 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, Ahmedabad, 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 therefore do not call for any further comments and explanations.

Information Technology: an enabler for Growth

Innovation has been the driver for IT automation at Mundra Port. With deployment of the best in class applications and systems, the IT initiatives have consistently been used to streamline enterprise business processes, improve operating efficiencies and reduce costs. Mundra Port aims at seamless integration of its business operations and an IT platform to provide real time information and help in improving decision making process and in turn leads to efficient port operation.

Awards and Accreditations:

During the year under review, your Company had won the "best model port in the private sector and Clean Port of the year" for creating benchmarks through best practices of adding further capacities and infrastructure and for protecting the port environment by reducing emissions and carbon footprint.

Acknowledgment:

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, Government of Gujarat, Gujarat Maritime Board, Financial Institutions and Banks. Your Directors thank all shareowners, esteemed customers, suppliers, business associates and members of the Adani Family for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: May 9, 2011

Gautam S. Adani
Chairman & Managing Director

Annexure - I to the Directors' Report

The following is the list of Persons Constituting "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 Regulation 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. Accurate Finstock Pvt. Ltd. | 50. CSPGCL AEL Parsa Collieries Ltd. | 98. S. B. Adani Family Trust |
| 2. Adani Agri Fresh Ltd. | 51. Ezy Global | 99. SBFT Holding Trust |
| 3. Adani Agri Logistics Ltd. | 52. Gautam S. Adani | 100. Shanti Builders |
| 4. Adani Agro Pvt. Ltd. | 53. Gautam S. Adani Family Trust | 101. Shanti Construction |
| 5. Adani Cements Ltd. | 54. Gautambhai S. Adani HUF | 102. Shanti Corporation |
| 6. Adani Commodities | 55. Hazira Infrastructure Pvt. Ltd. | 103. Shantigram Estate Management Pvt. Ltd. |
| 7. Adani Developers Pvt. Ltd. | 56. Hazira Road Infrastructure Pvt. Ltd. | 104. Shantigram Utility Services Pvt. Ltd. |
| 8. Adani Energy Ltd. | 57. I Gate India Pvt. Ltd. | 105. Shantikrupa Estates Pvt. Ltd. |
| 9. Adani Enterprises Ltd. | 58. Jeet G. Adani | 106. Shantikrupa Services Pvt. Ltd. |
| 10. Adani Estates Pvt. Ltd. | 59. Karan G. Adani | 107. Sharmishta Sanghavi |
| 11. Adani Exports | 60. Karnavati Aviation Pvt. Ltd. | 108. Shilin R. Adani |
| 12. Adani Gas Ltd. | 61. Kunal D. Shah | 109. Surekha B. Shah |
| 13. Adani Global FZE | 62. Kutchh Power Generation Ltd. | 110. Suvarna M. Adani |
| 14. Adani Global Ltd. | 63. M to M Traders Pvt. Ltd. | 111. Swayam Realtors and Traders Ltd. |
| 15. Adani Global Pte. Ltd. | 64. Mahaguj Power Ltd. | 112. Vanshi R. Adani |
| 16. Adani Hazira Port Pvt. Ltd. | 65. Maharashtra Eastern Grid Power Transmission Company Ltd. | 113. Vanshi Shipping Pte. Ltd. |
| 17. Adani Infra (India) Ltd. | 66. Mahasukh S. Adani | 114. Vasant S. Adani |
| 18. Adani Infrastructure and Developers Pvt. Ltd. | 67. Mahasukh S. Adani Family Trust | 115. Vasant S. Adani Family Trust |
| 19. Adani Land Developers Pvt. Ltd. | 68. Mahasukh S. Adani HUF | 116. Vasantbhai S. Adani HUF |
| 20. Adani Landscapes Pvt. Ltd. | 69. Mansi K. Shah | 117. Ventura Power Investment Pvt. Ltd. |
| 21. Adani Logistics Ltd. | 70. Miraj Impex Pvt. Ltd. | 118. Vinod N. Sanghavi |
| 22. Adani Mining Pvt. Ltd. | 71. MPSEZ Utilities Pvt. Ltd. | 119. Vinod S. Adani |
| 23. Adani Mundra SEZ Infrastructure Pvt. Ltd. | 72. Mundra International Airport Pvt. Ltd. | 120. Vinod S. Adani Family Trust |
| 24. Adani Murmugao Terminal Port Pvt. Ltd. | 73. Mundra LNG Ltd. | 121. Vinodbhai S. Adani HUF |
| 25. Adani Pench Power Ltd. | 74. Mundra Power SEZ Ltd. | |
| 26. Adani Petronet (Dahej) Port Pvt. Ltd. | 75. Mundra SEZ Textile & Apparel Pvt. Ltd. | |
| 27. Adani Power (Overseas) Ltd., Dubai | 76. Namrata P. Adani | |
| 28. Adani Power Dahej Ltd. | 77. Param P. Adani | |
| 29. Adani Power Ltd. | 78. Parsa Kente Collieries Ltd. | |
| 30. Adani Power Maharashtra Ltd. | 79. Pranav V. Adani | |
| 31. Adani Power Pte. Ltd., Singapore | 80. Priti G. Adani | |
| 32. Adani Power Rajasthan Ltd | 81. Priti R. Shah | |
| 33. Adani Properties Pvt. Ltd. | 82. PT Adani Global | |
| 34. Adani Shipping (India) Pvt. Ltd. | 83. PT Aneka Sumber Bumi, Indonesia | |
| 35. Adani Shipping Pte. Ltd. | 84. PT Kapuas Coal Mining | |
| 36. Adani Shipyards Pvt. Ltd. | 85. PT Coal Indonesia, Indonesia | |
| 37. Adani Textile Industries | 86. Pushpa V. Adani | |
| 38. Adani Welspun Exploration Ltd. | 87. Rahi R. Adani | |
| 39. Adani Wilmar Ltd. | 88. Rahi Shipping Pte. Ltd. | |
| 40. Advance Exports | 89. Rajasthan SEZ Pvt. Ltd. | |
| 41. Asset Trade & Investment Pvt. Ltd. | 90. Rajesh S. Adani | |
| 42. B2B India Pvt. Ltd. | 91. Rajesh S. Adani Family Trust | |
| 43. Bhavik B. Shah | 92. Rajeshbhai S. Adani HUF | |
| 44. Chemoil Adani Pte. Ltd. | 93. Rakesh R. Shah | |
| 45. Chemoil Adani Pvt. Ltd. | 94. Ranjan V. Adani | |
| 46. Chendipada Collieries Pvt. Ltd. | 95. Riddhi V. Adani | |
| 47. Columbia Chrome (India) Pvt. Ltd. | 96. Sagar R. Adani | |
| 48. Concord Trade & Investment Pvt. Ltd. | 97. Sarguja Rail Corridor Pvt. Ltd. | |
| 49. Crown International | | |

Management Discussion and Analysis

The discussion hereunder covers the financial results and other group company development of Mundra Port and Special Economic Zone Ltd. (MPSEZL) for the financial year 2010-11 and its business 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.

Economic Outlook:

Our growth in the year 2010-11 has been good and broad-based. While agriculture has shown a rebound, industry is regaining its earlier momentum. Service sector continues its near double digit run. Fiscal consolidation has been impressive. This year has also seen significant progress in those critical institutional reforms that would set the pace for double-digit growth in the near future. The Gross Domestic Product (GDP) of India is estimated to have grown at 8.6% in 2010-11 in real terms. More importantly, the economy has shown remarkable resilience to both external and domestic shocks. Though the development of India's external sector in the current year have been encouraging, our principal concern this year has been the continuing high food prices. Your Company continues to strengthen its business and has sustained its position in the global market and posted encouraging performance for the year under review.

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 569 million tonnes in 2010-11 compared to 561 million tonnes in 2009-10, a growth of 1.57%.

According to GMB figures, the non-Major Ports in Gujarat have registered a traffic growth of 12.34% over last year with cargo handling rising from 206 million tonnes in 2009-10 to 231 million tonnes in 2010-11. Meanwhile, the total port capacity of the Gujarat's non-Major Ports grew by 16% this year, reaching 284 million tonnes per annum compared 244 million tonnes last year.

Special Economic Zone:

The Special Economic Zone Policy framed in April, 2000 with an objective to increase the exports, attract FDI and accelerate the economic growth of the country, has started showing results wherein the total exports from the SEZs in the year 2009-10 exceeded ₹ 2,20,711 Crores. The export in the first half of financial year 2010-11, has been to the tune of ₹ 2,23,132 Crores, registering a growth of 46.70% over the exports of corresponding period of 2009-10.

Multi-product SEZ at Mundra is the largest notified SEZ in the country. Export from Mundra SEZ for the current financial year 2010-11 has been over ₹1,530 Crores. This shows a growth of more than 19% over previous year. Your company's SEZ with its multi-modal connectivities including road, rail, sea port and airport is expected to attract more and more investments in the coming years.

Performance at glance:

Your Company had shown impressive performance during the year under review.

Highlights of Overall Performance:

- Total number of vessels handled at Mundra Port: 2,517 (2,339 vessels in 2009-10 i.e a growth of 9.3% year on year).
- Cargo volumes have improved across all segments (cargo handled in 2009-10 was 40.29 million tonnes and 2010-11 was 51.68 million tonnes which shows a growth of 27.97% year on year).

Railway:

- Total number of rakes handled in 2010-11 is 8,121
- Commissioning of four lines at R&D Yard with RRI (Route Relay Interlocking) type of signaling system
- Works on the anvil :
Doubling of 64 KM railway track from Adipur to Mundra has commenced in 2010-11 and expected to be completed by second quarter of 2012-13.

Dry Cargo:

- 22.66 million tonnes of dry cargo handled during 2010-11.

Adani Mundra Container Terminal (AMCT):

- Mundra Port has crossed one million TEU's mark during the financial year and ended handling total 1.23 million TEU's. Thus, becoming third port in country to reach one million TEU throughout.
- Largest container ship to call to India so far, the MSC's operated 8,400 TEU vessel M.V. Northern Jaguar called at AMCT on October 12, 2010.

Marine:

- Mundra Port West Basin commenced its commercial operations on December 12, 2010 with the berthing of its first cargo vessel M.V. CSK Beilun with LOA of 289 mtrs and beam of 45 mtrs. With the commissioning of the West Basin, Mundra Port has become the world's largest coal receiving terminal with 60 MMT capacity.
- Mundra port became the only port in India to have its own mini shipyard in which air balloon technology was used to up-slip a tug.

Adani Automobile terminal:

- Total 1,05,382 cars exported in the financial year 2010-11.
- Executed first shipment (Stock Yard, Mumbai to Vessel) of Tata Motors comprising of 5 trucks in January, 2011. Mundra Port is the first port in India to take up this activity as a single window activity

Liquid:

- New Vegetable Oil tank farm (encl 15 & 16) with a capacity of 80,000 KL constructed.
- Highest single export consignment handled with 39,338 MT in August, 2010.

CSR related initiatives:

- Introduction of New Initiatives in areas of
 - Community Health- Kidney Stone Project- Awareness, Intervention & Cure
 - Agriculture Support/ Water Conservation- Additional 25% support for Drip Irrigation
 - Fisher Folk Equipment Support to more than 2000 fisher men & women
- Eight more Check Dams constructed under Sardar Patel Sahbhagi Jal Sanchay Yojana in Mundra Taluka recharging/ storing 44 lacs cubic feet water and rendering direct benefit to 179 hectares of land
- Wide spread Rural Infrastructure Development Activities initiated with total participation of people at each process at various villages
- More & more Skill Development Initiatives for increasing Employability & Rural Entrepreneurial Development trainings

Special Economic Zone:

During the year, your Company has focused on development of robust infrastructure for supporting the industrial development within the Special Economic Zone (SEZ). Construction of road over bridge within the Zone has been completed enabling seamless connectivity to the Port and SEZ development. Elaborate arterial road network has been completed for SEZ users. Execution of utility infrastructures like common effluent treatment plant (CETP), water desalination plant has also been completed. Work for doubling of Mundra-Adipur rail line has been undertaken.

The Co-developers of the SEZ have provided various social infrastructure facilities such as Housing, Hospital and School in the SEZ. MPSEZ Utilities Pvt. Ltd. (MUPL), a 100% subsidiary of your Company and approved Co-developer, has developed electricity distribution network and started distribution of electricity in the SEZ. In addition to the eight Co-developers approved by GOI, three more Co-developers have obtained approval for setting up LNG Facilities & Gas based power plant, Airport and related infrastructure facilities and Industrial Training Institute.

The Development Commissioner's office is functional within the SEZ and the SEZ units are obtaining required approvals within the Zone itself. By now total 22 units have been approved for setting up manufacturing and service facilities in the SEZ. Total investment by these units is expected to be more than ₹ 4,200 Crores. Some of the approved Units have already started export activities in the Zone.

Port Related Developments:

West Basin Development: Coal terminal at West Basin is designed for 60 million tonnes capacity on 3 berths. In addition, one additional berth No. 4 is being constructed in West Basin. This berth is expected to be completed in 2nd quarter of 2012-13.

Additional berths: As a part of expansion of port capacity 4 additional berths are being constructed in Mundra Port (Berth No. 9, 10, 11 & 12); 2 berths are being developed in South Basin (BCT1/2, BCT2/1) and 1 berth in West Port (Berth No. 4), total being 7 berths. Mundra Port is

continuously striving to increase its capacity by improving productivity and efficiency through the introduction of new facilities, mechanization and other cargo handling techniques.

Other Group Developments:

Dahej Port is strategically located along the Vadodara-Mumbai corridor, which generally services cargo centers in south Gujarat, upper Maharashtra and parts of central India. During the year under review Adani Petronet (Dahej) Port Pvt. Ltd. a subsidiary of the Company has commenced commercial operations at Dahej on 1st Jetty w.e.f September 1, 2010.

MPSEZL is in the process of setting up coal cargo terminals at Murmugao Port, Goa which will enable it to capture a larger market hinterland, extending further into Central India and some portion of Southern India. This terminal was awarded to MPSEZL after competitive bidding. The thirty year concession agreement has already been signed.

MPSEZL is developing a non-LNG multi-user, multi-cargo port facilities at Hazira under the sub-concession route. Sub Concession Agreement with Hazira Port Pvt. Ltd. (a subsidiary of Shell India) and GMB has been signed in November, 2010 and key approval from GMB has been obtained. Dredging and Jetty construction work has already commenced. Hazira Port will be developed to handle container, dry and liquid bulk cargo.

Global Development:

Mundra Port emerged successful in international competitive bidding by the Queensland Government for sale of Abbot Point X50 Coal Terminal (APCT). Among the largest investment by an Indian company in Australia, Mundra Port has acquired on a 99-year lease of the Abbot Point Coal Terminal for AUD\$ 1.829 billion from the Queensland Government. The coal terminal, with a capacity to handle 50 million tonnes a year, will facilitate the transport of coal from Australian mines to India. With the acquisition of APCT, the Company has established international credentials as an efficient world class port developer and operator. We have harboured aspirations to expand globally and APCT is the right business opportunity with strategic fit. Abbot Point is our contribution to India's increasing global ambition and will boost synergy with other businesses of the Group.

Competition:

Competition within the port industry is primarily driven by the characteristics and location of the ports as well as quality of service and customer satisfaction. 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. Despite common hinterland in north west India which is shared with these ports, Mundra Port management has been successful in attracting substantial cargo, increase year after year due to the fact indicated above.

Risk and concerns:

There are certain factors which may cause our actual results to differ materially from our expectations. Some of the factors are regulatory and policy changes pertaining to our business, various economic parameters including inflation & interest rate, development in political scenario and its impact in economy, trade and policy initiatives, acts of hostility, violence or war etc.

MPSEZL has a formal risk assessment and management system which periodically identifies risk areas, evaluates their consequences, initiates risk mitigation strategies and implements corrective actions where required. Audit Committee quarterly reviews the report on risk management and recommends the corrective steps for implementation.

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 after taking into consideration the major risk factors related to business and port operations, and being duly approved by the Audit Committee and the Statutory Auditors. For smooth execution of audit program it is segregated quarter wise.

The multidisciplinary Internal Audit team consist of professionally qualified accountants, engineers and SAP experienced executives, who review the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management's controls are adequate to yield "value for money". The audit committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them, as appropriate. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

Human Resource Development:

MPSEZL being the largest private port developer and operator is a premier workplace that attracts innovative and passionate employees whose talent and commitment fuel our vision to create 200MMT port capacity by 2020.

To realize vision 2020, Human Resource Department is building the capabilities through structured talent acquisition, talent development and retention processes.

MPSEZL has added 325 employees during the year at various levels. This has enabled us to operationalise the West Basin Coal Terminal. We are geared to build human resource capabilities for expansion projects of Berths 9-12, Agri Park and South Basin during the year 2011-12.

MPSEZL is building, learning and developing infrastructure at Mundra to impart simulation training to MHC, RMQC, RTG, Grab Unloader Crane operators. This will serve as a nodal training center for current and upcoming ports in MPSEZL. Management is investing in enhancing technical and managerial skills of employees for building competencies needed for our growth plans. MPSEZL has imparted 3.65 mandays of training per employee during 2010-11 which includes both technical and soft skills training. These programmes are identified based on competency gaps, annual performance reviews and strategic goals.

MPSEZL has put in place good talent management system to groom high potential employees by implementation of Individual Development Plans based on Assessment Development Center results. This will prepare high potential employees for future roles.

MPSEZL enjoys excellent employee relations which have been built over the years by taking various initiatives to enhance the employee morale.

Standalone Financial Performance with respect to operational performance:

Your Company has recorded total income to the tune of ₹ 1,93,483.59 Lacs during the financial year 2010-11 compared to ₹ 1,42,629.90 Lacs in the corresponding previous financial year an increase of 35.65%.

Net Block of fixed assets the Company as on March 31, 2011 is ₹ 5,30,564.25 Lacs as compared to ₹ 4,20,993.40 Lacs as on March 31, 2010 an increase of 26% in comparison to the corresponding period in the previous year.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹ 1,35,975.64 Lacs as compared to ₹ 99,492.40 Lacs in the previous year, showing growth of 36.67%.

Net profit after tax is ₹ 98,616.00 Lacs as compared to ₹ 70,097.56 Lacs as on March 31, 2010 an increase of 40.68%

Earnings per share increased by 40.68% on an annualized basis to ₹ 4.92 on face value of ₹ 2/- each.

Consolidated Financial Performance of the Company:

Your Company has recorded total income to the tune of ₹ 2,03,100.20 Lacs during the year 2010-11 compared to ₹ 1,54,009.77 Lacs in the corresponding previous financial year an increase of 31.87%.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹ 1,33,029.54 Lacs compared to ₹ 1,01,084.09 Lacs in the previous year an annualized growth of 31.60%.

Net profit after tax is ₹ 91,814.65 Lacs as compared to ₹ 67,599.94 Lacs as on March 31, 2010 an increase of 35.82%

Earnings per share increased by 35.82% on an annualized basis to ₹ 4.58 on face value of ₹ 2/- 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

Sound Corporate Governance is a key driver of sustainable corporate growth and long-term value creation for the stakeholders and protection of their interests. The Company strongly believes that the spirit of Corporate Governance goes beyond the statutory form. It is the endeavor of the Company to meet the growing aspirations of all stakeholders including shareholders, employees, customers, lenders, business partners and Government. Your Company has adopted best governance and disclosure practices and will further strengthen the same in years to come. The compliance report is prepared and given below in conformity with the mandatory requirements of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2011.

2. Board of Directors

a) Composition of the Board:

The Board of Directors of your Company as on March 31, 2011 comprises nine Directors out of which six Directors are Non-Executive Directors. Non-Executive Independent Directors consists professionals drawn from diverse fields that bring in a wide range of skills and experience to the Board.

The day to day operations are conducted by Chairman and Managing Director of the Company subject to the supervision and control of the Board of Directors. The Composition of the Board of Directors with reference to Executive and Non Executive Directors meets the requirement of Clause 49 of the Listing Agreement.

The composition and category of the Board of Directors is given herein below:

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	4	1	-
Mr. Rajesh S. Adani	Promoter & Non-Independent Director	7	2	3
Mr. Rajeeva Ranjan Sinha	Executive Director	7	-	-
Dr. Malay Mahadevia	Executive Director	9	-	1
Mr. K. N. Venkatasubramanian	Independent & Non Executive Director	5	-	1
Mr. S. Venkiteswaran	Independent & Non Executive Director	5	-	6
Mr. Arun Duggal	Independent & Non Executive Director	10	1	3
Mr. D. T. Joseph	Independent & Non Executive Director	6	-	4
Mr. Pankaj Kumar, IAS	GMB Nominee	7	-	-

Other directorships do not include alternate directorship, directorship of Private Limited Companies, Section 25 Companies of the Companies Act, 1956 and of Companies incorporated outside India. Chairmanship/Membership of Board Committees includes membership of Audit and Shareholders/Investors Grievance Committees in other Public Limited Companies.

b) Board Procedure:

Board met four times during the year under review on May 17, 2010, August 4, 2010, October 25, 2010 and February 7, 2011. The criteria of maximum time gap between any two consecutive meetings shall not exceed four months has been followed by the Company.

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 available at the Board Meeting to enable the Board to take decisions. As required under Clause 49 of Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

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 August 21, 2010
	Held	Attended	
Mr. Gautam S. Adani	4	4	Yes
Mr. Rajesh S. Adani	4	4	Yes
Dr. Malay Mahadevia	4	3	Yes
Mr. Rajeeva Ranjan Sinha	4	4	Yes
Mr. K. N. Venkatasubramanian	4	4	Yes
Mr. S. Venkiteswaran	4	1	No
Mr. S. K. Tuteja, IAS (Retd.) *	4	4	Yes
Mr. Arun Duggal	4	2	No
Mr. D. T. Joseph, IAS (Retd.)	4	4	Yes
Mr. Pankaj Kumar, IAS	4	1	No

* Resigned as a Director w.e.f February 12, 2011.

c) 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 Chairman and Managing Director to this effect is attached at the end of this report.

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

Mr. S. Venkiteswaran, Dr. Malay Mahadevia and Mr. Arun Duggal are Directors retiring at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. S. K. Tuteja has resigned as a Director with effect from February 12, 2011.

The Board has recommended the re-appointment of the retiring Directors. The Directors being 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 was constituted on September 22, 2001 and was re-constituted on January 30, 2007 and July 30, 2009 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	1
Mr. S. K. Tuteja *	Non-Executive & Independent Director	4	4
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	4	4
Mr. D. T. Joseph	Non-Executive & Independent Director	4	4

* Resigned as a Director w.e.f February 12, 2011.

During the year under review Audit Committee Meetings were held four times on May 17, 2010, August 4, 2010, October 25, 2010 and February 7, 2011.

The Chief Financial Officer, representatives of statutory auditors and 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 last Annual General Meeting held on August 21, 2010.

The Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the stock exchanges and such other functions as may be specifically delegated to the Committee by the Board from time to time.

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 to the Board, the appointment and re-appointment of the statutory auditor and the fixation of their remuneration.
3. Reviewing 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 judgement 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 with the management, quarterly, half yearly and annual financial statements before submission to the Board for approval.
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. Discussion with internal auditors any significant findings and follow up thereon.
8. 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.
9. 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.
10. 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.
11. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
12. Reviewing the Management Discussion and Analysis of financial condition and results of operations.
13. Reviewing and discussing the statement of significant related party transactions submitted by management.
14. Reviewing the Internal audit reports relating to internal control weaknesses.

B) Remuneration Committee:

a) Constitution & Composition of Remuneration Committee:

The Remuneration Committee of the Company was constituted on September 3, 2005 and was re-constituted on May 27, 2008 and July 30, 2009.

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. S. K. Tuteja *	Non-Executive & Independent Director	1	1
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	1	1
Mr. D. T. Joseph	Non-Executive & Independent Director	1	1

* Resigned as a Director w.e.f February 12, 2011.

During the year under review Remuneration Committee Meeting was held on May 17, 2010.

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 ₹ 3 Lacs per quarter for a period of five years commencing from April 1, 2007, as approved by of the members at the Extra Ordinary General Meeting held on January 30, 2007. In addition to commission, Non-Executive Directors are paid ₹ 10,000 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 recommendation 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 2010-2011 is as under:

Name	(₹ in Lacs)	
	Commission	Sitting Fees
Mr. Rajesh S. Adani	—	2.30
Mr. Arun Duggal	12.00	0.20
Mr. S. K. Tuteja *	10.39	1.20
Mr. S. Venkiteswaran	12.00	0.90
Mr. K. N. Venkatasubramanian	12.00	1.30
Mr. D. T. Joseph	12.00	1.30
Mr. Pankaj Kumar, IAS (Nominee of Gujarat Maritime Board)	—	0.10

* Resigned as a Director w.e.f February 12, 2011.

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 and Whole Time Directors during the financial year 2010-2011 is as under:

(₹ in Lacs)

Name	Salary	Perquisites, Allowances & other Benefits	Commission	Total
Mr. Gautam S. Adani	120.00	—	100.00	220.00
Mr. Rajeeva Ranjan Sinha	64.68	97.02	—	161.70
Dr. Malay Mahadevia	73.19	109.78	—	182.97

iii) Details of shares of the Company held by Directors as on March 31, 2011 are as under:

Name	No. of shares held
Mr. Rajeeva Ranjan Sinha	4,325
Dr. Malay Mahadevia	14,47,765
Mr. S. Venkiteswaran	47,500
Mr. K. N. Venkatasubramanian	28,500

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 January 30, 2007 and was reconstituted on July 30, 2009.

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	3
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	4	4
Mr. D. T. Joseph	Non-Executive & Independent Director	4	4

* Resigned as member w.e.f November 11, 2010.

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 May 17, 2010, August 4, 2010, October 25, 2010 and February 7, 2011.

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	
4	188	191	1

D) Transfer Committee:

a) Constitution & Composition of Transfer Committee:

The Transfer Committee of the Company was constituted on September 25, 2000 and was re-constituted on January 30, 2007 and January 28, 2010.

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	2	2
Mr. K. N. Venkatasubramanian	Non-Executive & Independent Director	2	–
Dr. Malay Mahadevia	Whole Time Director	2	2

During the year under review Transfer Committee Meeting was held two times on July 20, 2010 and January 17, 2011.

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, 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, 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 reviews the financial statements and investments made by unlisted subsidiary Companies and the minutes of the unlisted subsidiary Companies are placed at the Board Meeting of the Company.

5. General Body Meetings:

a) Annual General Meetings:

The date, time and location of the Annual General Meetings held during the preceding 3 years and special resolutions passed thereat are as follows:

Financial Year	Date	Location of Meeting	Time	No. of special Resolutions passed
2007-2008	September 26, 2008	Bhaikaka Bhavan, Law Garden, Ahmedabad – 380 006	9.00 a.m.	1
2008-2009	August 31, 2009	Bhaikaka Bhavan, Law Garden, Ahmedabad – 380 006	11:00 a.m.	1
2009-2010	August 21, 2010	J. B. Auditorium Hall, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	9:30 a.m.	1

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

No

c) 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.

d) 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 there under namely Companies (Passing of resolution by Postal Ballot) Rules, 2011 as amended from time to time 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.
- 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) Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report.
- e) 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.
- f) The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2011 in compliance with Clause 49 of Listing Agreement.
- g) A qualified Practicing Company Secretary carried out a reconciliation of Share Capital 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 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.
- h) 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 Indian Express' in English and 'Financial Express' 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 presentations to investors 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 12th Annual General Meeting:

Wednesday, the August 10, 2011 at 9.30 a.m. at J. B. Auditorium, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015

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, 2011	:	On or before August 13, 2011
Quarter ending on September 30, 2011	:	On or before November 14, 2011
Quarter ending on December 31, 2011	:	On or before February 14, 2012
Annual Result of 2011-12	:	Within 60 days from March 31, 2012

c) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 5, 2011 to Wednesday, August 10, 2011 (both days inclusive) for the purpose of 12th Annual General Meeting.

d) 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 ₹ 10/- each at a premium of ₹ 430/- per share. In light of SEBI's notification No. SEBI/CFD/DIL /LA/2009/24/04 on April 24, 2009, the Company has opened separate demat account in the name of "Mundra Port and Special Economic Zone Limited - IPO Escrow 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 are frozen till the time rightful owner claims such shares.

Details of shares in Mundra Port and Special Economic Zone Limited - IPO Escrow Account are as under:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying in IPO Escrow Account as on 01.04.2010	404	30300
(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	25	1875
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	25	1875
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	379	28425

e) 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

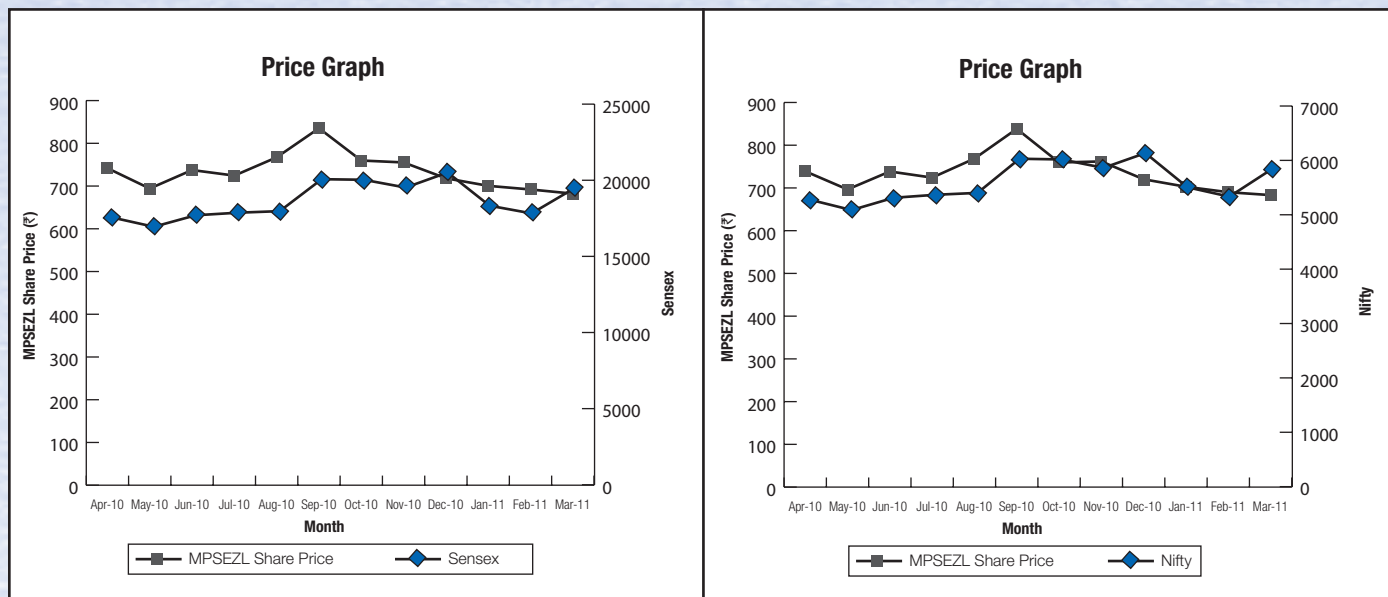
Annual listing fees for the year 2011-12 have been paid by the Company to BSE and NSE.

f) Market Price Data:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2010	795.00	733.15	806.00	733.20
May, 2010	757.20	622.10	759.90	625.20
June, 2010	739.70	658.90	741.50	650.00
July, 2010	764.95	702.00	765.85	710.00
August, 2010	831.85	726.05	829.90	726.65
September, 2010*	173.00	152.00	173.30	151.75
October, 2010*	185.25	150.15	185.25	150.10
November, 2010*	165.00	112.00	165.00	114.00
December, 2010*	156.00	133.00	155.90	133.10
January, 2011*	159.90	134.70	160.00	134.55
February, 2011*	150.90	120.90	151.00	120.50
March, 2011*	140.00	126.80	141.40	110.00

* The face value of equity shares of the Company was sub-divided from 1 (one) equity share of ₹10/- each to 5 (five) equity shares ₹ 2/- each.

g) Performance of the share price of the Company in comparison to BSE Sensex and S&P CNX Nifty *:



*To ensure consistency, uniformity and meaningful comparison, the graph has been drawn assuming face value of the equity shares at ₹ 10/- each post split

h) Registrar & Transfer Agents:

Name & Address : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400 078

Tel.: 91 22 2594 6970

Fax. : 91 22 2594 6969

E-mail : rnt.helpdesk@linkintime.co.in

Contact Person : Mr. Mahesh Masurkar

Website : www.linkintime.co.in

i) Share Transfer Procedure:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Transfer Committee.

Pursuant to Clause 47(c) of the Listing Agreement with the stock exchanges, the Company obtained a Certificate from a Practicing Company Secretary on half yearly basis, for due compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate have also been obtained from a Practicing Company Secretary 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. The Company files copy of these certificates with the stock exchange as required.

j) Shareholding as on March 31, 2011:

(a) Distribution of Shareholding as on March 31, 2011:

No. of shares	No. of shares	% to Shares	Total no. of accounts	% to total accounts
1-500	3,39,62,386	1.70	3,67,344	96.91
501-1000	47,34,280	0.24	6,243	1.65
1001-2000	36,64,295	0.18	2,544	0.67
2001-3000	26,62,270	0.13	1,052	0.28
3001-4000	11,55,984	0.06	324	0.09
4001-5000	20,09,391	0.10	419	0.11
5001-10000	35,90,154	0.18	499	0.13
10001 & above	1,95,16,15,340	97.41	617	0.16
Total	2,00,33,94,100	100.00	3,79,042	100.00

(b) Shareholding Pattern as on March 31, 2011:

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Electronic		
Promoter Holding	—	1,55,25,38,715	1,55,25,38,715	77.50
Mutual Funds/UTI	—	1,00,42,371	1,00,42,371	0.50
Banks/FI/Central Govt./State Govt. & Insurance Companies	—	7,77,17,396	7,77,17,396	3.88
Foreign Institutional Investors	—	20,76,74,533	20,76,74,533	10.37
Trusts	—	12,675	12,675	0.00
NRI/Foreign Nationals	—	33,21,557	33,21,557	0.17
Foreign Companies	—	5,07,14,353	5,07,14,353	2.53
Other Corporate Bodies	—	2,05,34,011	2,05,34,011	1.02
Clearing Member	—	8,57,377	8,57,377	0.04
Directors/Relatives of Director	—	15,40,890	15,40,890	0.08
Indian Public	7,705	7,84,32,517	7,84,40,222	3.91
Total	7,705	2,00,33,86,395	2,00,33,94,100	100.00

k) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.99% of the Company's share capital are dematerialized as on March 31, 2011.

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 INE742F01042.

l) Listing of Debt Securities:

The Secured Redeemable Non-Convertible Debentures issued on private placement basis by the Company are listed on the Wholesale Debt Market (WDM) of Bombay Stock Exchange Limited (BSE).

m) Debenture Trustees (for privately placed debentures)

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai - 400 001

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

o) Site location:

"Adani House", Navinal Island,
Mundra - 370 421,
Kutch, Gujarat.

p) Address for 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
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel. : 91 22 2594 6970
Fax. : 91 22 2594 6969
E-mail : rnt.helpdesk@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. The Board:

Your Company has an Executive Chairman and hence, the need for implementing the non-mandatory requirements does not arise.

2. Remuneration Committee:

Your Company has a Remuneration Committee to recommend/review the remuneration of Managing Director/Whole Time Directors.

3. Shareholders Right:

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

4. Audit Qualifications:

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

5. Training of Board Members:

There is no formal policy introduced for the training of Board members of the Company as the members of Board are eminent and experienced professional persons.

6. Whistle Blower Policy:

The employee of your Company have access to senior management for any counseling or Consultation in case they notice any fraud or misdoing by other employee.

Declaration

I, Gautam S. Adani, Chairman and Managing Director of Mundra Port and Special Economic Zone Limited hereby declare that as on March 31, 2011, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For Mundra Port and Special Economic Zone Limited

Place: Ahmedabad
Date: April 26, 2011

Gautam S. Adani
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 March 31, 2011 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 ensuring the compliance of the 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.

Place: Ahmedabad

Date: May 9, 2011

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

Certificate of Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2011 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 March 31, 2011 which are fraudulent, illegal or in violation 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.

Place: Ahmedabad

Date: May 9, 2011

Gautam S. Adani
Chief Executive Officer

B. Ravi
Chief Financial Officer

Auditors' Report on Abridged Financial Statements

To
The Members of
Mundra Port and Special Economic Zone Limited,

We have examined the attached Abridged Balance Sheet of Mundra Port and Special Economic Zone Limited ('the Company') as at March 31, 2011 and the Abridged Profit and Loss Account and Cash Flow statement for the year ended on that date, together with the notes thereon (hereafter collectively referred to as "abridged financial statements"). These Abridged Financial Statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the accounts of the Company for the year ended March 31, 2011 prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report of even date to the members of the Company which is attached hereto.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No: 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No.: 34032

Place: Ahmedabad

Date: May 9, 2011

Auditor's 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, 2011 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. 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, 2011;
 - 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
Firm Registration No: 101049W
Chartered Accountants

per Arpit K. Patel
Partner

Membership No.: 34032

Place: Ahmedabad
Date: May 9, 2011

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

Re: Mundra Port and Special Economic Zone Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory of stores and spare parts, fuel and lubricants has been physically verified by management during the year. In our opinion, the frequency of such physical verification is reasonable.
- (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) As informed, 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 cannot 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 goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (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) As the Company does not manufacture any products, the provisions of clause (viii) of the Companies (Auditor's Report) Order, 2003 (as amended) regarding maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 are not applicable.
- (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.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (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, the dues outstanding of service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in 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, 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	March, 2005	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Customs Act, 1962	Order from Deputy Commissioner Customs, Mundra 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 Deputy 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 (Appeal) Ahmedabad
Customs Act, 1962	Demand Notice from Deputy Commissioner of Customs directing to pay education cess against import of Steel Sole Plates	4.62	2005-06	Deputy Commissioner of customs, Mundra
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, Mundra
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	1.28	January, 2008	Commissioner of Customs (Appeals), Mumbai
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. (Net of deposit ₹ 250 Lacs)	871.57	2005-06	High Court of Gujarat
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.	4,608.83	April, 2006 to March, 2009	Commissioner of Customs and Central Excise, Rajkot
		797.90	April, 2009 to March, 2010	Commissioner of Service Tax, Ahmedabad.

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company.	851.70 829.87	April, 2004 to August, 2009 Sept, 2009 to March, 2010	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad Commissioner of Service Tax, Ahmedabad
Customs Act, 1962	Demand Notice from Commissioner of Customs for recovery of penalty in connection with import of aircraft, owned by Karnavati Aviation Private Limited – Subsidiary of the Company.	200.00	June, 2008	Commissioner of Customs & Central Excise, Ahmedabad
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of penalty in relation to import of gas oil (HSD)	5.00	May, 2010	Commissioner of Customs (Appeals), Kandla

- (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, banks 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 (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 (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 guarantees for credit facilities taken by the 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) The Company has created security or charge in respect of debentures issued in earlier years and outstanding at the year end.
- (xx) The Company has not raised any money through a public issue during the year.
- (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, 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
Firm Registration No: 101049W
Chartered Accountants

per Arpit K. Patel
Partner

Membership No.: 34032

Place: Ahmedabad
Date: May 9, 2011

Abridged Balance Sheet as at March 31, 2011

(Statement containing salient features of Balance Sheet as per section 219(1)(b)(iv) of the Companies Act, 1956)

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
SOURCES OF FUNDS		
Shareholders' Funds		
Capital		
Equity Share	40,067.88	40,067.88
Preference Share	281.10	281.10
	40,348.98	40,348.98
Reserves and Surplus		
Capital Reserves	9,838.64	8,433.16
Securities Premium Account	1,84,824.00	1,86,215.42
Debenture Redemption Reserve	19,878.39	10,844.38
Revenue Reserve	25,419.25	13,567.44
Surplus in Profit and Loss Account	1,49,097.73	89,415.11
	3,89,058.01	3,08,475.51
Loan funds		
Secured Debentures (Non-Convertible)	98,310.33	1,06,270.81
Secured Loans (other than debentures)	1,70,163.88	1,59,091.45
Unsecured Loans	2,509.39	56,418.39
	2,70,983.60	3,21,780.65
Amount Received/Receivable under Long Term Land Lease/ Infrastructure Usage Agreements	59,318.03	62,251.34
Deferred Tax Liabilities	34,957.94	28,120.68
	7,94,666.56	7,60,977.16
APPLICATION OF FUNDS		
Fixed Assets		
Net Block (Original Cost less Depreciation)	5,30,564.25	4,20,993.40
Capital Work-in-Progress including Capital Advances	1,32,572.79	1,39,460.82
	6,63,137.04	5,60,454.22
Investments		
Investment in Subsidiary Companies-Unquoted	63,639.03	50,910.11
Others-Unquoted	7,864.48	21,193.36
	71,503.51	72,103.47
Current Assets, Loans and Advances		
Inventories	4,122.68	3,139.03
Sundry Debtors	26,878.22	15,799.03
Cash and Bank Balances	13,865.89	85,868.12
Other Current Assets	11,496.56	6,218.11
Loans and Advances		
- To Subsidiary Companies	23,976.50	17,986.50
- To Others	35,937.65	42,349.61
	1,16,277.50	1,71,360.40
Less: Current Liabilities and Provisions		
Current Liabilities	44,840.30	35,573.23
Provisions	11,411.19	7,367.70
	56,251.49	42,940.93
Net Current Assets	60,026.01	1,28,419.47
Miscellaneous Expenditure to the extent not written off or adjusted	-	-
	7,94,666.56	7,60,977.16
Refer Notes forming part of the Abridged Accounts		

Compiled from the Audited Accounts of the Company referred to in our Report dated May 9, 2011.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
Firm Registration No. : 101049W
Chartered Accountants

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

per Arpit K. Patel
Partner
Membership No. 34032

Dr. Malay R. Mahadevia
Wholtime Director

B. Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : May 9, 2011

Place : Ahmedabad
Date : May 9, 2011

Abridged Profit and Loss Account for the year ended March 31, 2011

(Statement containing salient features of Profit and Loss Account as per section 219(1)(b)(iv) of the Companies Act, 1956)

	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended March 31, 2010 ₹ in Lacs
INCOME		
Operating & Other Income		
Income from Operations	1,88,507.22	1,39,251.70
Dividend	620.88	133.91
Profit on Sale of Fixed Assets	3,290.98	413.11
Profit on Sale of Investments	20.30	1,348.23
Other Income	1,044.21	1,482.95
	1,93,483.59	1,42,629.90
EXPENDITURE		
Operating Expenses	41,896.65	28,714.10
Personnel Expenses	6,097.13	4,565.71
Managerial Remuneration	564.67	842.23
Administrative and Other Expenses	5,901.81	5,323.38
Charity & Donations	2,988.51	3,648.46
Auditors' Remuneration (including as Adviser ₹ 12 Lacs, Previous Year ₹ Nil)	59.18	43.62
Interest Expenses, Derivative Losses and Finance Charges	14,547.89	18,220.44
Less : Interest Income and Derivative Gain	7,046.49	13,803.19
	7,501.40	4,417.25
Depreciation/Amortisation	20,786.25	16,814.10
	85,795.60	64,368.85
Profit Before Tax and Prior Period Items	1,07,687.99	78,261.05
Prior Period Items	-	(2,215.66)
Profit Before Tax	1,07,687.99	76,045.39
Provision for Current Tax	2,234.74	797.10
Provision for Deferred Tax Charge	6,837.25	5,150.73
Profit After Tax	98,616.00	70,097.56
Balance from Previous Year brought forward	89,415.11	53,214.64
Profit available for Appropriations	1,88,031.11	1,23,312.20
Appropriations :		
Interim Dividends on Equity Shares (including interim dividend of ₹ 8,013.58 Lacs declared on April 28, 2011)	18,031.95	10,018.68
Dividend on Preference Shares	0.03	0.03
Proposed Final Dividend on Equity Shares (Current year amount represents rounding off effect relating to previous year; Previous Year ₹ Nil)	1.52	6,010.18
Transfer to Capital Redemption Reserve	14.06	14.06
Transfer to General Reserve	9,861.60	7,009.76
Transfer to Debenture Redemption Reserve	11,024.22	10,844.38
Balance in Profit & Loss Account carried forward to Balance Sheet	1,49,097.73	89,415.11
	1,88,031.11	1,23,312.20
Basic and Diluted Earnings Per Share (in ₹) Face Value of ₹2 each	4.92	3.50

Refer Notes forming part of the Abridged Accounts

Compiled from the Audited Accounts of the Company referred to in our Report dated May 9, 2011.

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. : 101049W

Chartered Accountants

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

per Arpit K. Patel

Partner

Membership No. 34032

Dr. Malay R. Mahadevia

Wholetime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

Place : Ahmedabad

Date : May 9, 2011

Cash Flow Statement for the year ended March 31, 2011

		For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2010 ₹ in Lacs
A.	Cash Flow from Operating Activities		
	Net profit before taxation, and extraordinary items	1,07,687.99	76,045.39
	Adjustments for :		
	Depreciation	20,786.25	16,814.10
	Sundry Balances written off (Net)	1.47	127.89
	Provision written back	(521.68)	(416.42)
	Land Lease Income on Present Value Basis	(8,746.12)	—
	Cost of Land Leased	348.25	—
	Amortisation of Amounts Received under Long Term Infrastructure Usage Agreements	(2,933.31)	(2,933.31)
	Interest Expense	12,873.96	17,433.61
	Unrealised Foreign Exchange (Gain) / Loss	91.92	(231.05)
	Unrealised derivative (Gain) / Loss	—	(2,798.00)
	Interest Income	(7,046.49)	(10,798.78)
	Profit on sale of Current Investments	(20.30)	(1,348.23)
	Dividend Income from long term and current investments	(620.88)	(133.91)
	(Profit) on sale of Fixed Assets	(3,290.98)	(413.11)
	Operating Profit before Working Capital Changes	1,18,610.08	91,348.18
	Adjustments for :		
	(Increase) / Decrease in Debtors	(11,085.84)	5,386.86
	(Increase) in Inventories	(983.65)	(490.06)
	Decrease / (Increase) in Other Current Assets	3,637.39	(1,561.36)
	(Increase) in Loans and Advances	2,324.76	(3,069.21)
	Increase in Current Liabilities and Provisions	13,227.42	12,327.36
	Cash Generated from Operations	1,25,730.16	1,03,941.77
	Direct Taxes paid / Refund (Net)	104.76	(437.75)
	Net Cash from Operating Activities	1,25,834.92	1,03,504.02
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(1,19,169.77)	(1,42,199.19)
	Purchase of Investments	—	(15,225.70)
	Investments made in Subsidiaries / Associates / Share application money paid (including acquisition from third parties)	(29,578.63)	(35,304.84)
	Inter-corporate deposit/ loans given	(1,36,948.69)	(91,286.50)
	Inter-corporate deposit/ loans received back	1,49,358.69	43,725.67
	Proceeds from / (Deposits in) Fixed Deposits with a maturity period of more than 90 days (net)	58,038.91	21,458.37
	Sale of Investments	15,266.88	28,539.44
	Sale of Fixed Assets	7,167.46	2,404.72
	Dividend Income	620.88	133.91
	Interest Received	6,876.77	11,365.28
	Net Cash used in Investing Activities	(48,367.50)	(1,76,388.84)

Cash Flow Statement for the year ended March 31, 2011

		For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2010 ₹ in Lacs
C.	Cash Flow from Financing Activities		
	Receipt of Long Term Borrowings	46,940.71	1,82,477.09
	Repayment of Long Term Borrowings (including Debentures)	(61,062.10)	(1,72,888.16)
	Receipt of Short Term Borrowings	50,000.00	87,500.00
	Repayment of Short Term Borrowings	(87,500.00)	—
	Inter-corporate deposit received	15,000.00	—
	Inter-corporate deposit refund	(15,000.00)	—
	Interest & Finance Charges Paid	(13,193.89)	(15,532.50)
	Interest & Finance Charges Paid and Capitalised	(2,571.78)	(387.38)
	Payment of Dividend	(24,055.06)	(14,037.90)
	Net Cash Flow from Financing Activities	(91,442.12)	67,131.15
D.	Net Increase in Cash and Cash Equivalents (A+B+C)	(13,974.70)	(5,753.68)
E.	Cash and Cash Equivalents at start of the period	20,370.31	26,123.99
F.	Cash and Cash Equivalents at close of the period	6,395.61	20,370.31
	Components of Cash & Cash Equivalents		
	Cash and Cheques on Hand	3.53	4.05
	Balances with Scheduled Banks		
	- On Current Accounts	5,592.08	13,166.26
	- On Fixed Deposit Accounts	800.00	7,200.00
	Cash and Cash Equivalents at close of the period	6,395.61	20,370.31
	Add:		
	Fixed Deposits pledged (restricted Cash)	4,828.40	31,839.49
	Fixed Deposits with original maturity of more than 90 days	2,560.52	33,588.34
	Share Application Refund Account	16.96	16.96
	Unclaimed dividend	64.40	53.02
	Cash and Bank balance at the end of the year	13,865.89	85,868.12

Notes:

- The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements notified by Company Accounting Standard Rules, 2006
- Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. : 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No. 34032

Place : Ahmedabad

Date : May 9, 2011

For and on behalf of the Board of Directors

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

Dr. Malay R. Mahadevia

Wholetime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

NOTES TO ABRIDGED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. (Note No. 2 of Schedule 23)

Statement of Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) 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 changes 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. 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:

- (i) Pursuant to The Institute of Chartered Accountants of India (ICAI) issue of "Technical Guide on Accounting for Special Economic Zones (SEZs) Development Activities", the Company, with respect to accounting of leases/ sub-leases of land, has decided to apply the accounting principles of Accounting Standard – 19 'Leases'. Accordingly, in case of lease/ sub-lease transaction, where at the inception of the lease/ sub-lease, the present value of the minimum lease payment over the lease period (including non-refundable premium) amounts to substantially the fair value of land leased / sub-leased, the transaction is accounted on the principles of finance lease and otherwise as the operating lease. Hitherto, the Company had been recognizing non-refundable upfront premium as income in the year in which the lease / sub-lease agreement / Memorandum of Understanding takes effect and annual lease rental on accrual basis on leased/ sub-leased land. As per the revised policy, where the land lease/ sub-lease transaction is in the nature of finance lease, the revenue amount is recognized equal to present value of the future lease payment at the inception of the lease and where land lease/ sub-lease transaction is in the nature of operating lease, the land lease income is recognized on a systematic proportionate basis over the lease term. As a result of this change, the net credit taken to Profit and Loss Account on account of such land lease transactions is higher by ₹ 8,397.87 Lacs for the year (including ₹ 7,726.90 Lacs in respect of land lease/ sub-lease agreements entered in earlier years).
- (ii) Based on the principles of finance leases, the Company has expensed proportionate cost of land / rights of use in leased land which have been leased / sub-leased along with the recognition of income.

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. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- ii) 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.

f) Depreciation

- i) Depreciation on Fixed Assets, except for those stated in para (ii) to (iv) 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) Assets	Estimated Useful Life
Leasehold Land Development, Marine Structure, Leasehold Land – Right to Use and Dredged Channel	Over the balance period of Concession Agreement or Supplementary Concession Agreement with Gujarat Maritime Board.
Dredging Pipes	1.5 Year
Nylon and Steel coated belt on Conveyor	4 Year and 10 Year respectively
Fender, Buoy, Capstan installed at Jetty	10 - 15 Years

iii) Depreciation on individual assets costing up to ₹ 5,000 and mobile phones, included under office equipments are provided at the rate of 100% in the month of purchase.

iv) 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 using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

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 to the extent they relate to the period till such assets are ready to be put to use. 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) **Leases**

Where the Company is the lessee

Finance leases including rights of use in Leased Land, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged as expense.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, wherein 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 given under a finance lease including lease / sub-lease of land are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the Internal Rate of Return method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

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 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 an 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 on proportionate completion method basis based on service rendered.

Income in the nature of license fees / royalty are recognised as and when the right to receive such income is established as per terms and conditions of relevant agreement.

ii) Income from Long Term Leases

As a part of its business activity, the Company leases/ sub-leases land on long term basis to its customers. In some cases, the Company enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction. The Company recognises the income based on the principles of leases as per Accounting Standard – 19 Leases and accordingly in cases the land lease / sub-lease transaction are cancellable in nature, the income as regards to upfront premium received / receivable is recognised on operating lease basis i.e.pro-rata over the period of lease / sub-lease agreement / Memorandum of Understanding takes effect and annual lease rentals are recognised on an accrual basis. In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognised on finance lease basis i.e. at the inception of lease / sub-lease agreement / Memorandum of Understanding takes effect, the income recognised is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land is expensed off in the Profit and Loss Account.

iii) Contract Revenue

Revenue from construction contracts is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "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 December 7, 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 March 31, 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 or 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 and options to hedge its risks with respect to foreign currency fluctuations. These foreign exchange forward contracts and options are not used for trading or speculation purpose. 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) Retirement and Other 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 funds.

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 and deferred tax. Current income 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 reflects 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 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 realised. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date 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 realised.

q) Earnings 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 share 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.

r) Provisions

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.

s) Segment Reporting Policies

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment 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 for the purpose of Cash Flow Statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

u) Miscellaneous Expenditure

Miscellaneous Expenditure represents the expenses incurred during Initial Public Offer which stands adjusted against Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

2. (Note No. 3 of Schedules 23)

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 (ICAI). There being no business outside India, the entire business has been considered as single geographic segment.

3. (Note No. 4 of Schedules 23)

Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2011 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Holding Company	Adani Enterprises Limited (Refer note 3 below) Adani Infrastructure Services Private Limited [till March 31, 2010] (Refer note 3 below)
Subsidiary Companies	Mundra SEZ Textile and Apparel Park Private Limited MPSEZ Utilities Private Limited Rajasthan SEZ Private Limited Adani Logistics Limited [Formerly Inland Conware Private Limited] Karnavati Aviation Private Limited [Formerly Gujarat Adani Aviation Private Limited] Adani Murmugao Port Terminal Private Limited Mundra International Airport Private Limited Adani Hazira Port Private Limited Adani Petronet (Dahej) Port Private Limited
Entity held through Controlling Interest	Adinath Polyfills Private Limited
Associate	Dholera Infrastructure Private Limited

Step down Subsidiary	Hazira Infrastructure Private Limited [w.e.f. June 7, 2010]* Hazira Road Infrastructure Private Limited [w.e.f. October 1, 2010]*
Fellow Subsidiary / Its subsidiary	Adani Power Limited Adani Power Dahej Limited Adani Tradelinks Pvt. Ltd. Adani Energy Limited Adani Gas Limited Adani Mining Private Limited Adani Global F.Z.E. Adani Infra (India) Limited Adani Power Rajasthan Limited Kutchh Power Generation Limited Adani Mundra SEZ Infrastructure Private Limited
Key Management Personnel	Mr. Gautam S. Adani, Chairman and Managing Director Mr. Rajeeva Ranjan Sinha, Whole time Director Dr. Malay R. Mahadevia, Whole time Director
Relative of Key Management Personnel	Mr. Rajesh S. Adani, Director
Entities over which Key Management Personnel, Directors and their relatives are able to exercise Significant Influence	Adani Welspun Exploration Limited Shantikrupa Estates Private Limited Adani Wilmar Limited Adani Agro Private Limited Adani Properties Private Limited Adani Shipyard Private Limited Chemoil Adani Private Limited Ezy Global Shanti Builders Dholera Port and Special Economic Zone Limited Adani Foundation Adani Education and Research Foundation Ignite Foundation Gujarat Adani Institute of Medical Science

* These entities have been incorporated/formed during the year.

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

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 are entered into by the Company with the related parties during the existence of the related party relationship.
2. 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.
3. During the year under review, certain promoter entities of the Company have been merged with Adani Enterprises Limited; pursuant to sanction of Scheme of Amalgamation by the Hon'ble High Court of Gujarat vide its order dated August 12, 2010, certified copy of which has been filed with the Registrar of Companies, Gujarat on August 18, 2010. As a result of the said scheme of amalgamation which has become effective from the appointed date i.e. April 1, 2010, the Company became subsidiary of Adani Enterprises Limited and hence the Related Party Transactions have been considered for the financial year with effect from April 1, 2010.
4. For the purpose of comparison, the previous year's transactions have been re-classified in the current year.
5. Adani Power Limited, Adani Energy Limited and Adani Gas Limited have been re-classified as fellow subsidiaries w.e.f. April 1, 2010 because of Adani Enterprises Limited became the holding Company of the Company.

Detail of Related Party Transactions for the year ended March 31, 2011

Particulars	Holding		Subsidiary								KMP				Relative of KMP	Fellow Subsidiary & its Subsidiary				
	Adani Enterprises Ltd.	Adani Infra. Services Pvt Ltd.	Mundra SEZ Textile & Apparel Park Pvt. Ltd.	Adani Logistics Ltd.	Adani Murmugao Port Terminal Pvt. Ltd.	Mundra International Airport Pvt. Ltd.	Adani Hazira Port Pvt. Ltd.	MPSEZ Utilities Pvt. Ltd.	Karnavati Aviation Pvt. Ltd.	Adani Petronet (Dahej) Port Pvt. Ltd.	Gautam S. Adani	Ameet H. Desai	Malay Mahadevia	Rajeeva R. Sinha	Rajesh S. Adani	Adani Power Ltd.	Adani Power Dahej Ltd.	Adani Tradelinks Pvt. Ltd.	Adani Energy Ltd.	Adani Gas Ltd.
Rendering of Services																				
FY 2010-11	16,080.64	-	8.02	756.58	-	-	3,229.03	-	-	-	-	-	-	-	-	15,173.65	205.16	-	-	-
FY 2009-10	16,734.03	-	2.36	459.79	-	-	-	-	-	-	-	-	-	-	-	6,357.73	-	-	-	-
Lease & Infrastructure Usage Charges / Upfront Premium																				
FY 2010-11	-	-	225.81	-	-	-	-	782.26	-	-	-	-	-	-	-	154.39	-	-	-	-
FY 2009-10	-	-	58.88	-	-	-	-	-	-	-	-	-	-	-	-	1,007.57	-	-	-	-
Purchase Goods, Service & facilities																				
FY 2010-11	11.90	-	-	-	-	-	-	602.83	716.51	-	-	-	-	-	-	39.70	-	-	-	-
FY 2009-10	546.57	-	-	-	-	-	-	-	689.31	-	-	-	-	-	-	-	-	9.17	0.18	0.01
Purchase/(Sale) of Assets / Shares (Including Advance)																				
FY 2010-11	5.49	-	-	-	-	-	-	(4,995.73)	-	(5,379.24)	-	-	-	-	-	49.64	-	-	-	-
FY 2009-10	-	0.49	5.05	-	-	-	-	-	-	31.46	-	-	-	-	-	14.35	-	-	-	-
Sale of Material																				
FY 2010-11	-	-	18.09	-	-	-	-	-	-	-	-	-	-	-	-	32.41	-	-	-	-
FY 2009-10	-	-	14.90	-	-	-	-	-	-	21.44	-	-	-	-	-	34.71	-	-	-	-
Equity / Pref. Share Money Invested (Including Application Money)																				
FY 2010-11	-	-	-	-	3,046.40	-	16,360.00	5,250.00	400.00	4,000.00	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	11,370.00	119.48	50.00	50.00	-	-	11,758.30	-	-	-	-	-	-	-	-	-	-
Equity Share Application Money Refund																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income																				
FY 2010-11	910.96	-	2.03	-	-	-	-	-	-	548.34	-	-	-	-	-	464.79	-	-	-	-
FY 2009-10	-	-	6.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense																				
FY 2010-11	33.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Written Back																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Taken																				
FY 2010-11	15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Refund																				
FY 2010-11	15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICD/Loan Given																				
FY 2010-11	25,000.00	-	450.00	3,660.00	941.10	645.00	-	377.59	3,060.00	24,315.00	-	-	-	-	-	46,500.00	-	-	-	-
FY 2009-10	-	-	150.00	16,361.50	-	-	-	81.36	2,600.00	-	-	-	-	-	-	-	-	-	-	-
ICD/Loan Received Back																				
FY 2010-11	25,000.00	-	-	-	941.10	-	-	377.59	1,825.00	24,315.00	-	-	-	-	-	46,500.00	-	-	-	-
FY 2009-10	-	-	150.00	1,375.00	-	-	-	81.36	533.00	-	-	-	-	-	-	-	-	-	-	-
Expenses Reimbursement (Net)																				
FY 2010-11	0.94	-	(0.90)	1.11	-	-	-	41.70	-	3.28	-	-	-	-	-	96.94	-	-	-	-
FY 2009-10	0.56	-	1.54	0.72	1.34	1.34	0.26	-	-	-	-	-	-	-	-	52.18	-	-	-	-
Remuneration																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	120.00	-	182.96	161.70	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	120.00	386.31	138.93	147.00	-	-	-	-	-	-
Commission to Directors																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-	-	-	-	-	-	-
Sitting Fees																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.30	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	-	-	-	-
Donation																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as on March 31, 2011																				
Deposit Received																				
FY 2010-11	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances from Customers																				
FY 2010-11	81.46	-	95.00	-	-	-	-	-	-	-	-	-	-	-	-	191.06	-	-	-	-
FY 2009-10	2,798.45	-	-	1.35	-	-	-	-	-	-	-	-	-	-	-	218.10	-	-	-	-
Creditors / Other Liabilities																				
FY 2010-11	0.97	-	-	3.12	-	-	-	97.03	8.36	-	-	-	-	-	-	18.47	-	-	-	-
FY 2009-10	86.63	-	-	-	-	-	-	-	137.82	-	-	-	-	-	-	-	-	-	-	0.01
Debtors																				
FY 2010-11	3,683.06	-	9.93	161.27	-	-	482.92	321.41	-	9.29	-	-	-	-	-	5,808.63	205.16	-	-	-
FY 2009-10	624.49	-	0.90	253.97	-	-	-	-	-	-	-	-	-	-	-	4,382.21	-	-	-	-
Loan & Advances (Including Capital Advances)																				
FY 2010-11	-	-	450.00	18,646.50	-	645.00	-	-	4,235.00	5.99	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	14,986.50	-	-	-	-	3,000.00	5.99	-	-	-	-	-	27.14	-	-	-	-
Share Application Money Outstanding																				
FY 2010-11	-	-	-	-	-	14,010.00	-	-	-	4,000.00	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	114.48	-	-	-	1,600.02	-	-	-	-	-	-	-	-	-	-
Deposit Given																				
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantees																				
FY 2010-11	-	-	-	1,974.00	1,260.00	-	2,335.00	-	17,115.00	2,338.00	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	3,000.00	1,260.00	-	-	-	20,568.32	-	-	-	-	-	-	-	-	-	-	-

Fellow Subsidiary & its Subsidiary						Associate	Entities over which Key Management Personnel and their relatives are able to exercise significant influence														Total
Adani Mining Pvt. Ltd.	Adani Global F.Z.E	Adani Infra (India) Ltd.	Adani Power Rajasthan Ltd.	Kutchh Power Generation Ltd.	Adani Mundra Sez Infrastructure Pvt. Ltd.	Dholera Infrastructure Pvt. Ltd.	Adani Welspun Exploration Ltd.	Shanti Krupa Estates Pvt. Ltd.	Adani Wilmar Ltd.	Adani Agro Pvt. Ltd.	Adani Properties Pvt. Ltd.	Adani Shipyard Pvt. Ltd.	Dholera Port And Special Economic Zone Ltd.	Chemoil Adani Pvt. Ltd.	Ezy Global	Shanti Builders	Adani Foundation	Adani Education & Research Foundation	Ignite Foundation	Gujarat Adani Institute of Medical Science	
-	1.21	471.59	68.67	-	10.31	-	-	-	4,305.48	-	-	-	-	3,186.34	-	-	3.54	-	-	-	43,500.22
-	-	-	-	-	-	-	-	-	2,370.56	-	-	-	-	-	-	-	2.17	-	-	-	25,926.65
-	-	-	-	-	65.77	-	-	-	51.08	-	-	-	-	-	-	-	-	-	-	-	1,279.31
-	-	-	-	-	-	-	-	-	21.30	-	-	-	-	-	-	-	-	-	-	-	1,087.75
0.27	12.76	-	-	-	129.30	-	-	-	11.60	-	6.37	-	-	21,314.48	12.22	-	-	-	-	-	22,863.71
-	-	-	-	-	-	-	-	-	11.17	-	4.94	-	-	-	-	-	0.21	-	-	-	1,261.56
-	-	-	-	-	(5.40)	-	-	-	-	-	-	-	-	-	-	5.84	-	-	-	-	(10,319.40)
-	-	-	-	-	16.56	-	-	-	28.44	-	-	-	-	-	-	-	-	-	-	-	79.80
-	-	-	-	-	-	-	-	11.00	-	-	-	-	-	-	-	-	-	-	-	-	78.06
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71.05
-	-	-	-	-	-	0.50	-	-	-	-	-	13.00	-	-	-	-	-	-	-	-	29,056.40
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,361.28
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	110.00	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110.00
-	-	-	-	-	-	-	-	72.97	-	-	-	-	-	-	-	-	-	-	-	-	1,926.13
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79.07
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.72
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	149.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149.57
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	876.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,04,948.69
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,069.27
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98,958.69
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,139.36
-	-	-	-	-	35.64	-	-	0.51	1.53	-	-	-	-	0.70	-	-	4.55	-	-	-	186.01
-	-	-	-	-	-	-	0.02	-	9.83	5.00	-	-	-	-	-	-	(1.88)	-	-	-	70.91
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	464.66
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	792.24
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.30
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	370.35	-	500.00	2,000.00	2,870.35
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	693.00	2,500.00	-	-	3,193.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	50.00	-	-	-	-	25.00	-	-	-	-	-	-	175.00
-	-	-	-	-	-	-	-	-	50.00	-	-	-	-	-	-	-	-	-	-	-	150.00
-	-	-	-	320.52	-	-	-	-	-	-	-	-	-	252.77	-	-	-	-	-	-	940.80
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,017.90
-	-	-	-	-	-	-	-	-	1.40	-	1.53	-	-	4,581.74	-	-	-	-	-	-	4,712.60
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	224.46
-	1.21	162.14	20.16	-	11.16	-	-	-	470.38	-	-	-	-	154.44	-	-	1.36	-	-	-	11,502.51
-	-	-	-	-	-	-	-	-	55.06	-	-	-	-	-	-	-	0.33	-	-	-	5,316.96
-	-	-	-	-	1,088.36	876.41	-	-	-	-	-	-	-	-	-	25.25	-	-	-	-	25,972.52
-	-	-	-	-	-	876.41	-	0.67	-	-	-	-	-	-	-	-	-	-	-	-	18,896.71
-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,042.48
-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,715.00
-	-	-	-	-	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-	100.00
-	-	-	-	-	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-	100.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,350.00	26,372.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500.00	26,328.32

4. (Note No. 5 of Schedule 23)

The Company takes various types of derivative instruments to hedge its future loans & interest liabilities. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2011	As at March 31, 2010	
Currency Swap	₹ 1,949.40 Lacs	₹ 10,938.00 Lacs	Hedging of loan and interest liability
Principal Only Swap	₹ 43,070.75 Lacs	₹ 17,284.45 Lacs	Hedging of loan

The details of foreign currency exposures those are not hedged by a derivative instrument or otherwise are as under:

Nature	As at March 31, 2011		As at March 31, 2010	
	Amount (₹ in Lacs)	Foreign Currency (in Lacs)	Amount (₹ in Lacs)	Foreign Currency (in Lacs)
Foreign Currency Loan	33,947.26	USD 760.30	26,951.81	USD 597.07
	9,967.54	EURO 157.61	11,183.51	EURO 184.67
	10,327.62	JPY 19,118.14	5,309.02	JPY 10,960.00
Buyer's Credit	66,052.39	USD 1,479.34	66,133.80	USD 1,465.09
	2,378.47	EURO 37.61	15,729.58	EURO 259.74
	—	—	219.42	GBP 3.23
Creditors	5,619.19	USD 125.85	1,642.03	USD 36.38
	—	—	3.34	GBP 0.05
	—	—	1,785.70	EURO 29.49
	—	—	311.77	SGD 9.72
Supplier's Credit	—	—	2,482.70	USD 55.00

Closing rates as at March 31, 2011:

INR / USD = ₹ 44.65

INR / EURO = ₹ 63.24

INR / GBP = ₹ 71.92

INR / JPY = ₹ 0.54

5. (Note No. 7 of Schedule 23)

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 March 31, 2011. 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.

(₹ in Lacs)

Sr. No	Particulars	Year ended March 31, 2011	Year ended March 31, 2010
1.	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	12.75	4.00
	Interest	Nil	Nil
2.	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise 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 Enterprise Development Act, 2006.	Nil	Nil
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	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 2006.	Nil	Nil
	Total	12.75	4.00

6. (Note No. 8 of Schedule 23)

Prior period item includes reversal of Income from Lease / Infrastructure Usage ₹ Nil (Previous Year ₹ 2,215.66 Lacs)

7. (Note No. 9 of Schedule 23)

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) 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.

Based on the opinion obtained by the Company, the Company has been availing benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income of the Company including Special Economic Zone operations w.e.f. accounting year 2007-08, and tax provision is made in accordance, therewith.

Accordingly, the Company has made provision of ₹ 2,234.74 Lacs for current taxation based on its profit excluding SEZ (including notified port area) profit for the year ended March 31, 2011. Provision for dividend distribution tax has not been made as Company is not liable to pay dividend distribution tax in terms of section 115-O (6) of the Income Tax Act, 1961.

As per the assessment order for the financial year 2007-08, the tax authorities have passed order accepting Company's claim under section 80 -IAB of Income Tax Act, 1961.

8. (Note No. 10 of Schedule 23)

Details of employee benefits

1. The company has recognised, in the Profit and Loss Account for the current year, an amount of ₹ 274.26 Lacs (Previous Year ₹ 223.96 Lacs) as expenses under the following defined contribution plan.

	(₹ in Lacs)	
Contribution to	2010-11	2009-10
Provident Fund	247.05	196.26
Superannuation Fund	27.21	27.70
Total	274.26	223.96

2. The Company has a defined benefit 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 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):

	(₹ in Lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Current Service cost	90.89	77.77
Interest Cost on benefit obligation	26.28	15.13
Expected return on plan assets	(20.17)	(18.98)
Net Actuarial loss / (gain) recognised in the year	5.31	70.79
Net benefit expense	102.31	144.71

Note: Actual return on plan assets ₹ 30.26 Lacs (Previous Year ₹ 22.57 Lacs)

Balance Sheet

b) Details of provision for gratuity:

	(₹ in Lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Present value of defined benefit obligation	419.25	318.60
Fair value of plan assets	352.21	244.52
Surplus/(deficit) of funds	(67.04)	(74.08)
Net asset/ (liability)	(67.04)	(74.08)

c) Changes in present value of the defined benefit obligation are as follows:

	(₹ in Lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Defined benefit obligation at the beginning of the period	318.60	195.22
Current Service cost	90.89	77.77
Interest Cost	26.28	15.13
Actuarial (gain) / loss on obligations	15.39	74.38
Benefits paid	(31.91)	(43.90)
Defined benefit obligation at the end of the period	419.25	318.60

d) **Changes in fair value of plan assets are as follows:**

(₹ in Lacs)		
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Opening fair value of plan assets	244.52	244.87
Expected return	20.17	18.98
Contributions by employer	109.35	20.98
Benefits Paid	(31.91)	(43.90)
Actuarial gains / (losses)	10.08	3.59
Closing fair value of plan assets	352.21	244.52

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 ₹ 352.21 Lacs (Previous Year ₹ 244.52 Lacs) is as certified by the LIC.
- 2) The Company's expected contribution to the fund in the next financial year is ₹ 49.19 Lacs (Previous Year ₹ 73.03 Lacs)

e) **The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Particulars	2010-11 %	2009-10 %
Investments with insurers	100	100

The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Discount rate	8.25%	8.25%
Expected rate of return on assets	8.25%	8.25%
Rate of Escalation in Salary (per annum)	8.50%	8.50%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Attrition rate	1% at each age + 10% service related	1% at each age + 10% service related

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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

(₹ in Lacs)					
Gratuity	March, 2011	March, 2010	March, 2009	March, 2008	March, 2007
Defined benefit obligation	(419.25)	(318.60)	(195.22)	(144.08)	(83.20)
Plan Assets	352.21	244.52	244.87	168.40	78.30
Surplus / (deficit)	(67.04)	(74.08)	49.65	24.32	(4.90)
Experience adjustments on plan liabilities	15.39	95.28	(6.06)	97.16	22.20
Experience adjustments on plan assets	(10.08)	(3.59)	3.13	4.57	(1.50)

9. (Note No. 11 of Schedule 23)

Income from Operations includes:

(₹ in Lacs)

Particular	Year ended March 31, 2011	Year ended March 31, 2010
Port Services Income	163,822.13	116,376.00
Land Lease, Upfront Premium and Deferred Infrastructure Income (includes Annual Discounting Income of ₹ 682.36 lacs)	15,460.04	11,018.43
Construction and Related Income	9,225.05	11,857.27
Total	188,507.22	139,251.70

10. Operating Expenses includes Handling and Storage Expenses of ₹ 16,489.97 Lacs (Previous Year ₹ 10,026.17 Lacs).

11. (Note No. 12 of Schedule 23)

- a) For the purpose of recognition of income on lease / sub-lease transactions relating to land and related infrastructure, the Company has applied the principles of finance leases and operating leases as per Accounting Standard – 19 'Leases'. However, no disclosure has been made in terms of said Accounting Standard as lease arrangements to use land have been scoped out of the Standard. The future receivables on land transactions are disclosed under Other Current Assets. The liability relating to Lease Land is disclosed under Current Liabilities.

The cost of leased / sub-leased land is expensed under Operating expenses and annual income on land given on finance lease basis have been recognised under Income from operations. Annual discounting on GMB Land is expensed as rent as a part of Administrative and Other Expenses.

- b) Assets taken under Operating Leases – office space and residential houses for staff accommodation are obtained on operating leases. The lease rent terms are generally for eleven months period and are renewable by mutual agreement. There are no sub-leases and leases are cancelable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements and there is no escalation clause in the lease agreements. Expenses of ₹ 168.52 Lacs (Previous Year ₹ 126.90 Lacs) incurred under such leases have been expensed in the Profit & Loss Account.

12. Key Ratios:

Ratio	2010-11	2009-10
Income from Operations / Total Assets	0.24	0.19
Profit before Interest, Depreciation & Tax/ Capital Employed	19.41%	14.51%
Return on Net Worth	22.97%	20.10%
Profit after tax/ Total Income	50.97%	49.15%

13. Earnings Per Share

Particulars	Unit	2010-11	2009-10
Weighted number of Equity Shares considered for Calculating Basic & Diluted EPS	No. in Lacs	20,033.94	20,033.94
Net profit after tax	₹ in Lacs	98,616.00	70,097.56
Less : Dividend on Non-Cumulative Preference Shares	₹ in Lacs	0.03	0.03
Net profit for calculation of Basic and Diluted EPS	₹ in Lacs	98,615.97	70,097.53
Basic and Diluted Earnings Per Share	In ₹	4.92	3.50

Note :

Pursuant to the approval accorded by the members of the Company in 11th Annual General Meeting held on August 21, 2010, the face value of fully paid equity shares of ₹ 10/- each, has been sub-divided into five equity shares of face value of ₹ 2/- each fully paid up. Accordingly, the Basic and Diluted Earning per share (EPS) for the corresponding periods have been adjusted in accordance with Accounting Standard 20 'Earning Per Share'.

14. (Note No. 13 of Schedule 23)

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

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Expenditure during Construction Period :		
A. Expenditure		
Personnel Expenses	440.27	565.18
Administrative and Other Expenses	301.98	603.44
Financial Expenses	3,585.59	3,057.71
Depreciation on project assets	6,258.34	6,069.68
Total Expenditure	10,586.17	10,296.01
Brought Forward from Previous Year	—	3,343.04
Total	10,586.17	13,639.05
Capitalized /Allocated during the year (Note 2)	10,491.29	13,639.05
Balance Carried Forward Pending Allocation/Capitalization	94.88	—
B. Project Materials	24,573.09	18,541.80

Notes:

- 1) The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption.
- 2) Capitalization/allocation includes expenditure allocated on specific assets which are still under construction pending capitalization.

15. (Note No. 14 of Schedule 23)**Capital Commitments**

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	115,106.60	71,994.82

16. (Note No. 15 of Schedule 23)**Disclosure pursuant of Accounting Standard (AS) – 7 (revised) – Construction Contracts are as under**

A)	(₹ in Lacs)	
Particulars	March 31, 2011	March 31, 2010
a) Contract revenue recognized during the year	2,604.39	10,941.82
b) Aggregate amount of contract costs incurred during the year	702.86	3,391.78
c) Customer advances outstanding for contracts in progress	98.13	391.01
d) Retention money due from Customers for contracts in progress.	791.25	124.84
e) Amount due from Customers	2,503.52	3,913.75
f) Amount due to Customers	—	319.57
B)	Contract revenue accrued in excess of billing amounting ₹ 593.30 Lacs (Previous Year ₹ 4,080.24 Lacs) has been reflected under the head “Other Current Assets” and billing in excess of contract revenue amounting to ₹ 1,044.00 Lacs (Previous Year ₹ Nil) has been reflected under the head “Current Liabilities”.	

17. (Note No. 16 of Schedule 23)

Contingent Liabilities not provided for

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Corporate Guarantees given to banks and financial institutions against credit facilities availed by the subsidiaries and an associate entity- Amount outstanding there against ₹ 16,411.14 Lacs (Previous Year ₹ 22,157.75 Lacs).	26,372.00	26,328.32
Total amount of Contingent Liabilities not provided for	9,455.46	8,867.70

18. (Note No. 17 of Schedule 23)

Provisions:

(₹ in Lacs)

Description	Opening Balance	Additions during the year	Utilization during the year	Closing Balance
Operational Claims	943.67	497.09	273.13	1,167.63
	(393.67)	(550.00)	—	(943.67)

Previous year figures are in bracket

Note: Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling loss, damages to the cargo, storage and other disputes. The probability and the timing of the outflow / adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

19. (Note No. 19 of Schedule 23)

The following are the details of loans and advances in the nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of Clause 32 of Listing Agreement.

(₹ in Lacs)

Name of Entities	Outstanding amount as at		Maximum amount outstanding during the year	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Mundra International Airport Private Limited	645.00	Nil	645.00	Nil
Mundra SEZ Textile and Apparel Park Private Limited	450.00	Nil	450.00	150.00
Adani Logistics Limited	18,646.50	14,986.50	18,646.50	14,986.50
Karnavati Aviation Private Limited	4,235.00	3,000.00	4,560.00	3,433.00
Adani Mormugao Port Terminal Private Limited	Nil	Nil	941.10	Nil
Adani Petronet (Dahej) Port Private Limited	Nil	Nil	22,915.00	Nil
MPSEZ Utilities Private Limited	Nil	Nil	18,646.50	Nil
Dholera Infrastructure Private Limited	876.41	876.41	876.41	876.41
Adani Enterprises Limited	Nil	Nil	25,000	Nil
Adani Power Limited	Nil	Nil	25,000	Nil

Note:

- All loans are given on interest free basis except loan to Adani Petronet (Dahej) Port Private Limited and Mundra SEZ Textile and Apparel Park Private Limited
- All the above loans are repayable on demand except Dholera Infrastructure Private Limited.

20. (Note No. 20 of Schedule 23)

The Company has 2,811,037 outstanding 0.01 % Non-Cumulative Redeemable Preference Shares of ₹ 10/- each issued at a premium of ₹ 990 per share. These shares are to be redeemed on March 28, 2024 at an aggregate premium of ₹ 27,829.27 Lacs. The Company credits the redemption premium on proportionate basis every year to Preference Share Capital, Redemption Premium Reserve (in earlier year termed as Preference Share Capital Redemption Reserve) and debits the same to Securities Premium Account as permitted by Section 78 of the Companies Act, 1956.

21. (Note No. 21 of Schedule 23)

Miscellaneous Expenditure – Share Issue Expenses

The Company reversed excess provision of ₹ Nil (Previous Year: Expenses of ₹ 228.73 Lacs) during the year, 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.

22. (Note No. 22 of Schedule 23)

Previous Year Comparative

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

Firm Registration No. : 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No. 34032

Place : Ahmedabad

Date : May 9, 2011

For and on behalf of the Board of Directors

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

Dr. Malay R. Mahadevia

Wholetime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	<input type="text"/> <input type="text"/> <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 4 <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 2	State Code	<input type="text"/> 0 <input type="text"/> 4
Balance Sheet Date	<input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 1		
	Date Month Year		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSAND)

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L	Rights Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSAND)

Total Liabilities*	<input type="text"/> <input type="text"/> 7 <input type="text"/> 9 <input type="text"/> 4 <input type="text"/> 6 <input type="text"/> 6 <input type="text"/> 6 <input type="text"/> 5 <input type="text"/> 6	Total Assets	<input type="text"/> <input type="text"/> 7 <input type="text"/> 9 <input type="text"/> 4 <input type="text"/> 6 <input type="text"/> 6 <input type="text"/> 6 <input type="text"/> 5 <input type="text"/> 6
--------------------	--	--------------	--

SOURCES OF FUNDS

Paid up Capital	<input type="text"/> <input type="text"/> <input type="text"/> 4 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 8	Reserves & Surplus	<input type="text"/> <input type="text"/> 3 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 0 <input type="text"/> 5 <input type="text"/> 8 <input type="text"/> 0 <input type="text"/> 1
Secured Loans	<input type="text"/> <input type="text"/> 2 <input type="text"/> 6 <input type="text"/> 8 <input type="text"/> 4 <input type="text"/> 7 <input type="text"/> 4 <input type="text"/> 2 <input type="text"/> 1	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 <input type="text"/> 5 <input type="text"/> 0 <input type="text"/> 9 <input type="text"/> 3 <input type="text"/> 9

APPLICATION OF FUNDS

Net Fixed Assets	<input type="text"/> <input type="text"/> 6 <input type="text"/> 6 <input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 3 <input type="text"/> 7 <input type="text"/> 0 <input type="text"/> 4	Investments	<input type="text"/> <input type="text"/> <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 5 <input type="text"/> 1
Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> 6 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 2 <input type="text"/> 6 <input type="text"/> 0 <input type="text"/> 1	Miscellaneous Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L
Accumulated Losses	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L		

* Total liabilities include deferred tax liability (net) of ₹ 34,95,794 thousand and Amount Received/Receivable under Long-term Land Lease/Infrastructure Usage agreements of ₹ 59,31,803 thousand.

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN ₹ THOUSAND)

Turnover	<input type="text"/> <input type="text"/> 1 <input type="text"/> 9 <input type="text"/> 3 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 3 <input type="text"/> 5 <input type="text"/> 9	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> 8 <input type="text"/> 5 <input type="text"/> 7 <input type="text"/> 9 <input type="text"/> 5 <input type="text"/> 6 <input type="text"/> 0
Profit/(Loss) Before Tax	+ <input type="text"/> - <input type="text"/> <input checked="" type="checkbox"/> <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 7 <input type="text"/> 6 <input type="text"/> 8 <input type="text"/> 7 <input type="text"/> 9 <input type="text"/> 9	Profit/(Loss) After Tax	+ <input type="text"/> - <input type="text"/> <input checked="" type="checkbox"/> <input type="text"/> 9 <input type="text"/> 8 <input type="text"/> 6 <input type="text"/> 1 <input type="text"/> 6 <input type="text"/> 0 <input type="text"/> 0
	(Please tick Appropriate + for Profit, - for loss)		
Earnings Per Share (₹)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 4 <input type="text"/> . <input type="text"/> 9 <input type="text"/> 2	Dividend %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 4 <input type="text"/> 5

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

Product Description	Item Code No. (ITC Code)
P O R T S E R V I C E S	N O T A P P L I C A B L E

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman and Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholtime Director

B. Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : May 9, 2011

Statement pursuant to Section 212(1)(e) of The Companies Act, 1956, Relating To Subsidiary Companies

(₹ in Lacs)

Sr. No.	Particulars	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	Adani Logistics Ltd.	MPSEZ Utilities Pvt. Ltd.	Rajasthan SEZ Pvt. Ltd.	Karnavati Aviation Pvt. Ltd.	Adani Petronet (Dahej) Port Pvt. Ltd.	Adani Murmugao Port Terminal Pvt. Ltd.	Mundra International Airport Pvt. Ltd.	Adani Hazira Port Pvt. Ltd.	Hazira Infrastructure Pvt. Ltd.	Hazira Road Infrastructure Pvt. Ltd.
1	Financial Year of subsidiary ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
2	Shares of the Subsidiary Company held on the above date and the extent of holding											
3	i) Number of Shares	2,715,400	311,790,000	13,135,000	10,000	5,000,000	208,727,510	31,339,000	500,000	2,40,00,000	2,50,000	50,000
	ii) Extent of holding	56.98%	100%	100%	100%	100%	74%	74%	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.	(127.54)	(486.73)	(26.53)	Nil	(578.43)	(197.94)	(23.86)	(0.11)	(21.10)	Nil	Nil
4	ii) Not dealt with the accounts of Mundra Port and Special Economic Zone Limited.	Nil	Nil	Nil	Nil	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.	(84.18)	(2,140.67)	Nil	Nil	(229.12)	(79.91)	(6.38)	(0.47)	(6.73)	Nil	Nil
4	ii) Not dealt with the accounts of Mundra Port and Special Economic Zone Limited.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Auditors' Report on Abridged Consolidated Financial Statements

To,

The Board of Directors of

Mundra Port and Special Economic Zone Limited,

We have examined the attached Abridged Consolidated Balance Sheet of Mundra Port and Special Economic Zone Limited ('the Company') its subsidiaries (together referred to as the 'Group') as at March 31, 2011 and the Abridged Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, together with the notes thereon (hereafter collectively referred to as "Abridged Consolidated Financial Statements"). These Abridged Consolidated Financial Statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the Consolidated Financial Statements of the Group for the year ended March 31, 2011, prepared in accordance with the requirements of the Accounting Standards (AS) 21, "Consolidated Financial Statements" and AS 23, "Accounting for Investments in Associates in Consolidated Financial Statements", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and covered by our report dated May 9, 2011 to the Board of Directors of the Company which is attached hereto.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No.: 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No.: 34032

Place: Ahmedabad

Date: May 9, 2011

Auditor's Report on Consolidated Financial Statements

To
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 Limited ('the Company') and its subsidiaries (together referred to as 'the Group'), as at March 31, 2011, and also 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 certain subsidiaries, whose financial statements reflect total assets of ₹ 1,08,036.28 Lacs as at March 31, 2011, the total revenue of ₹ 15,610.53 Lacs and cash outflows amounting to ₹ 3,006.72 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. 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 and AS 23, Accounting for Investments in Associates in Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. 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 Group as at March 31, 2011;
 - 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
Firm Registration No.: 101049W
Chartered Accountants

Place: Ahmedabad
Date: May 9, 2011

per Arpit K. Patel
Partner
Membership No.: 34032

Abridged Consolidated Balance Sheet as at March 31, 2011

(Statement containing salient features of Consolidated Balance Sheet as per section 219(1)(b)(iv) of the Companies Act, 1956)

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
SOURCES OF FUNDS		
Shareholders' Funds		
Capital		
Equity Share	40,067.88	40,067.88
Preference Share	281.10	281.10
	40,348.98	40,348.98
Reserves and Surplus		
Capital Reserves	11,893.77	10,667.23
Securities Premium Account	1,84,824.05	1,86,215.47
Debenture Redemption Reserve	19,878.39	10,844.29
Revenue Reserve	25,421.91	13,570.19
Surplus in Profit and Loss Account	1,36,620.34	83,739.07
	3,78,638.46	3,05,036.25
Minority Interest	9,870.52	8,222.93
Loan funds		
Secured Debentures (Non-Convertible)	98,310.33	1,06,270.81
Secured Loans (other than debentures)	2,58,383.32	2,13,998.50
Unsecured Loans	2,555.74	56,418.39
	3,59,249.39	3,76,687.70
Foreign Currency Monetary Item Transaction Difference Account	—	981.41
Amount Received/Receivable under Long Term Lease/ Infrastructure Usage Agreements	61,211.78	62,907.01
Deferred Tax Liabilities (net)	35,015.37	28,168.57
	8,84,334.50	8,22,352.85
APPLICATION OF FUNDS		
Fixed Assets		
Net Block (Original cost less Depreciation)	6,35,084.84	4,84,998.45
Capital Work- in- Progress including Capital Advances	2,11,743.95	1,91,825.32
	8,46,828.79	6,76,823.77
Investments		
Government Securities	0.98	—
Others-Unquoted	6,661.00	22,193.36
Goodwill on Consolidation	4,035.14	292.78
Deferred Tax Assets (net)	339.39	—
Current Assets, Loans and Advances		
Inventories	4,233.51	3,158.13
Sundry Debtors	28,491.07	17,644.13
Cash and Bank Balances	25,150.37	99,969.29
Other Current Assets	12,007.95	6,429.18
Loans and Advances - Others	24,442.78	44,712.62
	94,325.68	1,71,913.35
Less: Current liabilities and provisions		
Current Liabilities	57,359.56	41,476.96
Provisions	10,498.76	7,396.23
	67,858.32	48,873.19
Net Current Assets	26,467.36	1,23,040.16
Miscellaneous Expenditure to the extent not written off or adjusted	1.84	2.78
	8,84,334.50	8,22,352.85

Refer Notes forming part of the Abridged Consolidated Accounts

Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated May 9, 2011.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. : 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No. 34032

Place : Ahmedabad

Date : May 9, 2011

For and on behalf of the Board of Directors

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

Dr. Malay R. Mahadevia

Wholetime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

Abridged Consolidated Profit and Loss Account for the year ended March 31, 2011

(Statement containing salient features of Consolidated Profit and Loss Account as per section 219(1)(b)(iv) of the Companies Act, 1956)

	For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2010 ₹ in Lacs
INCOME		
Operating & Other Income		
Income from Operations	2,00,011.10	1,49,551.98
Dividend	620.88	136.69
Profit on Sale of Fixed Assets	23.05	541.74
Profit on Sale of Investment	20.30	1,348.23
Other Income	2,424.87	2,431.13
	<u>2,03,100.20</u>	<u>1,54,009.77</u>
EXPENDITURE		
Operating Expenses	53,092.36	37,885.36
Personnel Expenses	7,410.92	5,108.51
Managerial Remuneration	564.67	842.23
Administrative and Other Expenses	5,818.87	5,389.05
Charity & Donations	2,988.51	3,648.46
Provision for Doubtful Debts	118.39	—
Auditors' Remuneration (including as Adviser ₹ 12 Lacs, Previous Year ₹ Nil)	76.94	52.07
Interest Expense, Derivative Losses and Finance Charges	16,710.17	21,774.85
Less : Interest Income and Derivative Gain	<u>7,914.34</u>	<u>14,929.80</u>
	8,795.83	6,845.05
Depreciation/Amortisation	23,875.81	18,679.91
	<u>1,02,742.30</u>	<u>78,450.64</u>
Profit Before Tax and Prior Period Items	1,00,357.90	75,559.13
Prior Period Items	—	(2,196.29)
Profit Before Tax	1,00,357.90	73,362.84
Provision for Current Tax	2,234.00	797.40
Provision for Deferred Tax Charge	6,506.67	5,207.99
Profit After Tax	91,617.23	67,357.45
Add: Share of minority shareholders in loss of subsidiaries	197.42	79.60
Add: Loss/adjustments attributable to sale of stake in subsidiaries / Associates	—	162.89
Net Profit	91,814.65	67,599.94
Balance brought forward from Previous Year	83,739.07	50,036.13
Amount available for Appropriation	1,75,553.72	1,17,636.07
Appropriations :		
Interim Dividends on Equity Shares (including interim dividend of ₹ 8,013.58 Lacs declared on April 28, 2011)	18,031.95	10,018.68
Dividend on Preference Shares	0.03	0.03
Proposed final dividend on Equity Shares (Current year amount represents rounding off effect relating to previous year; Previous Year ₹ Nil)	1.52	6,010.18
Transfer to Capital Redemption Reserve	14.06	14.06
Transfer to General Reserve	9,861.60	7,009.76
Transfer to Debenture Redemption Reserve	11,024.22	10,844.29
Balance in Profit and Loss Account carried forward to Balance Sheet	<u>1,36,620.34</u>	<u>83,739.07</u>
	1,75,553.72	1,17,636.07
Basic and Diluted Earnings Per Share (in ₹) Face Value of ₹ 2 each	4.58	3.37

Refer Notes forming part of the Abridged Consolidated Accounts

Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated May 9, 2011.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. : 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No. 34032

Place : Ahmedabad

Date : May 9, 2011

For and on behalf of the Board of Directors

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

Dr. Malay R. Mahadevia

Wholtime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

Consolidated Cash flow Statement for the year ended March 31, 2011

		For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2010 ₹ in Lacs
A.	Cash Flow from Operating Activities		
	Net profit before taxation, and extraordinary items	1,00,357.90	73,362.84
	Adjustments for :		
	Depreciation	23,875.81	18,679.91
	Sundry Balances written off / Doubtful debts provided	126.51	127.89
	Provision written back	(521.88)	(422.70)
	Land Lease Income on Present Value Basis	(8,746.12)	–
	Cost of Land Leased	342.93	–
	Amortisation of Amounts Received under Long Term Land Lease/Infrastructure Usage Agreements	(2,842.73)	(2,964.93)
	Interest Expense	14,892.80	20,818.31
	Unrealised Foreign Exchange (Gain) / Loss	91.92	(231.05)
	Unrealised derivative (Gain) / Loss	–	(2,798.00)
	Foreign Exchange Monetary Item Difference	(981.41)	
	Interest Income	(7,914.34)	(11,925.40)
	Profit on sale of Current Investments	(20.30)	(1,348.23)
	Dividend Income from long term and current investments	(620.88)	(136.69)
	(Profit) on sale of Fixed Assets	(23.05)	(541.74)
	Operating Profit before Working Capital Changes	1,18,017.16	92,620.21
	Adjustments for :		
	(Increase) / Decrease in Debtors	(10,918.64)	5,306.94
	(Increase) in Inventories	(1,022.63)	(489.93)
	Decrease / (Increase) in Other Current Assets	3,507.51	(1,561.36)
	(Increase) in Loans and Advances	(718.98)	(5,067.59)
	Increase in Unamortized balance of Amounts Received under Long Term Infrastructure Usage Agreements	1,147.50	824.12
	Increase in Current Liabilities and Provisions	11,166.62	14,082.39
	Cash Generated from Operations	1,21,178.54	1,05,714.78
	Direct Taxes paid (Net)	(331.91)	(845.06)
	Net Cash from Operating Activities	1,20,846.63	1,04,869.72
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(1,86,131.55)	(1,91,049.47)
	Investments made in Associates /Share application money paid (including acquisition from third parties)	(2,149.84)	(26,850.03)
	Inter-corporate deposit/ loans given	(1,03,500.00)	(73,300.00)
	Inter-corporate deposit/ loans received back	1,21,900.00	42,800.00
	Proceeds from / (Deposits in)Fixed Deposits with a maturity period of more than 90 days (net)	45,844.72	23,419.45
	Sale of Investments	15,246.00	28,788.40
	Sale of Fixed Assets	3,556.70	3,340.50
	Dividend Income from long term and current investments	620.88	136.69
	Interest Received	7,574.18	12,527.74
	Net Cash used in Investing Activities	(97,038.91)	(1,80,186.72)

Consolidated Cash flow Statement for the year ended March 31, 2011

		For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2010 ₹ in Lacs
C.	Cash Flow from Financing Activities		
	Capital Contribution Received	1,663.10	7,199.27
	Receipt of Long Term Borrowings	96,504.54	1,92,693.34
	Repayment of Long Term Borrowings (including Debentures)	(77,610.39)	(1,85,544.16)
	Receipt of Short Term Borrowings	50,000.00	87,500.00
	Repayment of Short Term Borrowings	(87,500.00)	—
	Inter-corporate Deposit Received	15,000.00	—
	Inter-corporate Deposit Refund	(15,000.00)	—
	Interest & Finance Charges Paid	(15,270.19)	(18,866.00)
	Interest & Finance Charges Paid and Capitalised	(4,550.27)	(387.38)
	Payment of Dividend	(16,030.10)	(14,037.91)
	Government Grant/Other Contribution	—	626.37
	Net Cash Flow from Financing Activities	(52,793.31)	69,183.53
D.	Net Increase in Cash and Cash Equivalents (A+B+C)	(28,985.59)	(6,133.47)
E.	Cash and Cash Equivalents at start of the period	36,381.57	42,515.04
F.	Cash and Cash Equivalents on acquisition of subsidiary	1.70	—
G.	Cash and Cash Equivalents at close of the period	7,395.98	36,381.57
	Components of Cash & Cash Equivalents		
	Cash and Cheques on Hand	7.61	6.54
	Balances with Scheduled Banks		
	- On Current Accounts	6,588.37	13,955.48
	- On Fixed Deposit Accounts	800.00	22,419.55
		7,395.98	36,381.57
	Add:		
	Fixed Deposits pledged (Restricted Cash)	4,828.58	31,942.97
	Fixed Deposits with original maturity of more than 90 days	12,844.45	31,574.78
	Share Application Refund Account	16.96	16.96
	Unclaimed dividend	64.40	53.01
		25,150.37	99,969.29

Notes:

- The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements notified by Company Accounting Standard Rules, 2006.
- Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration No. : 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No. 34032

Place : Ahmedabad

Date : May 9, 2011

For and on behalf of the Board of Directors

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

Dr. Malay R. Mahadevia

Wholetime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

NOTES TO ABRIDGED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011 OF MUNDRA PORT AND SPECIAL ECONOMIC ZONE LIMITED AND ITS SUBSIDIARIES

1) (Note No. 2 of Schedule 23)

Principles of consolidation

The Consolidated Financial Statements relate to the Mundra Port Group which comprises the financial statements of MPSEZL and its subsidiaries as at March 31, 2011. In the preparation of Consolidated Financial Statements, investment in the subsidiaries have been accounted for in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and AS 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended). 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 continues 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 and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full. Unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.
- ii) The excess of the cost to the Company of its investment in subsidiaries over the Company's portion of equity on the acquisition date is recognized in the financial statements as goodwill and is tested for impairment annually. When there is excess of Company's portion of equity of the subsidiary over the cost of the investment then it is treated as Capital Reserve.
- iii) 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.
- iv) Financial statements of the subsidiaries are prepared for the same reporting year as the parent company i.e. for the year ended March 31, 2011, 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.
- v) In case of associates where the Company directly or indirectly through subsidiaries hold 20% or more of equity shares, investment in associates are accounted for using equity method in accordance with Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements, as referred to in the Accounting Standard Rules. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates Profit and Loss account, based on available information. The difference between the cost of investment in the associates and the share of net assets, at the time of acquisition of shares in the associates, is identified in the financial statements as Goodwill or Capital Reserve, as the case may be.

2) (Note No. 3 of Schedule 23)

Statement of Significant Accounting Policies

a) Basis of Preparation

The Consolidated Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) 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 changes 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 may affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the Consolidated Financial Statements and the results of operations during the reporting period. 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:

- i) Pursuant to the Institute of Chartered Accountants of India (ICAI) issue of "Technical Guide on Accounting for Special Economic Zones (SEZs) Development Activities", the Company, with respect to accounting of leases/ sub-leases of land, has decided to apply

the accounting principles of Accounting Standard – 19 'Leases'. Accordingly, in case of lease/ sub-lease transaction, where at the inception of the lease/ sub-lease, the present value of the minimum lease payment over the lease period (including non-refundable premium) amounts to substantially the fair value of land leased / sub-leased, the transaction is accounted on the principles of finance lease and otherwise as the operating lease. Hitherto, the Company had been recognizing non-refundable upfront premium as income in the year in which the lease / sub-lease agreement / Memorandum of Understanding takes effect and annual lease rent on accrual basis on leased/ sub-leased land. As per the revised policy, where the land lease/ sub-lease transaction is in the nature of finance lease, the revenue amount is recognized equal to present value of the future lease payment at the inception of the lease and where land lease/ sub-lease transaction is in the nature of operating lease, the land lease income is recognized on a systematic proportionate basis over the lease term. As a result of this change, the net credit taken to Profit and Loss Account on account of such land lease transactions is higher by ₹ 8,397.87 Lacs for the year (including ₹ 7,726.90 Lacs in respect of land lease/ sub-lease agreements entered in earlier years). Based on the principles of finance leases, the Company has expensed proportionate cost of land / rights of use in leased land which have been leased/ sub-leased along with the recognition of income.

- ii) Based on the principles of finance leases, the Company has expensed proportionate cost of land / rights of use in leased land which have been leased / sub-leased along with the recognition of income.

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. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- ii) 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.

f) Depreciation

- i) Depreciation on Fixed Assets, except for those stated in para (ii) to (iv) 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) Assets	Estimated Useful Life
Leasehold Land Development, Marine Structure, Leasehold Land – Right to Use and Dredged Channel	Over the balance period of Concession Agreement or Supplementary Concession Agreement with Gujarat Maritime Board.
Dredging Pipes	1.5 Year
Nylon and steel coated belt on conveyor	4 Year and 10 Year respectively
Fender, Buoy, Capstan installed at Jetty	10 - 15 Years

- iii) Depreciation on individual assets costing up to ₹ 5,000 and mobile phones, included under office equipments are provided at the rate of 100% in the month of purchase.
- iv) 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 Ministry of Railway (MOR) for approval for movement of Container Trains	Over the period of 20 Years from the date of commencement of operations and their expected future economic benefits.

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 using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.
- 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 to the extent they relate to the period till such assets are ready to be put to use. 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) Leases

Where the Company is the lessee

Finance leases including rights of use in Leased Land, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, wherein 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 given under a finance lease including lease / sub-lease of land are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the Internal Rate of Return method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

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 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

Government Grants available to the enterprise are accounted where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

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.

i) Port Operation Services

Revenue from port operation services including rail infrastructure is recognized on proportionate completion method basis based on service rendered.

Income in the nature of license fees / royalty are recognised as and when the right to receive such income is established as per terms and conditions of relevant agreement.

ii) Income from Long Term Leases/ Infrastructure Usage Agreements

As a part of its business activity, the Company leases/ sub-leases land on long term basis to its customers. In some cases, the Company enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction. The Company recognises the income based on the principles of leases as per Accounting Standard – 19 Leases and accordingly in cases the land lease / sub-lease transaction are cancellable in nature, the income as regards to upfront premium received / receivable is recognised on operating lease basis i.e. pro-rata over the period of lease / sub-lease agreement/ Memorandum of Understanding takes effect and annual lease rentals are recognised on an accrual basis. In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognised on finance lease basis i.e. at the inception of lease / sub-lease agreement / Memorandum of Understanding takes effect, the income recognised is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land is expensed off in the Profit and Loss Account. In case of Subsidiary Mundra SEZ Textile and Apparel Park Private Limited (MITAP), 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. (This income pertaining to MITAP in the books of MPSEZL constitutes 3.62% of the total unamortized amount under Long Term Lease/Infrastructure Usage Agreements.)

iii) Income from Multi-modal Cargo Storage cum Logistics Services

Multi-modal and transportation income are recognized on the basis of service provided as per the contractual terms.

iv) Non Scheduled Aircraft Services

Revenue from chartered services is recognized based on service provided and billed as per the terms of the contracts with the customers.

v) Contract Revenue

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

vi) Interest

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

vii) 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 December 7, 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 March 31, 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 or renewal of forward exchange contract is recognised as income or as expense for the year.

v) Derivative transactions

The Company enters into various foreign currency option contracts and options to hedge its risks with respect to foreign currency fluctuations. These foreign exchange forward contracts and options are not used for trading or speculation purpose. 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) Retirement and Other 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.

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.

q) Income Taxes

Tax expense comprises of current and deferred tax. Current income 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 reflects 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 realised. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date 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 realised.

r) Earnings 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

A provision is recognised 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.

t) Segment Reporting Policies

i) Identification of segments:

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.

ii) Inter segment transfers:

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

iii) Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

u) Cash and Cash Equivalents

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

v) Miscellaneous Expenditure

Miscellaneous Expenditure represents the expenses incurred during Initial Public Offer which stands adjusted against Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

3) (Note No. 4 of Schedule 23)

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 mainly includes Aircraft Operating 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, 2011 is given below:

(₹ in Lacs)

Sr. No.	Particulars	Port and SEZ Activities	Others	Total
1	Revenue			
	External Sales	1,86,339.63	15,276.92	2,01,616.55
		1,38,753.17	11,488.12	1,50,241.29
	Less : Inter-Segment Sales	—	(1,605.45)	(1,605.45)
		—	(689.31)	(689.31)
	Total Revenue	1,86,339.63	13,671.47	2,00,011.10
		1,38,753.17	10,798.81	1,49,551.98
2	Results			
	Segment Results	1,09,461.03	(349.51)	1,09,111.52
		81,359.50	(1,900.94)	79,458.56
	Unallocated Corporate Income (Net)	—	—	42.20
		—	—	749.33

Sr. No.	Particulars	Port and SEZ Activities	Others	Total
	Operating Profit	1,09,461.03	(349.51)	1,09,153.72
		<i>81,359.50</i>	<i>(1,900.94)</i>	<i>80,207.89</i>
	Less: Finance Expense (net)	—	—	8,795.83
		—	—	<i>6,845.05</i>
	Profit/(Loss) before tax	1,09,461.03	(349.51)	1,00,357.89
		<i>81,359.50</i>	<i>(1,900.94)</i>	<i>73,362.84</i>
	Current Taxes			2,234.00
				<i>797.40</i>
	Deferred Tax			6,506.67
				<i>5,207.99</i>
	Total Tax			8,740.67
				<i>6,005.39</i>
	Profit after tax			91,617.22
				<i>67,357.45</i>
	Add: Loss/adjustments attributable to sale of stake in subsidiaries			—
				<i>162.89</i>
	Less: Minority Interest			(197.42)
				<i>(79.60)</i>
	Net profit			91,814.64
				<i>67,599.94</i>
3	Other Information			
	Segment Assets	8,34,946.36	78,884.40	9,13,830.76
		<i>6,70,846.82</i>	<i>71,061.42</i>	<i>7,41,908.24</i>
	Unallocated Corporate Assets	—	—	38,360.22
		—	—	<i>1,31,123.55</i>
	Total Assets	8,34,946.36	78,884.40	9,52,190.98
		<i>6,70,846.82</i>	<i>71,061.42</i>	<i>8,73,031.79</i>
	Segment Liabilities	1,14,757.24	2,657.64	1,17,414.88
		<i>1,01,417.71</i>	<i>2,029.31</i>	<i>1,03,447.02</i>
	Unallocated Corporate Liabilities	—	—	4,05,919.98
		—	—	<i>4,15,979.39</i>
	Total liabilities	1,14,757.24	2,657.64	5,23,334.86
		<i>1,01,417.71</i>	<i>2,029.31</i>	<i>5,19,426.41</i>
	Capital Expenditure during the year	1,95,091.94	9,551.68	2,04,643.62
		<i>1,48,517.28</i>	<i>38,229.65</i>	<i>1,86,746.93</i>
	Segment Depreciation(Expense)	21,541.77	2,334.04	23,875.81
		<i>16,879.08</i>	<i>1,800.83</i>	<i>18,679.91</i>
	Non-Cash Expenses other than Depreciation	436.32	—	436.32
		<i>(3,323.75)</i>	—	<i>1,884.24</i>
	Unallocated Non-Cash Expenses other than Depreciation	—	—	6,506.67
		—	—	<i>5,207.99</i>

Previous year figures are in italics

4) (Note No. 5 of Schedule 23)

Mundra Port and Special Economic Zone Limited's share in the voting power of subsidiary companies as at March 31, 2011 is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%)
1	Adani Logistics Limited [Formerly Inland Conware Private Limited (ICPL)]	India	100.00
2	Karnavati Aviation Private Limited	India	100.00
3	MPSEZ Utilities Private Limited	India	100.00
4	Mundra SEZ Textile and Apparel Park Private Limited (MITAP)	India	56.98
5	Rajasthan SEZ Private Limited	India	100.00
6	Adani Murmugao Port Terminal Private Limited	India	74.00
7	Mundra International Airport Private Limited	India	100.00
8	Adani Hazira Port Private Limited	India	100.00
9	Adani Petronet (Dahej) Port Private Limited	India	74.00
10	Hazira Infrastructure Private Limited (w.e.f. June 7, 2010)*	India	100.00
11	Hazira Road Infrastructure Private Limited (w.e.f. October 1, 2010)*	India	100.00

* Incorporated during the year

5) (Note No. 6 of Schedule 23)

The financial statements of Adinath Polyfills Private Limited for the year ended March 31, 2011 have been considered for consolidation based on the management certified financial statements.

6) (Note No. 7 of Schedule 23)

Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2011 for the purposes of reporting as per AS 18 – Related Party Transactions which are as under:

Holding Company	Adani Enterprises Limited (Refer note 3 below) Adani Infrastructure Services Private Limited [till March 31, 2010] (Refer note 3 below)
Associate	Dholera Infrastructure Private Limited
Fellow Subsidiary/Its subsidiary	Adani Power Limited Adani Power Dahej Limited Adani Tradelinks Private Ltd. Adani Energy Limited Adani Gas Limited Adani Mining Private Limited Adani Global F.Z.E. Adani Infra (India) Limited Adani Power Rajasthan Limited Kutchh Power Generation Limited Adani Mundra SEZ Infrastructure Private Limited
Key Management Personnel	Mr. Gautam S. Adani, Chairman and Managing Director Mr. Rajeeva Ranjan Sinha, Whole time Director Dr. Malay R. Mahadevia, Whole time Director
Relative of Key Management Personnel	Mr. Rajesh S. Adani, Director
Entities over which Key Management Personnel, Directors and their relatives are able to exercise significant influence	Adani Welspun Exploration Limited Shantikrupa Estates Private Limited Adani Wilmar Limited Adani Agro Private Limited Adani Properties Private Limited Adani Shipyard Private Limited Chemoil Adani Private Limited Ezy Global Shanti Builders Dholera Port and Special Economic Zone Limited Adani Foundation Adani Education and Research Foundation Ignite Foundation Gujarat Adani Institute of Medical Science

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

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 are entered into by the Company with the related parties during the existence of the related party relationship.
2. 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.
3. During the year under review, certain promoter entities of the Company have been merged with Adani Enterprises Limited; pursuant to sanction of Scheme of Amalgamation by the Hon'ble High Court of Gujarat vide its order dated August 12, 2010, certified copy of which has been filed with the Registrar of Companies, Gujarat on August 18, 2010. As a result of the said scheme of amalgamation which has become effective from the appointed date i.e. April 1, 2010, the Company became subsidiary of Adani Enterprises Limited and hence the Related Party Transactions have been considered for the financial year with effect from April 1, 2010.
4. For the purpose of comparison, the previous year's transactions have been re-classified in the current year.
5. Adani Power Limited, Adani Energy Limited and Adani Gas Limited have been re-classified as fellow subsidiaries w.e.f. April 1, 2010 because of Adani Enterprises Limited became the Holding Company of the Company.

Detail of Related Party Transactions for the year ended March 31, 2011

Particulars	Holding		Joint Venture	KMP			Relative of KMP	Fellow Subsidiary & its Subsidiary									
	Adani Enterprises Ltd.	Adani Infra. Services Pvt. Ltd.		Petronet LNG Ltd.	Gautam S. Adani	Malay Mahadevia		Rajeeva R. Sinha	Rajesh S. Adani	Adani Power Ltd.	Adani Power Dahej Ltd.	Adani Tradelinks Pvt. Ltd.	Adani Energy Ltd.	Adani Gas Ltd.	Adani Mining Pvt. Ltd.	Adani Global F.Z.E	Adani Infra (India) Ltd.
Rendering of Services																	
FY 2010-11	17,581.98	-	-	-	-	-	-	16,183.72	205.16	-	-	-	-	-	1.21	471.59	68.67
FY 2009-10	16,734.03	-	-	-	-	-	-	7,009.40	-	-	-	-	-	-	-	-	-
Lease & Infrastructure Usage Charges / Upfront Premium																	
FY 2010-11	-	-	-	-	-	-	-	154.39	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	1,007.57	-	-	-	-	-	-	-	-	-
Purchase Goods, Service & Facilities																	
FY 2010-11	11.90	-	-	-	-	-	-	39.70	-	-	-	5.76	0.27	12.76	-	-	-
FY 2009-10	546.57	-	-	-	-	-	-	-	-	9.17	0.18	0.01	-	-	-	-	-
Purchase/(Sale) of Assets / Shares (Including Advance)																	
FY 2010-11	6.84	-	-	-	-	-	-	256.08	-	-	-	-	-	-	-	-	-
FY 2009-10	-	0.49	-	-	-	-	-	14.35	-	-	-	-	-	-	-	-	-
Sale of Material																	
FY 2010-11	-	-	-	-	-	-	-	32.41	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	34.71	-	-	-	-	-	-	-	-	-
Equity / Pref. Share Money Invested (Including Application Money)																	
FY 2010-11	1,101.10	-	562.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	356.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Share Application Money Refund																	
FY 2010-11	-	-	562.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	356.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income																	
FY 2010-11	910.96	-	-	-	-	-	-	464.79	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense																	
FY 2010-11	33.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Written Back																	
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	149.57	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Taken																	
FY 2010-11	15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Refund																	
FY 2010-11	15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICD/Loan Given																	
FY 2010-11	25,000.00	-	-	-	-	-	-	46,500.00	-	-	-	-	-	-	-	-	-
FY 2009-10	5.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICD/Loan Received Back																	
FY 2010-11	25,000.00	-	-	-	-	-	-	46,500.00	-	-	-	-	-	-	-	-	-
FY 2009-10	5.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Reimbursement (Net)																	
FY 2010-11	2.04	-	-	-	-	-	-	96.94	-	-	-	-	-	-	20.56	-	-
FY 2009-10	0.56	-	-	-	-	-	-	52.18	-	-	-	-	-	-	-	-	-
Remuneration																	
FY 2010-11	-	-	-	120.00	182.96	161.70	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	120.00	138.93	147.00	-	-	-	-	-	-	-	-	-	-	-
Commission to Directors																	
FY 2010-11	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	50.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting Fees																	
FY 2010-11	-	-	-	-	-	-	2.30	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	2.50	-	-	-	-	-	-	-	-	-	-
Donation																	
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as on March 31, 2011																	
Deposit Received																	
FY 2010-11	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances from Customers																	
FY 2010-11	81.46	-	-	-	-	-	-	191.06	-	-	-	-	-	-	-	-	-
FY 2009-10	2,798.45	-	-	-	-	-	-	218.10	-	-	-	-	-	-	-	-	-
Creditors / Other Liabilities																	
FY 2010-11	7.58	-	-	-	-	-	-	74.27	-	-	-	-	-	-	-	-	-
FY 2009-10	86.63	-	-	-	-	-	-	8.11	-	-	-	0.01	-	-	-	-	-
Debtors																	
FY 2010-11	4,661.14	-	-	-	-	-	-	5,812.37	205.16	-	-	-	-	1.21	162.14	20.16	-
FY 2009-10	624.49	-	-	-	-	-	-	4,382.21	-	-	-	-	-	-	-	-	-
Loan & Advances (Including Capital Advances)																	
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	27.14	-	-	-	-	-	-	-	-	-
Share Application Money Outstanding																	
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit Given																	
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantees																	
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Fellow Subsidiary & its Subsidiary		Associate	Entities over which Key Management Personnel and their relatives are able to exercise significant influence															Total
Kutchh Power Generation Ltd.	Adani Mundra Sez Infrastructure Pvt. Ltd.	Dholera Infrastructure Pvt. Ltd.	Adani Welspun Exploration Ltd.	Shanti Krupa Estates Pvt. Ltd.	Adani Wilmar Ltd.	Adani Agro Pvt. Ltd.	Adani Properties Pvt. Ltd.	Adani Shipyard Pvt. Ltd.	Dholera Port And Special Economic Zone Ltd.	Chemoil Adani Pvt Ltd.	Ezy Global	Shanti Builders	Adani Foundation	Adani Education & Research Foundation	Ignite Foundation	Gujarat Adani Institute of Medical Science		
-	10.31	-	21.78	-	4,330.76	-	-	-	-	3,186.34	-	-	3.54	-	-	-	42,065.06	
-	-	-	-	-	2,393.42	-	-	-	-	-	-	-	2.17	-	-	-	26,139.02	
-	65.77	-	-	-	51.08	-	-	-	-	-	-	-	-	-	-	-	271.24	
-	-	-	-	-	21.30	-	-	-	-	-	-	-	-	-	-	-	1,028.87	
-	129.30	-	-	-	11.60	-	8.52	-	-	21,314.48	12.22	-	-	-	-	-	21,546.52	
-	-	-	-	-	11.17	-	5.54	-	-	-	-	-	0.21	-	-	-	572.84	
-	(5.40)	-	-	-	-	-	-	-	-	-	-	5.84	-	-	-	-	263.36	
-	-	-	-	28.44	-	-	-	-	-	-	-	-	-	-	-	-	43.28	
-	16.56	-	-	11.00	-	-	-	-	-	-	-	-	-	-	-	-	59.97	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.71	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	0.50	-	-	-	-	-	13.00	-	-	-	-	-	-	-	-	1,663.10	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	370.10	
-	-	-	-	-	-	-	-	-	110.00	-	-	-	-	-	-	-	562.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	466.60	
-	-	-	-	72.97	-	-	-	-	-	-	-	-	-	-	-	-	1,375.75	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72.97	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.72	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149.57	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	876.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,500.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	881.91	
-	-	-	-	-	-	-	(35.00)	-	-	-	-	-	-	-	-	-	71,500.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29.50)	
-	35.64	-	0.51	1.53	-	-	-	-	-	0.70	-	-	4.55	-	-	-	162.48	
-	-	-	0.02	9.83	5.00	-	-	-	-	-	-	-	(1.88)	-	-	-	65.71	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	464.66	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	405.93	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.30	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	
-	-	-	-	-	-	-	-	-	-	-	-	-	370.35	-	500.00	2,000.00	2,870.35	
-	-	-	-	-	-	-	-	-	-	-	-	-	693.00	2,500.00	-	-	3,193.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	50.00	-	-	-	-	25.00	-	-	-	-	-	-	175.00	
-	-	-	-	-	50.00	-	-	-	-	-	-	-	-	-	-	-	150.00	
320.52	-	-	-	-	-	-	-	-	-	252.77	-	-	-	-	-	-	845.80	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,016.55	
-	-	-	21.34	-	1.40	-	1.53	-	-	4,581.74	-	-	-	-	-	-	4,687.85	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	94.75	
-	11.16	-	-	-	470.38	-	0.85	-	-	154.44	-	-	1.36	-	-	-	11,500.38	
-	-	-	-	-	55.06	-	-	-	-	-	-	-	0.33	-	-	-	5,062.09	
-	1,088.36	876.41	-	-	-	-	-	-	-	-	-	25.25	-	-	-	-	1,990.02	
-	-	876.41	-	0.67	-	-	-	-	-	-	-	-	-	-	-	-	904.22	
-	-	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50	
-	-	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50	
-	-	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-	100.00	
-	-	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-	100.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,350.00	1,350.00	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500.00	1,500.00	

7) (Note No. 8 of Schedule 23)

The Group takes various types of derivative instruments to hedge its future loans & interest liabilities. The category-wise outstanding position of derivative instruments is as under:

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2011	As at March 31, 2010	
Currency Swap	₹ 1,949.40 Lacs	₹ 10,938.00 Lacs	Hedging of loan and interest liability
Principal Only Swap	₹ 43,070.75 Lacs	₹ 17,284.45 Lacs	Hedging of loan

The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

Nature	March 31, 2011		March 31, 2010	
	Amount (₹ in Lacs)	Foreign Currency (in Lacs)	Amount (₹ in Lacs)	Foreign Currency (in Lacs)
Foreign Currency Loan	71,727.03	USD 1,606.43	57,466.45	USD 1,273.07
	9,967.54	EURO 157.61	11,183.51	EURO 184.67
	10,327.62	JPY 19,118.14	5309.02	JPY 10,960.00
Buyer's Credit	72,143.28	USD 1,615.75	72,205.13	USD 1,599.59
	12,151.92	EURO 192.16	15,729.58	EURO 259.74
	—	—	219.42	GBP 3.23
Creditors	5,619.19	USD 125.85	1,642.03	USD 36.38
	—	—	3.34	GBP 0.05
	—	—	1785.70	EURO 29.49
Supplier's Credit	—	—	311.77	SGD 9.72
	—	—	2,482.70	USD 55.00
	—	—	—	—

Closing rates as at March 31, 2011:

INR / USD = ₹ 44.65

INR / EURO = ₹ 63.24

INR / GBP = ₹ 71.92

INR / JPY = ₹ 0.54

8) (Note No. 11 of Schedule 23)

Prior period item includes reversal of Income from Lease / Infrastructure Usage, Admin and Other Expenses and Excess Gratuity / Leave encashment expenses related to previous year written off ₹ Nil (Previous Year ₹ 2,196.29 Lacs)

9) (Note No. 12 of Schedule 23)

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) 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.

Based on the opinion obtained by the Company, the Company has been availing benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income of the Company within the Special Economic Zone w.e.f. accounting year 2007-08, and tax provision is made in accordance, therewith.

Provision for current tax of ₹ 2,234.00 Lacs relate to profit excluding SEZ (including notified port area) profit for the year ended March 31, 2011. Provision for dividend distribution tax has not been made as Company is not liable to pay dividend distribution tax in terms of section 115-O (6) of the Income Tax Act, 1961.

As per the assessment order for the financial year 2007-08, the tax authorities have passed order accepting Company's claim under section 80 -IAB of Income Tax Act, 1961, in respect of the SEZ profits.

10) (Note No. 13 of Schedule 23)

Details of employee benefits

- The Company has recognized, in the Profit and Loss Account for the current year, an amount of ₹ 321.81 Lacs (Previous Year ₹ 250.33 Lacs) as expenses under the following defined contribution plan.

	(₹ in Lacs)	
Contribution to	2010-11	2009-10
Provident Fund	305.56	218.77
Superannuation Fund	42.29	32.18
Total	347.85	250.95

2. 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):

	(₹ in Lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Current Service cost	115.97	78.65
Interest Cost on benefit obligation	28.13	18.11
Expected return on plan assets	(21.73)	(20.51)
Net Actuarial loss / (gain) recognised in the year	17.54	64.47
Net benefit expense	139.91	140.72

Note: Actual return on plan assets ₹ 43.69 Lacs (Previous Year ₹ 24.34 Lacs)

Balance Sheet

b) Details of Provision for gratuity:

	(₹ in Lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Present value of defined benefit obligation	466.77	326.23
Fair value of plan assets	388.33	263.15
Surplus/(deficit) of funds	(78.44)	(63.08)
Net asset/ (liability)	(78.44)	(63.08)

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

	(₹ in Lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Defined benefit obligation at the beginning of the Period	329.24	222.01
Current Service cost	115.97	80.75
Interest Cost	28.13	16.01
Actuarial (gain) / loss on obligations	27.62	56.27
Benefits paid	(34.19)	(46.65)
Defined benefit obligation at the end of the period	466.77	329.24

d) Changes in fair value of plan assets are as follows:

	(₹ in lacs)	
Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Opening fair value of plan assets	263.15	263.48
Expected return	21.73	20.51
Contributions by employer	125.29	20.98
Benefits Paid	(31.92)	(46.65)
Actuarial gains / (losses)	10.08	4.83
Closing fair value of plan assets	388.33	263.15

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 ₹ 388.33 Lacs (Previous Year ₹ 263.15 Lacs) is as certified by the LIC.
- 2) The Company's expected contribution to the fund in the next financial year is ₹ 61.08 Lacs (Previous Year ₹ 77.34 Lacs)

e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2010-11 %	2009-10 %
Investments with insurers	100	100

The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	Gratuity (Funded) March 31, 2011	Gratuity (Funded) March 31, 2010
Discount rate	8.00% to 8.25%	7.00 % to 8.25%
Expected rate of return on plan assets	7.50% to 8.25%	8.00% to 8.25%
Rate of Escalation in Salary (per annum)	5.00 % to 8.50%	5.00 % to 8.50%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Attrition rate	1% at each age + 10% service related	1% at each age + 10% service related

The estimates of future salary increases considered in actuarial valuation and take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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

	(₹ in Lacs)				
Gratuity	March, 2011	March, 2010	March, 2009	March, 2008	March, 2007
Defined benefit obligation	(466.77)	(326.23)	(219.85)	(156.11)	(83.20)
Plan Assets	388.33	263.15	263.48	181.07	78.30
Surplus / (deficit)	(78.44)	(63.08)	43.63	24.96	(4.90)
Experience loss (gain) on plan liabilities	27.62	56.27	1.12	100.70	22.20
Experience loss (gain) on plan assets	(10.08)	(4.83)	3.12	4.57	(1.50)

11) (Note No. 14 of Schedule 23)
Income from Operations includes:

	(₹ in Lacs)	
Particular	Year ended March 31, 2011	Year ended March 31, 2010
Port Services Income	1,65,686.60	1,16,322.85
Land Lease, Upfront Premium and Deferred Infrastructure Income (includes Annual Discounting Income of ₹ 682.36 Lacs)	14,469.16	11,018.43
Construction and Related Income	6,294.05	11,338.57
Utilities Services	437.78	—
Aircraft Operation	1,257.16	1,344.26
Logistic Services	11,866.35	9,527.87
Total	2,00,011.10	1,49,551.98

12) Operating Expenses includes Handling and Storage Expenses of ₹ 17,730.90 Lacs (Previous Year ₹ 10,117.65 Lacs).
13) (Note No. 15 of Schedule 23)

- a) For the purpose of recognition of income on lease / sub-lease transactions relating to land and related infrastructure, the Company has applied the principles of finance leases and operating leases as per Accounting Standard – 19 'Leases'. However, no disclosure has been made in terms of said Accounting Standard as lease arrangements to use land have been scoped out of the Standard. The

future receivables on land transactions are disclosed under Other Current Assets (Schedule-12) as “Land Lease Receivables”. The liability relating to Lease Land is disclosed under Current Liabilities (Schedule -14) as “Obligations under Leased Land”.

The cost of leased / sub-leased land is expensed under “Operating expenses” in Schedule -18 and annual income on land given on finance lease basis have been recognised under “Income from operations”. Annual discounting on GMB Land is expensed under “Rent” in Schedule -20 - Administrative and Other Expenses.

- b) Assets taken under Operating Leases – office space and residential houses for staff accommodation are obtained on operating leases. The lease rent terms are generally for eleven months period and are renewable by mutual agreement. There are no sub-leases and leases are cancelable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements and there is no escalation clause in the lease agreements. Expenses of ₹ 168.52 Lacs (Previous Year ₹ 126.90 Lacs) incurred under such leases have been expensed in the Profit and Loss Account.

14) (Note No. 16 of Schedule 23)

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

Particular	(₹ in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Expenditure during Construction Period :		
A. Expenditure		
Personnel Expenses	620.90	576.81
Administrative & Other Exp.	1,174.49	944.12
Financial Expenses	5,960.51	3,094.36
Depreciation on Project Assets	6,337.62	6,258.38
Total Expenditure	14,093.52	10,873.67
B. Income		
Miscellaneous Income	116.36	30.29
Interest on Bank Deposits	14.32	0.21
Total Income	130.68	30.50
C. 50% Balance B/F of Adani Petronet (Dahej) Port P. Limited after change of entity from Joint Venture to Subsidiary	—	812.65
Net (A) - (B) + (C)	13,962.84	11,655.82
B/F from Previous Year	2,223.82	4,348.33
Total	16,186.66	16,004.15
Capitalised / Allocated during the year	13,580.82	13,780.33
Balance Carried forward pending Allocation / Capitalisation	2,605.84	2,223.82
Project Materials	24,573.09	18,541.80

Note:

- The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption.
- Capitalization/allocation includes expenditure allocated on specific assets which are still under construction pending capitalization.

15) Key Ratios:

Ratio	2010-11	2009-10
Income from Operations / Total Assets	0.21	0.18
Profit before Interest, Depreciation & Tax/ Capital Employed	16.88%	13.54%
Return on Net Worth	21.87%	19.50%
Profit after tax/ Total Income	45.11%	43.74%

16) Earnings Per Share:

Particulars	Unit	2010-11	2009-10
Weighted number of Equity Shares considered for Calculating Basic & Diluted EPS	No. in Lacs	20,033.94	20,033.94
Net profit after tax	₹ in Lacs	91,814.65	67,599.94
Less : Dividend on Non-Cumulative Preference Shares	₹ in Lacs	0.03	0.03
Net profit for calculation of Basic and Diluted EPS	₹ in Lacs	91,814.62	67,599.91
Basic and Diluted Earnings Per Share	In ₹	4.58	3.37

Pursuant to the approval accorded by the members of the Company in 11th Annual General Meeting held on August 21, 2010, the face value of fully paid equity shares of ₹ 10 each, has been sub-divided into five equity shares of face value of ₹ 2/- each fully paid up. Accordingly, the Basic and Diluted Earnings Per Share (EPS) for the corresponding periods have been adjusted in accordance with Accounting Standard 20 'Earning Per Share'.

17) (Note No. 17 of Schedule 23)

Capital Commitments:

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	1,77,100.94	1,05,637.62

18) (Note No. 18 of Schedule 23)

Disclosure pursuant of Accounting Standard (AS) – 7 (revised) – Construction Contracts are as under:

(₹ in Lacs)

Particulars	March 31, 2011	March 31, 2010
a) Contract revenue recognized during the year	2,604.39	10,941.82
b) Aggregate amount of contract costs incurred during the year	702.86	3,391.78
c) Customer advances outstanding for contracts in progress	98.13	391.01
d) Retention money due from Customers for contracts in progress.	791.25	124.84
e) Amount due from Customers	2,503.52	3,913.75
f) Amount due to Customers	–	319.57

B) Contract revenue accrued in excess of billing amounting ₹ 593.30 Lacs (previous year ₹ 4,080.24 Lacs) has been reflected under the head "Other Current Assets" and billing in excess of contract revenue amounting to ₹ 1,044.00 Lacs (previous year Nil) has been reflected under the head "Current Liabilities".

19) (Note No. 19 of Schedule 23)

Contingent Liabilities not provided for:

(₹ in Lacs)

Particulars	As at March 31, 2011	As at March 31, 2010
Corporate Guarantees given to banks and financial institutions against credit facilities availed by the subsidiaries and an associate entity.	26,372.00	26,328.32
Total amount of Contingent Liabilities not provided for	17,174.50	10,540.23

20) (Note No. 20 of Schedule 23)

Provisions:

(₹ in Lacs)

Description	Opening Balance	Additions during the year	Utilization during the year	Closing Balance
Operational Claims	943.67 (393.67)	497.09 (550.00)	273.13 –	1,167.63 (943.67)

Previous year figures are in bracket

Note: Operational Claims are the expected claims against outstanding receivables made/to be made by the customers towards shortages of stock, handling loss, damages to the cargo, storage and other disputes. The probability and the timing of the outflow / adjustment with regard to above depends on the ultimate settlement / conclusion with the respective customer.

21) (Note No. 21 of Schedule 23)

The Company has 2,811,037 outstanding 0.01 % Non-Cumulative Redeemable Preference Shares of ₹ 10 each issued at a premium of ₹ 990 per share. These shares are to be redeemed on March 28, 2024 at an aggregate premium of ₹ 27,829.27 Lacs. The Company credits the redemption premium on proportionate basis every year to Preference Share Capital, Redemption Premium Reserve (in earlier year termed as Preference Share Capital Redemption Reserve) and debits the same to Securities Premium Account as permitted by Section 78 of the Companies Act, 1956.

22) (Note No. 22 of Schedule 23)

Miscellaneous Expenditure – Share Issue Expenses

The Company reversed excess provision of ₹ Nil (Previous Year: Expenses of ₹ 228.73 Lacs) during the year, 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.

23) (Note No. 23 of Schedule 23)

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the annexure to the Consolidated Financial Statements.

24) (Note No. 24 of Schedule 23)

Previous Year Comparative

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

Firm Registration No. : 101049W

Chartered Accountants

per Arpit K. Patel

Partner

Membership No. 34032

Place : Ahmedabad

Date : May 9, 2011

For and on behalf of the Board of Directors

Gautam S. Adani

Chairman and Managing Director

Rajesh S. Adani

Director

Dr. Malay R. Mahadevia

Wholetime Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Place : Ahmedabad

Date : May 9, 2011

Sr. No	Particulars	Name of the Subsidiaries										
		Mundra SEZ Textile and Apparel Park Pvt. Ltd.	MPSEZ Utilities Pvt. Ltd.	Rajasthan SEZ Pvt. Ltd.	Adani Logistics Ltd.	Karnavati Aviation Pvt. Ltd.	Adani Petronet (Dahej) Port Pvt. Ltd.	Adani Murmugao Port Terminal Pvt. Ltd.	Mundra International Airport Pvt. Ltd.	Adani Hazira Port Pvt. Ltd. (Refer Note 1)	Hazira Infrastructure Pvt. Ltd.	Hazira Road Infrastructure Pvt. Ltd.
(a)	Capital (Paid Up)	476.56	1,313.50	1.00	31,179.00	500.00	28,206.25	4,235.00	50.00	2,400.00	25.00	5.00
(b)	Reserves	3,600.00	4,074.05	-	3.88	-	-	-	-	-	-	-
(c)	Total Assets	8,444.60	5,387.55	1.00	70,145.13	18,536.14	84,814.09	5,817.13	695.00	16,410.00	25.00	5.00
(d)	Total Liabilities	8,444.60	5,387.55	1.00	70,145.13	18,536.14	84,814.09	5,817.13	695.00	16,410.00	25.00	5.00
(e)	Investment	-	-	-	1,674.05	0.60	1,000.00	-	0.38	-	-	-
(f)	Turnover	355.97	1,041.38	-	13,766.49	2,259.78	2,519.05	-	-	-	-	-
(g)	Profit/(Loss) before taxation	(223.84)	(27.98)	-	(486.73)	(965.12)	(267.49)	(23.86)	(0.93)	(20.65)	(0.99)	(0.42)
(h)	Provision for taxation (Net)	-	1.45	-	-	(386.69)	(55.44)	-	(0.12)	-	-	-
(i)	Profit/(Loss) after taxation	(223.84)	(26.53)	-	(486.73)	(578.43)	(322.93)	(23.86)	(1.05)	(20.65)	(0.99)	(0.42)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-

Note:

- Investment made by Adani Hazira Port Pvt. Ltd. in Hazira Infrastructure Pvt. Ltd. and Hazira Road Infrastructure Pvt. Ltd., wholly owned subsidiaries is not shown above in investment
- Adinath Polyfills Pvt. Ltd. in which the Group has strategically acquired controlling interest is not considered in above disclosure.



ADANI

Mundra Port and Special Economic Zone Limited

"Adani House", Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad 380 009
Gujarat, India