

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of Mundra Port and Special Economic Zone Limited will be held on Wednesday the 10th day of August, 2011 at 9.30. a.m. at J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of first and second interim dividend on equity shares for the year 2010-11.
3. To confirm the payment of dividend on preference shares for the year 2010-11.
4. To appoint a Director in place of Mr. S. Venkiteswaran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Malay Mahadevia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Arun Duggal, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Special Business:

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

“RESOLVED THAT Dr. Ravindra Dholakia who was appointed as an Additional Director by the Board of Directors under Section 260 of the Companies Act, 1956 and Article 140 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company retiring by rotation.”

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

“RESOLVED THAT in supercession of the resolution passed at the Annual General Meeting held on August 31, 2009 and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to any other approval, if required, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing by way of loan/debentures (whether secured or unsecured)/bonds/deposits/fund based/non fund based limits/guarantee or any such form of borrowing for the purpose of the business of the Company on such terms and conditions as the Board of Directors may think fit, such sum or sums of money either in Indian or Foreign Currency from time to time from any Bank(s) or any Financial Institution(s) or any other Institution(s), firm(s), bodies corporate(s), or other person(s) or from any other source in India or outside India whomsoever in addition to the temporary loans obtained from the Company's Banker(s) in the ordinary course of business provided that the sum or sums so borrowed under this resolution and remaining outstanding at any time shall not exceed in aggregate ₹ 20,000 Crores (Rupees Twenty Thousand Crores Only).”

“RESOLVED FURTHER THAT the Board or Committee thereof/persons authorized by the Board be and is/are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory enactment, modifications, or re-enactment thereof, for the time being in force) and such other approvals, if any required, the Articles of Association of the Company be altered by adding Sub Clause (c) in Article 184 to the extent set out below:

(c) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

“RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the “Companies Act”), the Foreign Exchange Management Act, 1999, as amended or restated (“FEMA”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the “ICDR Regulations”), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, as amended or restated, and subject to all other applicable laws, statutes, rules, circulars, notifications, regulations and guidelines of the Government of India, the Securities and Exchange Board of India (the “SEBI”), the Reserve Bank of India (the “RBI”), the Foreign Investment Promotion Board (the “FIPB”), the relevant stock exchanges where the equity shares of the Company are listed (the “Stock Exchanges”) and all other appropriate statutory and regulatory authorities, as may be applicable or relevant, whether in India or overseas (hereinafter collectively referred to as the “Appropriate Authorities”), the enabling provisions of the Memorandum and Articles of Association of the Company, as amended, and the listing agreements entered into by the Company with the Stock Exchanges and subject to requisite approvals, consents, permissions and sanctions, if any, of the Appropriate Authorities, and subject to such conditions and modifications as may be prescribed by any of them in granting any such approvals, consents, permissions, and sanctions (hereinafter referred as the “Requisite Approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution, or any person(s) authorised by the Board or its committee for such purposes), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot, from time to time in either one or more international offerings, in one or more foreign markets, in one or more tranches and/or in the course of one or more domestic offering(s) in India, such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts (“GDRs”) and/or American Depository Receipts (“ADRs”) and/or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds (“FCCBs”) and/or Foreign Currency Exchangeable Bonds (“FCEBs”) and/or any other permitted fully and/or partly paid securities/instruments/warrants, convertible into or exchangeable for equity shares at the

option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as “Securities”), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency, to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), rights issue(s), preferential issue(s), private placement(s) and / or qualified institutional placement (QIP) in terms of chapter VIII of the ICDR Regulations or any combinations thereof, through any prospectus, offer document, offer letter, offer circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, not exceeding ₹ 7,500/- Crores (Rupees Seven Thousand Five Hundred Crores Only) or foreign currency equivalent thereof, at such premium as may from time to time be decided by the Board and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and where necessary in consultation with advisor(s), lead manager(s), and underwriter(s) appointed by the Company.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premiums on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities.”

“RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs/ ADRs/FCCBs/FCEBs/other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank *pari passu* with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s)/ MOUs/placement agreement(s)/underwriting agreement(s)/ deposit agreement(s)/ trust deed(s)/subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager (s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities in one or more Indian/ international stock exchanges, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/documents(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, consent of the members of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and/or things, in its absolute discretion and including, but not limited to finalization and approval of the preliminary as well as final document(s), determining the form, terms, manner of issue, the number of the Securities to be allotted, timing of the issue(s)/ offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, premium or discount on issue /conversion/exchange of Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and / or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/charge in accordance with the provisions of the Companies Act and any other applicable laws or regulations in respect of any Securities, either on a *pari passu* basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal as may be required by the Appropriate Authorities in such issues in India and / abroad and subject to applicable law, for the utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/or domestic capital markets.”

“RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for the issue, upon conversion of the Securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and/or domestic practices and regulations, and under the forms and practices prevalent in international and/or domestic capital markets.”

“RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company (or exchanged for equity shares of another Company as permitted under applicable law), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue.”

“RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the ICDR Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the ICDR Regulations shall only be to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the ICDR Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of passing of this resolution, approving the proposed issue or such other time as may be allowed by ICDR Regulations from time to time and the Company shall apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the ICDR Regulations.”

“RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/GDRs/ ADRs/FCCBs/FCEBs or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue.”

“RESOLVED FURTHER THAT the Board and other designated officers of the Company, be and are hereby severally authorised to make all filings including as regards the requisite listing application/prospectus/offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the stock exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.”

“RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.”

“RESOLVED FURTHER THAT the Board be authorised to severally delegate all or any of its powers conferred by this resolution on it, to any Committee of directors or the Managing Director or Directors or any other officer of the Company, in order to give effect to the above resolutions.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

Date: July 1, 2011
Place: Ahmedabad

By order of the Board

Dipti Shah
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, August 5, 2011 to Wednesday, August 10, 2011 (both days inclusive).
4. Pursuant to provisions of Section 205A(5) and 205C of the Companies Act, 1956 the amount of dividend which remains unclaimed/unpaid for a period of seven years from the date of payment would be transferred to the "Investor Education and Protection Fund (IEPF)" constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the fund. Members who have not yet encashed their dividend warrants are requested to make their claims to the Company and Registrar and Transfer Agent immediately. Members may please note that no claim shall lie either against the Registrar and Transfer Agent or the Company in respect of such unclaimed/unpaid dividend which has been transferred to IEPF.
5. Members are requested to notify immediately any change of address:
 - to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with bank particulars.
6. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays between 11.00 a.m. to 1.00 p.m. prior to the date of AGM.
7. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meetings so as to enable the management to keep the information ready.
8. Brief resume of Directors seeking appointment/re-appointment as stipulated under Clause 49 of the Listing Agreement and explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business are annexed hereto.
9. Members are requested to bring their copy of Annual Report at the meeting.
10. Members who hold the shares in dematerialized form are requested to bring their Client ID and DP ID for easier identification of attendance at the AGM.
11. The annual listing fees of all the stock exchanges where Company's shares are listed for the year 2011-12 have been paid.
12. Pursuant to Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated April 26, 2007, issued by the Securities and Exchange Board of India, the statement containing the salient features of Balance sheet, Profit and Loss Account and Auditors' Report (Abridged Financial Statements), is sent to the members, along with the Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the full Annual Report may send written request at the Registered Office of the Company or may access the same on website of Company www.portofmundra.com

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd.

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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS:

Item No. 8

In order to broad base the Board of Directors, Dr. Ravindra Dholakia, was appointed as an Additional Director of the Company w.e.f. July 1, 2011. In terms of Section 260 of the Companies Act, 1956, he hold office as a Director until the conclusion of ensuing Annual General Meeting. As required under Section 257 of the Act, the Company has received a notice from the member of the company signifying his intention to propose his appointment as a Director of the Company. Dr. Dholakia, a Professor of Economics & Public Systems at IIM, Ahmedabad has distinguished career and academic attainments. Looking to his vast Corporate and Professional experience, it will be in the best interest of the Company to appoint him as a Director liable to retire by rotation.

The Directors recommend the said resolution for your approval.

None of the Directors except Dr. Ravindra Dholakia is interested in the said resolution.

Item No. 9

As per the provisions of section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up Capital and the Free Reserves of Company, that is to say, reserves not set apart for any specific purposes. Presently, Company is permitted to borrow up to ₹ 7,500 Crores (Rupees Seven Thousand Five Hundred Crores Only) apart from temporary loans obtained from Company's Banker(s) in the ordinary course of business as approved by the shareholders at its Annual General Meeting held on August 31, 2009.

In view of expanding business operations of the Company in India/Abroad and/or increase in volume of business activity(ies), it would necessitate restructuring and enhancing the borrowing limits by authorizing the Board of Directors or Committee thereof to borrow monies for the business of the Company further amounts, not exceeding the limit of ₹ 20,000 Crores (Rupees Twenty Thousand Crores Only) in the manner specified in the Resolution.

The Directors recommend the said resolution for your approval.

None of the Directors of the Company is interested in the said resolution.

Item No. 10

At present Article 184 of Articles of Association pertaining to affixing common seal of the Company does not include using common seal of the Company outside India. In view of business operations to be carried out at abroad, it is proposed to pass enabling resolution to carry the common seal outside India. Accordingly the said provision is required to be mentioned in Article 184 of Articles of Association of the Company. Pursuant to Section 31 and other applicable provisions, shareholders approval will be required for alteration of Articles of Association.

The Directors recommend the said resolution for your approval.

None of the Directors of the Company is interested in the said resolution.

Item No. 11

The Company proposes to have flexibility to infuse additional capital, to tap capital markets and to raise additional long term resources, if necessary in order to sustain rapid growth in the business, for business expansion and to improve the financial leveraging strength of the Company. The proposed resolution seeks the enabling authorisation of the members to the Board of Directors to raise funds to the extent of ₹ 7,500 Crores (Rupees Seven Thousand Five Hundred Crores Only) or its equivalent in one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board (inclusive at such premium as may be determined) by way of issuance of equity shares of the Company ("Equity

Shares”) and/or any instruments or securities including Global Depository Receipts (“GDRs”) and/or American Depository Receipts (“ADRs”) and/or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Non-Convertible Debentures and/or Foreign Currency Convertible Bonds (“FCCBs”) and/or Foreign Currency Exchangeable Bonds (“FCEBs”) and/or any other permitted fully and/or partly paid securities/instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as “Securities”), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency by way of private placement or otherwise.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI under Issue of Capital and Disclosure Requirements Regulations, 2009. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further in case the Company decides to issue eligible securities within the meaning of chapter VIII of the SEBI Regulations to Qualified Institutional Investors, it will be subject to the provisions of chapter VIII of the SEBI Regulations as amended from time to time. The aforesaid securities can be issued at a price after taking into consideration the pricing formula prescribed in chapter VIII of the ICDR Regulations. Allotment of securities issued pursuant to Chapter VIII of SEBI Regulations shall be completed within twelve months from the date of passing of the resolution under section 81(1A) of the Companies Act, 1956. This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with/without voting rights or with differential voting rights.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors, and such Authority/Authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed. Since the resolution involves issue of Equity Shares to persons other than existing shareholders, special resolution in terms of Section 81 (1A) is proposed for your approval. The amount proposed to be raised by the Company shall not exceed ₹ 7,500 Crores (Rupees Seven Thousand Five Hundred Crores Only).

The Equity shares, which would be allotted, shall rank in all respects *pari passu* with the existing Equity shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Directors recommend the said resolution for your approval.

The Directors of the Company may be deemed to be concerned or interested in the above resolution to the extent of shares held by them in the Company.

By order of the Board

Date: July 1, 2011
Place: Ahmedabad

Dipti Shah
Company Secretary

Brief Particulars of Directors being appointed / re-appointed are as under:

Name	Mr. S. Venkiteswaran	Dr. Malay Mahadevia
Date of Birth	January 22, 1941	May 3, 1963
Date of Appointment	April 30, 2003	May 20, 2009
Qualification	B.Sc; LL.B	B.D.S. & M.D.S. from Nair Hospital Dental College, Ph.D. in Marine Ecology
Directorships held in other Companies*	<ul style="list-style-type: none"> • Dolphin Offshore Enterprises (India) Ltd. • Dolphin Offshore Shipping Ltd. • Indian Register of Shipping • National Securities Clearing Corporation Ltd. • Pipavav Shipyard Ltd. • The Clearing Corporation of India Ltd. • Mahagujarat Chamunda Cements Co. Pvt. Ltd. 	<ul style="list-style-type: none"> • Adani Logistics Ltd. • Mundra LNG Ltd. • MPSEZ Utilities Pvt. Ltd. • Rajasthan SEZ Pvt. Ltd. • Adani Hazira Port Pvt. Ltd. • Adani Murmugao Port Terminal Pvt. Ltd. • Adani Petronet (Dahej) Port Pvt. Ltd. • Mundra International Airport Pvt. Ltd. • Hazira Infrastructure Pvt. Ltd. • Mahadevia Dental Hospital Pvt. Ltd.
Memberships/ Chairmanships of Committees across Public Companies*	<p>Audit Committee</p> <ul style="list-style-type: none"> • Dolphin Offshore Enterprises (India) Ltd. • Dolphin Offshore Shipping Ltd. • Indian Register of Shipping • National Securities Clearing Corporation Ltd. • Pipavav Shipyard Ltd. • The Clearing Corporation of India Ltd. <p>Shareholders/ Investors Grievance Committee</p> <ul style="list-style-type: none"> • Pipavav Shipyard Ltd. 	<p>Audit Committee</p> <ul style="list-style-type: none"> • Adani Logistics Ltd.

Name	Mr. S. Venkiteswaran	Dr. Malay Mahadevia
Brief Profile covering experience, achievements etc.	<p>Mr. S. Venkiteswaran, a Senior Advocate at the High Court of Mumbai, is an Independent Director of MPSEZL. He is a specialist in commercial disputes related to International trade, shipping and aviation. He was conferred the “Varuna” Award in 2004 by the Government of India for his services to the Indian Shipping Industry. He has been associated with many Committees constituted by the Government of India, in various matters of legislations in Shipping & Ports. He is also an internationally recognized Arbitrator. He holds a Bachelor of Science degree in physics and mathematics and LL.B from the University of Bombay.</p>	<p>Dr. Malay Mahadevia is a Whole Time Director (WTD) of MPSEZL. He joined the Corporate Sector in 1992 and worked on developing the Mundra Port from ground zero. The Port today handles multiple commodities. With a promising throughput of 50 million tonnes, turnover of more than ₹ 1,500 Crores, Profit of over ₹ 700 Crores, Market Capitalization of ₹ 35,000 Crores & growth at the rate of 30%, Mundra has the potential to become one of the largest Ports in India. Currently the sectors handled by Dr. Malay Mahadevia are Marine & Ports, Special Economic Zones, Health Care, Water Supply, Education, Railway Logistics, and Social Infrastructure. He has been awarded ‘Outstanding Manager of the year in Gujarat’ by Ahmedabad Management Association in the year 2002 & also a ‘Lead India’ finalist in Gujarat organized by the Times of India Group. He is a member of around a dozen professional societies including Centre for Engineering & Technology, FICCI, Assocham, Board of advisors for Maritime studies in Gujarat University, Confederation of Indian Industry (CII), Gujarat Chamber of Commerce & Industry (GCCI) etc. In the year 2008, he was conferred Ph.D. by Gujarat University in the field of “Coastal Ecology around Mundra area.”</p>
Shares held in the Company *	47,500 Equity shares	14,47,765 Equity shares

*As on March 31, 2011.

Name	Mr. Arun Duggal	Dr. Ravindra Dholakia
Date of Birth	October 1, 1946	April 2, 1953
Date of Appointment	June 27, 2007	July 1, 2011
Qualification	B.Tech. – Mechanical – IIT; M.B.A. - Finance, IIM-Ahmedabad	M.A.–Economics & Econometrics; Ph.D- Economics; Post-Doctoral Fellow
Directorships held in other Companies*	<ul style="list-style-type: none"> • Zuari Industries Ltd. • Patni Computer Systems Ltd. • Shriram Transport Finance Company Ltd. • Manipal Acunova Ltd. • Info Edge (India) Ltd. • Shriram Properties Pvt. Ltd. • Dish TV India Ltd. • Shriram City Union Finance Ltd. • Shriram EPC Ltd. • Shriram Capital Ltd. • Carzonrent (India) Pvt. Ltd. • International Asset Reconstruction Co. Pvt. Ltd. • Blackstone Investment Co. Pvt. Ltd. • Tanglewood Financial Advisors Pvt. Ltd. • Bellwhether Micro Finance Fund Pvt. Ltd. • FIL Fund Management Pvt. Ltd. • Motrice Ltd., Singapore • Jubilant Energy N.V, Canada • Jubilant Energy N.V, Netherlands 	<ul style="list-style-type: none"> • Power Finance Corporation Ltd.** • The State Trading Corporation of India Ltd.**

Name	Mr. Arun Duggal	Dr. Ravindra Dholakia
Memberships/ Chairmanships of Committees across Public Companies*	Audit Committee <ul style="list-style-type: none"> • Zuari Industries Ltd. • Patni Computer Systems Ltd. • Info Edge (India) Ltd. • Dish TV India Ltd. 	-
Brief Profile covering experience, achievements etc.	<p>Mr. Arun Duggal is an Independent Director of MPSEZL, and an experienced International banker advising Corporations on financial strategy, mergers and acquisitions and capital raising areas. He has been an International advisor to a number of corporations, major financial institutions and private equity firms. He is a Chairman on the Board of Directors of Shriram Transport Finance Company, Shriram Properties Ltd, Shriram City Union Finance Ltd., Shriram EPC Ltd., Shriram Capital Ltd. and Bellwether Microfinance Fund. He is the Vice Chairman of International Asset Reconstruction Company. He is a member of the Investment Committee of Axis Private Equity. Mr. Duggal had a 26 years career with Bank of America and retired as its CEO, India. He is a visiting Professor at IIM-Ahmedabad.</p>	<p>Dr. Ravindra Dholakia, a Professor of Economics & Public Systems at IIM-Ahmedabad is an Independent Director of MPSEZL. He is M.A. with Distinction (Gold Medalist), Ph. D. in Economics and Post-Doctoral Fellow from University of Toronto. He holds more than 34 years experience as Senior Faculty in IIM-A, European School of Management (ESCP – EAP) Paris, M.S. University, Baroda and Sardar Patel Institute of Economic & Social Research, Ahmedabad. He has specialized in the fields of Domestic and International Economic Environment and Policy Analysis; Public Finance. He is consultant to international organizations such as UN, UNDP, MDG Project of UNDP, WHO, ADB, World Bank, etc. He has served on different committees of Govt. of India, Govt. of Gujarat, Public Sector and Board of Companies and Institutions such as Power Finance Corporation Ltd., National Commodity Derivatives and Exchange Ltd., Gujarat State Financial Services Ltd. and Sixth Central Pay Commission.</p>
Shares held in the Company *	Nil	Nil

*As on March 31, 2011.

**As on July 1, 2011.



Dear Shareholder,

RE: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. All you have to do is to register your e-mail id with your Depository Participant (DP with whom you maintain your Demat Account) to receive communication through electronic mode.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents / notices including Annual Report and those covered under Section 219 of the Companies Act, 1956 (the Act) read with Section 53 of the Act (“these documents”) to all shareholders through electronic mode to the registered e-mail addresses of the shareholders.

Please note that these documents will also be available on the Company’s website: www.portofmundra.com. Any physical copies of the same will also be available at the Registered Office in Ahmedabad for inspection during office hours.

Please note that as a shareholder, you are entitled to receive all these documents free of cost upon receipt of a requisition from you in physical form.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.

Best Regards,

Mundra Port And Special Economic Zone Limited



ADANI

Mundra Port and Special Economic Zone Limited

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

FORM OF PROXY

I/We _____ of _____ being a member / members of the above Company hereby appoint Shri / Smt. _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my / our behalf at the 12th Annual General Meeting of the Company to be held on Wednesday, 10th August, 2011 at 9.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____

Affix ₹ 1
Revenue
Stamp

Folio No. _____ DPID No.* _____ Client ID No.* _____

*For members holding shares in electronic form.

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



ADANI

Mundra Port and Special Economic Zone Limited

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the 12th Annual General Meeting on Wednesday, 10th August, 2011.

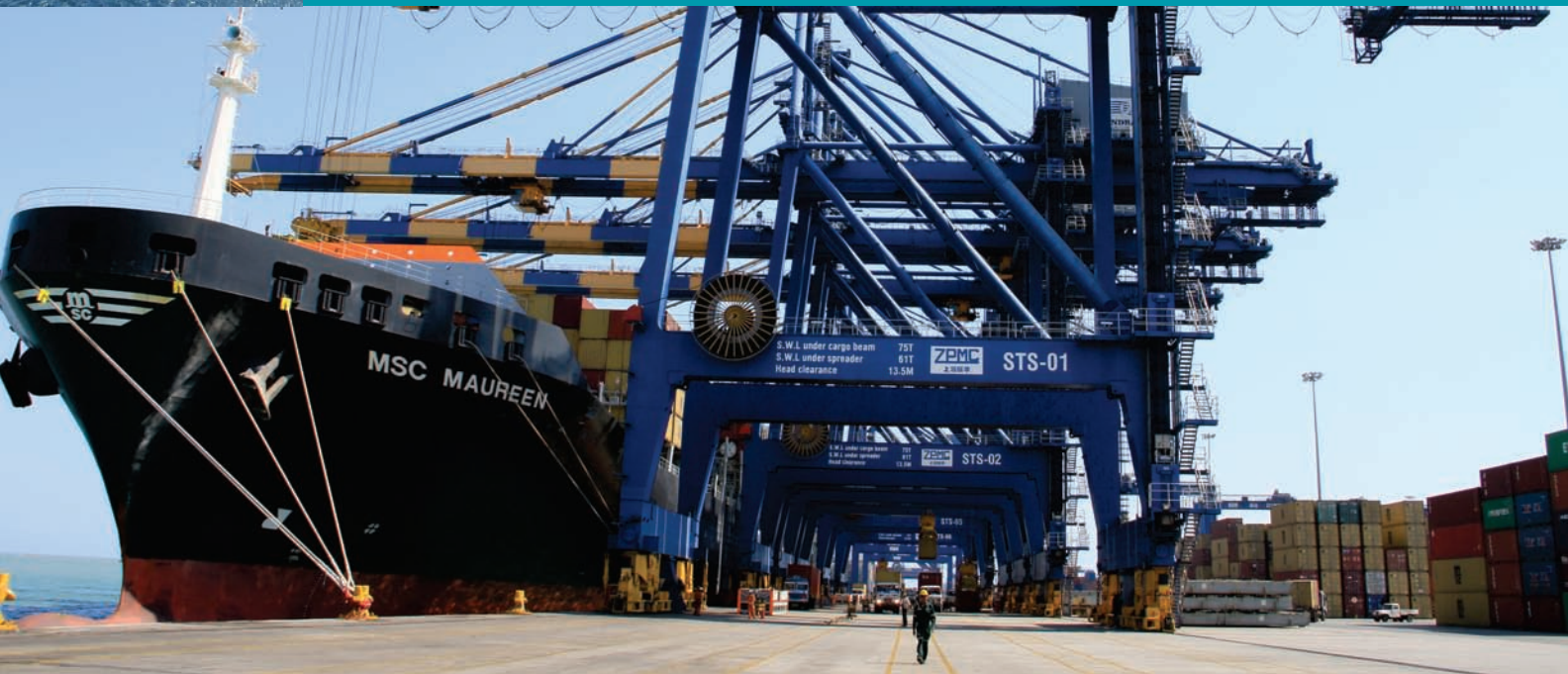
Folio No. _____ DPID No.* _____ Client ID No.* _____

*Applicable for members holding shares in electronic form.

Place: Ahmedabad

Member's / Proxy's Signature

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



Converging Global Routes of Business Opportunities to India



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

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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:

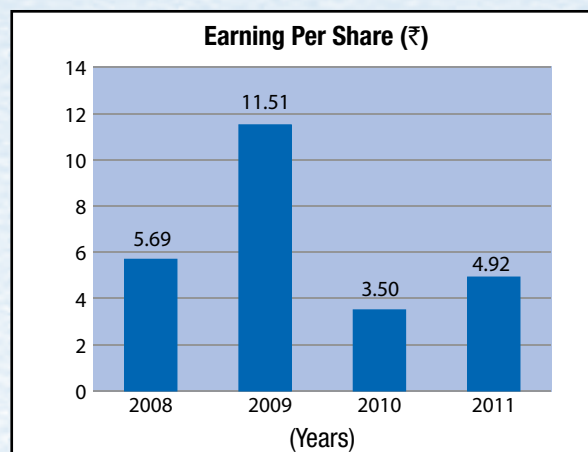
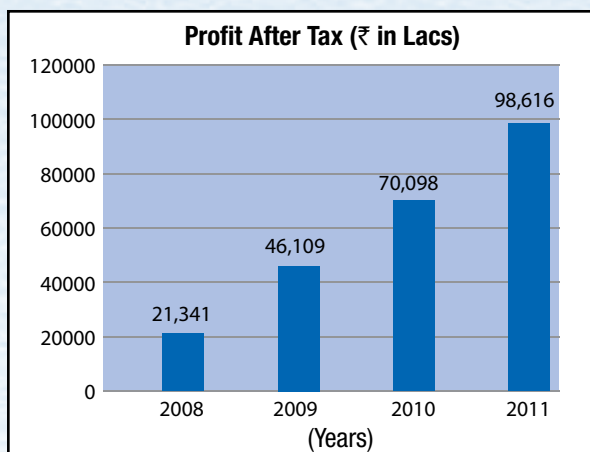
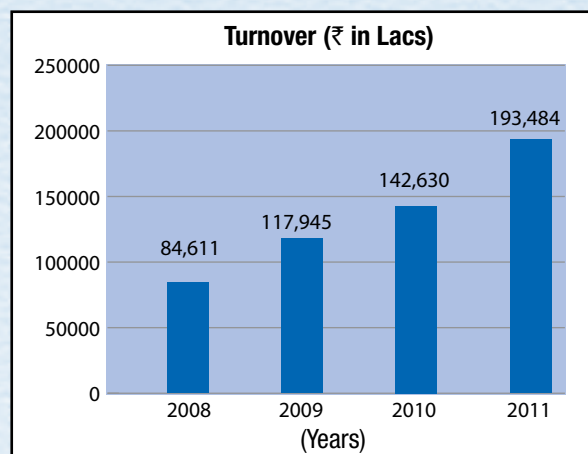
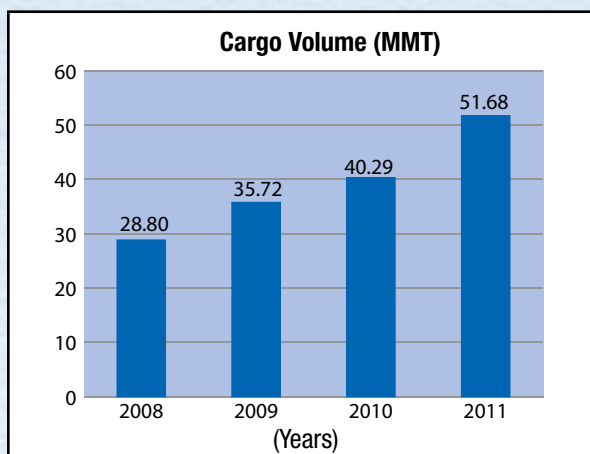
Particulars	(₹ in Lacs)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Income from operations	1,88,507.22	1,39,251.70
Other Income	4,976.37	3,378.20
Total Income	1,93,483.59	1,42,629.90
Operating & Administrative Expenses	57,507.95	43,137.50
Operating Profit before Interest, Depreciation 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. Suvama 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 Shipyard 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 | | |

Annexure - II to the Directors' Report

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

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

A. CONSERVATION OF ENERGY:

a) The following energy conservation measures have been taken:

1. In continuation to the last year's efforts, stabilizers have now been installed in fertilizer cargo complex for lighting system in addition to other substations.
2. Power factor has been maintained at the level of 0.968 to 0.998. This has been achieved by having close monitoring, timely switching on capacitor banks.
3. We have done electrification of 2nos of shore cranes; these cranes are converted from diesel power to electrical power.
4. Utilization of Electrical power operated Motor bikes.

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

1. ₹ 4.50 crores is being invested for electrification of two more shore cranes. This is under implementation and will eliminate the use of diesel.
2. Energy Management System is under for implementation for remote monitoring and tracking of electricity consumption, equipment utilization.

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

Approximate savings;

Due to Stabilizer in FCC	: -	₹ 4.72 Lacs. @ ₹ 5.40 KWh
With cranes electrification	: -	₹ 169.23 Lacs.
Saving by maintain power factor	: -	₹ 17.78 Lacs.

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

Not applicable to the Company

B. TECHNOLOGY ABSORPTION:

1. Web based Integrated Port Management System software with several enhanced and sophisticated features developed and is under implementation. Weigh bridges within the port have been integrated into IPMS system.
2. Hand held terminals for online operating data capture being implemented.
3. Electrification of two Gottwald make Mobile Harbour Cranes on Berth # 1 carried out.
4. Port Operation Automation Initiatives using Historian Database and PLC data from Equipments and integrated with all the business Applications for Online Operation Performance Monitoring which is under advance stage of implementation
5. Port Data Center: Centralized online Data Monitoring System which is being expanded for overall port operation including GPS based resource tracking system to analyze & enhance operational efficiencies.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details of Foreign Exchange Earnings and Outgo are set out in Note 18 of Schedule – 23 of Notes to Accounts.

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:

(₹ in Lacs)		
Name	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

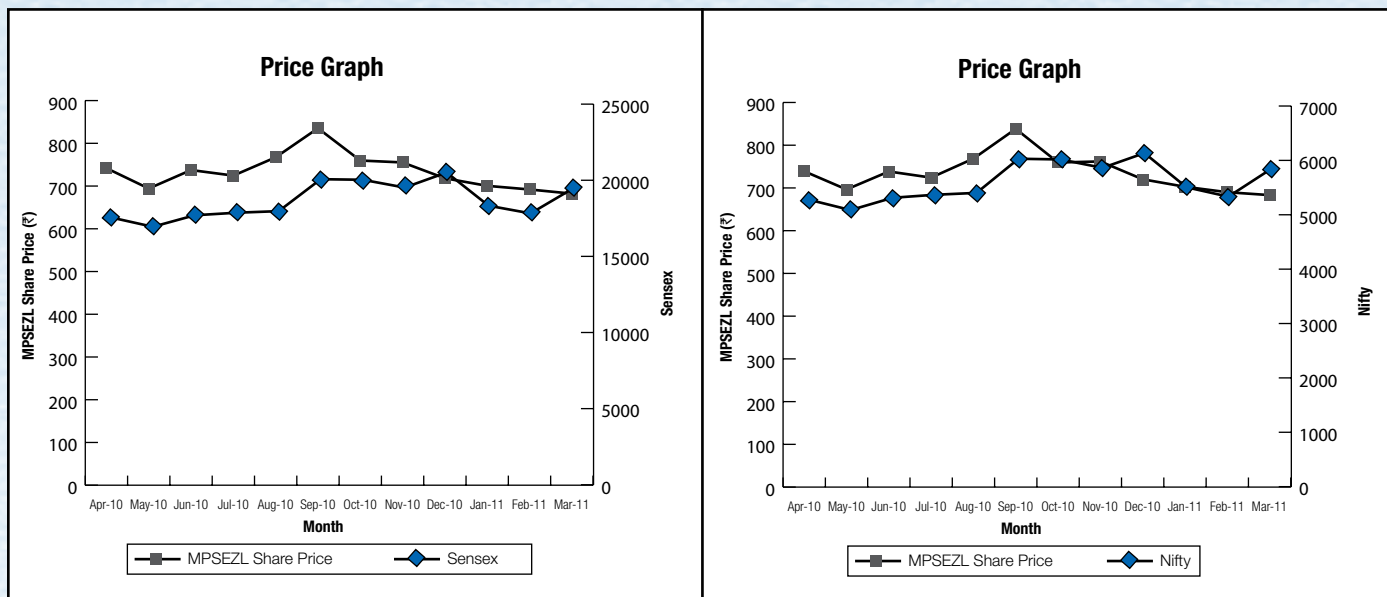
Annual listing fees for the year 2011-12 have been paid by the Company to BSE and NSE.

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

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.	4,608.83 797.90	April, 2006 to March, 2009 April, 2009 to March, 2010	Commissioner of Customs and Central Excise, Rajkot 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

Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	40,348.98	40,348.98
Reserves and Surplus	2	3,89,058.01	3,08,475.51
		4,29,406.99	3,48,824.49
Loan Funds			
Secured Loans	3	2,68,474.21	2,65,362.26
Unsecured Loans	4	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	5	59,318.03	62,251.34
Deferred Tax Liabilities	6	34,957.94	28,120.68
Total		7,94,666.56	7,60,977.16
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block		6,30,661.79	4,96,162.41
Less : Accumulated Depreciation/Amortisation		1,00,097.54	75,169.01
Net Block		5,30,564.25	4,20,993.40
Capital Work- in- Progress including Capital Advances		1,32,572.79	1,39,460.82
	7	6,63,137.04	5,60,454.22
Investments	8	71,503.51	72,103.47
Current Assets, Loans and Advances			
Inventories	9	4,122.68	3,139.03
Sundry Debtors	10	26,878.22	15,799.03
Cash and Bank Balances	11	13,865.89	85,868.12
Other Current Assets	12	11,496.56	6,218.11
Loans and Advances	13	59,914.15	60,336.11
		1,16,277.50	1,71,360.40
Less : Current Liabilities and Provisions			
Current Liabilities	14	44,840.30	35,573.23
Provisions	15	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)	16	—	—
Total		7,94,666.56	7,60,977.16
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date
For S. R. BATLIBOI & ASSOCIATES
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
Wholetime Director

B. Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : May 9, 2011

Place : Ahmedabad
Date : May 9, 2011

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

	Schedules	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended March 31, 2010 ₹ in Lacs
INCOME			
Income from Operations (Refer Note 11 of Schedule 23)		1,88,507.22	1,39,251.70
Other Income	17	4,976.37	3,378.20
		1,93,483.59	1,42,629.90
EXPENDITURE			
Operating Expenses	18	41,896.65	28,714.10
Personnel Expenses	19	6,661.80	5,407.94
Administrative and Other Expenses	20	8,949.50	9,015.46
Financial Expenses (net)	21	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 (Refer Note 8 of Schedule 23)		-	(2,215.66)
Profit before Tax		1,07,687.99	76,045.39
Provision For Taxation			
- Current Tax		2,234.74	797.10
- Deferred Tax Charge		6,837.25	5,150.73
Profit after Tax		98,616.00	70,097.56
Balance brought forward from Previous Year		89,415.11	53,214.64
Amount available for Appropriation		1,88,031.11	1,23,312.20
Less : - 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
Surplus Carried to Balance Sheet		1,49,097.73	89,415.11
Basic and Diluted Earnings Per Share (in ₹) face value of ₹ 2 each	22	4.92	3.50
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & ASSOCIATES

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 Land Lease / 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

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 1 : Share Capital		
Authorised		
5,000,000 (Previous Year 5,000,000) Non Cumulative Redeemable Preference Shares of ₹ 10 each	500.00	500.00
4,975,000,000 (Previous Year 995,000,000 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each	99,500.00	99,500.00
	1,00,000.00	1,00,000.00
Issued, Subscribed and Paid - up		
Preference Share Capital		
2,811,037 (Previous Year 2,811,037) 0.01% Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up (Redeemable at a premium of ₹ 990 per Share on March 28, 2024)	281.10	281.10
Equity Share Capital		
2,003,394,100 (Previous Year 400,678,820 Equity Shares of ₹ 10 each) fully paid up Equity Shares of ₹ 2 each	40,067.88	40,067.88
	40,348.98	40,348.98

Notes:

Out of the above

- (i) 901,072,050 (Previous Year 180,214,410 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each (after split of share of ₹ 10 each into 5 shares of ₹ 2 each) were allotted as fully paid up Bonus shares by capitalisation of Securities Premium Account and Profit and Loss Account balance.
- (ii) 201,082,050 (Previous Year 40,216,410 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each (after split of share of ₹ 10 each into 5 shares of ₹ 2 each) were allotted to the shareholders of Adani Port Limited, as fully paid up pursuant to the scheme of amalgamation, for consideration other than cash.
- (iii) 1,552,361,640 (Previous Year 224,146,540 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each (after split of share of ₹ 10 each into 5 shares of ₹ 2 each) are held by Adani Enterprises Limited, the Holding Company. The Company has become subsidiary of Adani Enterprises Limited in the current year w.e.f. April 1, 2010. In previous year, the Company was subsidiary of Adani Infrastructure Services Private Limited, which merged with Adani Enterprises Limited.
- (iv) Pursuant to the approval of shareholders at 11th Annual General Meeting held on August 21, 2010, the face value of fully paid up Equity Shares of ₹ 10 each has been sub-divided into five Equity Shares of face value of ₹ 2 each fully paid up.

Schedule - 2 : Reserves and Surplus		
Capital Redemption Reserve	84.34	70.28
Balance as per last Account	14.06	14.06
Add: Transferred from Profit and Loss Account	98.40	84.34
Preference Share Capital, Redemption Premium Reserve		
Balance as per last Account	8,348.82	6,957.36
Add : Transferred from Securities Premium Account (Refer Note 20 of Schedule 23)	1,391.42	1,391.46
	9,740.24	8,348.82
Securities Premium Account		
- Preference		
Balance as per last Account	19,480.56	20,872.02
Less: Transferred to Preference Share Capital Redemption Premium Reserve	(1,391.42)	(1,391.46)
	18,089.14	19,480.56
- Equity		
Balance as per last Account	1,66,734.86	1,66,506.13
Add: Miscellaneous Expenditure adjusted (Refer note 21 of Schedule 23)	-	228.73
	1,66,734.86	1,66,734.86
Debenture Redemption Reserve		
Balance as per last Account	10,844.38	113.84
Less: Transferred to General Reserve	(1,990.21)	(113.84)
Add: Transferred from Profit and loss Account	11,024.22	10,844.38
	19,878.39	10,844.38
General Reserve		
Balance as per last Account	13,567.44	6,443.84
Add : Transferred from Profit and loss Account	9,861.60	7,009.76
Add : Transferred from Debenture Redemption Reserve	1,990.21	113.84
	25,419.25	13,567.44
Balance in Profit and Loss Account	1,49,097.73	89,415.11
	3,89,058.01	3,08,475.51

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 3 : Secured Loans		
Debentures		
4,250 (Previous Year 4,250) 7.50% Secured Non-Convertible Redeemable Debentures of ₹ 10,00,000 each (Redeemable at par on December 30, 2012)	42,500.00	42,500.00
4,250 (Previous Year 4,250) 6.50% Secured Non-Convertible Redeemable Debentures of ₹ 10,00,000 each (Redeemable at par on December 30, 2011)	42,500.00	42,500.00
2,500 (Previous Year 2,500) 8.75% Secured Non-Convertible Redeemable Debentures of ₹10,00,000 each (Redeemable at par in 12 quarterly instalments commencing from November, 2009, 6 instalments paid till March 31, 2011)	13,310.33	21,270.81
	98,310.33	1,06,270.81
Loans from Banks		
Foreign Currency Term Loans	53,131.54	41,198.21
Suppliers bills accepted under foreign currency letters of credit issued by Banks	65,921.47	78,147.11
Short Term Loan	50,000.00	27,500.00
	1,69,053.01	1,46,845.32
Loans from Financial Institutions		
Foreign Currency Term Loans	1,110.87	2,246.13
	1,110.87	2,246.13
Working Capital		
Cash Credit facilities (Secured against lien on fixed deposits)	—	10,000.00
	2,68,474.21	2,65,362.26

Notes:

- Short Term Loan aggregating to ₹ Nil (Previous Year ₹ 27,500 Lacs) from Banks and Foreign Currency loans aggregating to ₹ 1,110.87 Lacs (Previous Year ₹ 2,246.13 Lacs) from Financial Institutions are secured by first *pari passu* charge on all the movable assets of the Company (save & except assets on which exclusive charge is created as stated elsewhere), both present and future and further secured by first charge on immovable assets pertaining to Container Terminal-II, Terminal - II, Multi Purpose Terminal and are further secured by a second charge on assets pertaining to the SPM Project referred to in Note 7 below.
- Short Term Loan aggregating to ₹ 50,000 Lacs (Previous Year ₹ Nil) from Bank is secured by first *pari passu* charge on all assets pertaining to Multi Purpose Terminal, Terminal-II and Container Terminal-II Project assets of the Company and are further secured by second charge on assets pertaining to the SPM Project referred to in Note 7 below.
- Foreign Currency Loans from Banks aggregating to ₹ 24,960.59 Lacs (Previous Year ₹ 22,540.14 Lacs) against purchase of Tugs, are secured by exclusive charge on the individual Tug.
- Foreign Currency Loans from Banks aggregating to ₹ 9,143.55 Lacs (Previous Year ₹ 9,584.46 Lacs) against purchase of Cranes, are secured by exclusive charge on the Cranes. Further, out of above, Foreign currency loan amounting to ₹ 8,638.23 Lacs (Previous Year ₹ 8,733.02 Lacs) are further secured by second charge on the entire fixed assets of the Company over which the first charge is created in respect of the loans referred to in Notes 1, 2, 6 & 7 excluding immovable and the movable assets (including receivables) of the Company pertaining to its Single Point Mooring (SPM) Project.
- Foreign Currency Loans aggregating to ₹ 52,550.36 Lacs (Previous Year ₹ 56,687.01 Lacs) against purchase of dredgers, are secured by exclusive charge on the dredgers. Further, out of the above loan as aggregating ₹ 30,694.07 Lacs (Previous Year ₹ 33,473.64 Lacs) are further secured by way of second charge on the entire fixed assets of the Company over which the first charge is created in respect of the loans referred to in Notes 1, 2, 6 & 7 excluding on the immovable and movable assets (including receivables) of the Company pertaining to its Single Point Mooring (SPM) Project.
- Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 85,000.00 Lacs (Previous Year ₹ 85,000.00 Lacs) issued to Life Insurance Corporation (LIC) and are secured by first *pari-passu* charge on all the immovable and movable assets of Container Terminal - II, Terminal -II and Multipurpose Terminal (MPT).
- Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 13,310.33 Lacs (Previous Year ₹ 21,270.81 Lacs) issued to a Bank and are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities and the first charge over receivables from Indian Oil Corporation Limited.
- Foreign currency Loans from bank aggregating to ₹ Nil (Previous Year ₹ 20,044.53 Lacs) for Coal Terminal at Wandh are secured by exclusive charge on assets of Coal Terminal, Wandh and second charge on the entire fixed assets of the Company over which the first charge is created in respect of loans referred to at Notes 1, 2, 6 & 7 above.

Schedules forming part of the Balance Sheet

Schedule - 3 : Secured Loans (Contd.)

9. Foreign Currency Loans aggregating to ₹ 21,236.01 Lacs (Previous Year ₹ 10,489.18 Lacs) towards purchase of capital goods and other equipments /materials are secured by exclusive charge on respective materials and equipments. Further, out of above ₹ 5,650.04 Lacs(Previous year ₹ 6,296.07 Lacs) is secured by second *pari passu* charge on immovable assets pertaining to Container Terminal-II Assets, Terminal - II Assets, Multi Purpose Terminal Assets and SPM Project Assets over which first charge is created in respect of loan referred to at Notes 1, 2,6 & 7 above.
10. Foreign Currency Loans from Axis Bank, DIFC Branch, Dubai of ₹ 11,162.50 Lacs (Previous Year Nil) towards first *pari-passu* charge on movable and immovable fixed assets pertaining to Multi-purpose Terminal, Terminal -II, Container Terminal - II project and second charge on current assets pertaining to said projects. As on March 31, 2011 the said charges are pending to be created in favour of lenders.
11. Debentures, Short Term Loans, Term Loans from Banks and Financial Institutions and Letter of Credits against loan facilities include amount repayable within one year aggregating to ₹ 173,979.82 Lacs (Previous Year ₹ 40,154.05 Lacs)

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 4 : Unsecured Loans		
Short Term Loan - Commercial Paper (Refer Note 1 below)	—	50,000.00
Suppliers Credit (Repaid on August 14, 2010)	—	2,482.70
Suppliers bills accepted under letters of credit issued by Banks (Refer Note 2 below)	2,509.39	3,935.69
	2,509.39	56,418.39
Notes :		
1. Maximum amount of Commercial Paper raised during the period ₹ Nil (Previous Year: ₹ 62,500 Lacs)		
2. Amounts repayable within one year ₹ 2,509.39 Lacs (Previous Year: ₹ 3,935.69 Lacs)		
Schedule - 5 : Amounts received / receivable under Long Term Land Lease/ Infrastructure Usage Agreements (Refer Note 6 of Schedule 23)		
Balance as per last account	62,251.34	65,184.65
Less: Transferred to Income from Operations	(2,933.31)	(2,933.31)
	59,318.03	62,251.34
Schedule - 6 : Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	34,957.94	28,120.68
	34,957.94	28,120.68

Schedules forming part of the Balance Sheet

(₹ in Lacs)

SCHEDULE: 7 FIXED ASSETS

Sr. No.	Particulars	Gross Block (At Cost)			Depreciation / Amortisation			Net Block			
		As at 01-04-2010	Additions	Deductions/ Adjustment	As at 31-03-2011	Up to 01-04-2010	For the period	Deductions	Up to 31-03-2011	As at 31-03-2011	As at 31-03-20010
INTANGIBLE ASSETS											
1	Goodwill	7,859.49	—	—	7,859.49	1,966.80	281.34	—	2,248.14	5,611.35	5,892.69
2	Software	1,791.29	354.05	141.73	2,003.61	1,350.50	452.56	141.73	1,661.33	342.28	440.79
TANGIBLE ASSETS											
3	Land Development Cost on Leasehold Land	6,078.22	3,536.65	17.07	9,597.80	1,437.88	224.90	—	1,662.78	7,935.02	4,640.34
4	Freehold Land	30,386.35	1,707.32	319.01	31,774.66	—	—	—	—	31,774.66	30,386.35
5	Buildings, Roads and Civil Infrastructure	74,828.59	13,146.27	—	87,974.86	3,947.02	1,561.17	—	5,508.19	82,466.67	70,881.57
6	Marine Structures	62,241.09	23,085.37	—	85,326.46	10,403.31	2,609.44	—	13,012.75	72,313.71	51,837.78
7	Dredged Channels	55,012.39	31,555.58	—	86,567.97	8,686.25	2,387.19	—	11,073.44	75,494.53	46,326.14
8	Tugs & Boats	35,143.48	7,769.80	3,612.27	39,301.01	4,253.98	2,721.16	1,730.10	5,245.04	34,055.97	30,889.50
9	Railway Tracks	19,736.10	1,020.93	—	20,757.03	4,735.39	943.38	—	5,678.77	15,078.26	15,000.71
10	Plant and Machinery	1,97,835.23	55,002.46	1,651.78	2,51,185.91	36,544.15	15,231.25	67.52	51,707.88	1,99,478.03	1,61,291.08
11	Office Equipment, Furniture & Fixtures	2,646.16	134.72	5.40	2,775.48	822.01	167.11	—	989.12	1,786.36	1,824.15
12	Computer Hardware	1,472.07	717.99	166.69	2,023.37	741.18	243.67	157.36	827.49	1,195.88	730.89
13	Vehicles	1,131.95	1,806.84	41.11	2,897.68	280.54	192.06	19.35	453.25	2,444.43	851.41
ASSETS TAKEN ON LEASE											
14	Rights of use in Leased land (Refer Note 2 C (ii) of Schedule 23 and Note vi below)	—	653.93	37.48	616.45	—	29.35	—	29.35	587.10	—
		4,96,162.41	1,40,491.91	5,992.54	630,661.78	75,169.01	27,044.58	2,116.06	1,00,097.53	5,30,564.25	4,20,993.40
	Capital Work-in-Progress (Also refer note 13 of Schedule 23)									1,07,670.60	1,25,750.17
	Capital Advances (Refer note viii below)									24,902.19	13,710.65
	Total									6,63,137.04	5,60,454.22
	Previous Year	3,78,194.89	1,20,726.68	2,759.16	4,96,162.41	53,052.78	22,883.78	767.55	75,169.01	5,60,454.22	

Notes:

i) Foreign Exchange Fluctuation:

Additions/ (Deletions) to Buildings, Marine Structures, Dredged Channels, Tugs & Boats and Plant & Machinery during the year include ₹ (11.64) Lacs (Previous year ₹ (192.04) Lacs), ₹ (17.64) Lacs (Previous Year ₹ (123.24) Lacs), ₹ Nil (Previous Year ₹ (38.47) Lacs), ₹ 935.98 Lacs (Previous Year ₹ 2,670.81 Lacs) and ₹ 533.24 Lacs (Previous Year ₹ (7,910.60) Lacs) respectively, on account of foreign exchange fluctuations.

ii) (a) Plant & Machinery includes project assets of ₹ 96,832.79 Lacs (Gross) (Previous Year ₹ 93,948.62 Lacs), accumulated depreciation ₹ 23,074.11 Lacs (Previous Year ₹ 14,708.98 Lacs) which are mainly used for construction activities.

(b) Depreciation of ₹ 6,258.34 Lacs (Previous Year ₹ 6,069.68 Lacs) relating to the project assets has been transferred to Expenditure During Construction Period.

iii) Freehold Land includes land development cost of ₹ 1,020.66 Lacs (Previous Year ₹ 1,020.66 Lacs)

iv) Plant and Machinery includes cost of Water Pipeline amounting to ₹ 881.32 Lacs (Gross) (Previous Year ₹ 870.05 Lacs), accumulated depreciation ₹ 185.46 Lacs (Previous Year ₹ 143.57 Lacs) which is constructed on land not owned by the Company.

v) Buildings includes 384 flats valuing ₹ 7,681.69 Lacs at Samudra Township, Mundra, which are pending to be registered in the name of Company.

vi) As a part of concession agreement for development of port and related infrastructure at Mundra the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). During the year, the Company has recorded the Rights of use in the GMB Land at present value of future annual lease payments in the books.

vii) Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 3,536.65 Lacs (Previous Year ₹ Nil)

viii) Capital Advances include ₹ 8,603.09 Lacs (Previous Year ₹ 6,071.28 Lacs) paid to various parties for acquisition of land for development of Special Economic Zone in the Mundra Region.

ix) Addition to Fixed Assets / Capital Work in Progress includes borrowing cost on loan for qualifying asset capitalised during the year ₹ 3,585.59 Lacs (Previous Year: ₹ 3,057.71 Lacs) as per Accounting Standard - 16 'Borrowing Costs'.

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 8 : Investments		
Current Investments		
In Units of Mutual Funds - Unquoted		
Nil (Previous Year - 5,216,736 units) of DWS Short Maturity Fund Institutional weekly dividend plan) (Face Value ₹ 10 each)	—	522.60
Nil (Previous Year - 147,031,015 units) LICMF Savings Plus Fund -Daily Dividend Plan (Face Value ₹10 each)	—	14,703.10
	—	15,225.70
Long Term Investments		
In Equity Shares of Company		
Trade, Unquoted		
40,000,000 (Previous Year - 40,000,000) fully paid Equity Shares of ₹ 10 each of Kutch Railway Company Limited.	4,000.00	4,000.00
In Equity Shares of Subsidiary Companies		
Trade, Unquoted		
311,790,000 (Previous Year - 311,790,000) fully paid Equity Shares of ₹ 10 each of Adani Logistics Limited (formerly known as Inland Conware Private Limited) (Refer note 3 below).	31,185.38	31,185.38
208,727,510 (Previous Year - 192,727,308) fully paid Equity Shares of ₹ 10 each of Adani Petronet (Dahej) Port Private Limited	20,872.75	19,272.73
2,450,000 (Previous Year 2,450,000) fully paid Equity Shares of ₹ 10 each of Mundra SEZ Textile and Apparel Park Private Limited	245.00	245.00
5,000,000 (Previous Year - 1,000,000) fully paid Equity Shares of ₹ 10 each of Karnavati Aviation Private Limited	500.00	100.00
13,135,000 (Previous Year - 10,000) fully paid Equity Shares of ₹ 10 each of MPSEZ Utilities Private Limited	5,251.00	1.00
10,000 (Previous Year - 10,000) fully paid Equity Shares of ₹ 10 each of Rajasthan SEZ Private Limited	1.00	1.00
31,339,000 (Previous Year - 50,000) fully paid Equity Shares of ₹ 10 each of Adani Murmugao Port Terminal Private Limited	3,133.90	5.00
500,000 (Previous Year - 500,000) fully paid Equity Shares of ₹ 10 each of Mundra International Airport Private Limited	50.00	50.00
24,000,000 (Previous Year - 500,000) fully paid Equity Shares of ₹ 10 each of Adani Hazira Port Private Limited	2,400.00	50.00
	63,639.03	50,910.11
Acquisition of Controlling Interest in Equity Shares of Company		
11,850 (Previous Year - 5,910) fully paid Equity Shares of ₹ 100 each of Adinath Polyfills Private Limited	3,850.99	1,954.17
In Equity Shares of an Associate Company		
Unquoted		
4,900 (Previous Year - 4,900) fully paid Equity Shares of ₹ 10 each of Dholera Infrastructure Private Limited	0.49	0.49
In Preference Shares of a Company		
1,30,000 (Previous Year - 1,30,000) 0.01% Non Cumulative Optionally Convertible Preference Shares of ₹10 each of Adani Shipyard Private Limited	13.00	13.00
	71,503.51	72,103.47

Note:

- Aggregate cost of unquoted investments in mutual funds as at March 31, 2011 ₹ Nil (Previous year - ₹ 15,225.70 Lacs). Repurchase value of unquoted investments in mutual funds as at March 31, 2011 ₹ Nil (Previous year - ₹ 15,248.13 Lacs)
- Aggregate cost of other unquoted investments as at March 31, 2011 ₹ 71,503.51 Lacs (Previous year - ₹ 56,877.77 Lacs).
- Nil (Previous year - 26,035,500 shares) of Adani Logistics Limited (ALL), 1,92,33,000 shares (Previous year -1,92,33,000 shares) of Adani Petronet (Dahej) Port Private Limited and 15,000 shares (Previous year - Nil) of Adani Murmugao Port Terminal Private Limited, subsidiary companies, has been pledged with banks against borrowings by the respective companies.

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 9: Inventories*		
Stores and Spares	4,122.68	3,139.03
	4,122.68	3,139.03
*At lower of cost and net realizable value		
Schedule - 10: Sundry Debtors (Unsecured)		
Debts Outstanding for a period more than six months		
- Considered good	1,845.29	1,871.08
- Considered doubtful	144.00	137.34
Other Debts		
- Considered good	25,032.93	13,927.95
	27,022.22	15,936.37
Less: Provision for doubtful debts	(144.00)	(137.34)
	26,878.22	15,799.03
Schedule - 11: Cash and Bank Balances		
Cash and Cheques on Hand	3.53	4.05
Balances with Scheduled Banks:		
- On Current Accounts	5,592.08	13,166.26
- On Share Application Refund Accounts	16.96	16.96
- On Dividend Accounts	64.40	53.02
- On Margin Money Accounts	4,828.40	11,839.49
- On Fixed Deposit Accounts	3,360.52	60,788.34
	13,865.89	85,868.12
Note: Margin Money and Fixed Deposit includes ₹ 4,828.40 Lacs (Previous Year ₹ 31,839.49 Lacs) pledged / lien against bank guarantees, letter of credit and cash credit facilities.		
Schedule - 12: Other Current Assets		
Interest Accrued on Deposits and Loans	306.01	136.29
Accrued Revenue	2,444.43	6,081.82
Land Lease Receivable (Refer Note 12 (a) of Schedule 23)	8,746.12	-
	11,496.56	6,218.11
Schedule - 13: Loans and Advances		
(Unsecured, Considered Good except to the extent stated)		
Advances and Loans to Subsidiary Companies	23,976.50	17,986.50
Advances and Loans to Other Companies	876.41	876.41
Inter Corporate Deposits	12,100.00	30,500.00
Advances Recoverable in Cash or in Kind or for Value to be Received	3,098.71	5,218.61
Balance with Excise & Custom Authorities (Includes ₹ 250.00 Lacs; Previous Year ₹ 250.00 Lacs earmarked against demand by the Excise department)	383.98	283.14
Advance Income Tax / Tax deducted at source (Net of provision ₹ Nil; Previous Year : ₹ 3,330.84 Lacs)	-	601.24
Advance Fringe Benefit Tax (Net of provision ₹ 318.31 Lacs; Previous Year ₹ 318.31 Lacs)	5.99	22.49
Advance against purchase of Investment	-	1,395.47
Share Application Money (Pending allotment)	18,042.48	1,715.00
Deposits - Others	1,430.08	1,737.25
	59,914.15	60,336.11

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 14: Current Liabilities		
Sundry Creditors		
- Micro, Small and Medium Enterprises (Refer Note 7 of Schedule 23)	12.75	4.00
- Others	25,930.51	16,444.63
Advances/Deposits from Customers	11,739.07	14,636.49
Equity Share Application Money Refundable*	16.96	16.96
Interest Accrued but not Due on Loans	2,526.44	2,846.37
Obligations under Leased Land (Refer Note 12 (a) of Schedule 23)	666.75	—
Unearned Income	2,453.44	1,100.73
Unclaimed Dividend*		
- Equity Shares	64.38	53.00
- Preference Shares	0.02	0.02
Other Liabilities	1,429.98	471.03
	44,840.30	35,573.23
* Not due for credit to “Investors Education & Protection Fund”		
Schedule - 15 : Provisions		
Provision of Income Tax (Net of Advance tax ₹ 3,837.89 Lacs; Previous Year : ₹ Nil)	1,721.76	—
Proposed Dividend on Equity Shares	—	6,010.18
Interim Dividend on Equity Shares	8,013.58	—
Proposed Dividend on Preference Shares	0.03	0.03
Employee Benefits	508.19	413.82
Operational and Other Claims (Refer Note 17 of Schedule 23)	1,167.63	943.67
	11,411.19	7,367.70
Schedule - 16 : Miscellaneous Expenditure (to the extent not written - off or adjusted)		
Opening balance	—	—
Addition during the year - Share Issue Expenses	—	(228.73)
	—	(228.73)
Add : Adjusted against Securities Premium Account (Refer Note 21 of Schedule 23)	—	228.73
	—	—

Schedules forming part of the Profit and Loss Account

	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended March 31, 2010 ₹ in Lacs
Schedule - 17 : Other Income		
Dividend from Long Term Investment	600.00	120.00
Dividend from Current Investment	20.88	13.91
Sale of Scrap	151.24	287.45
Profit on Sale of Current Investments	20.30	1,348.23
Profit on Sale of Fixed Asset (net)	3,290.98	413.11
Unclaimed Liabilities / Excess Provision written back (including Managing Director commission of ₹ Nil; Previous Year ₹ 335.18 Lacs)	521.68	416.42
Gain on Foreign Exchange Variation (net)	241.40	270.23
Miscellaneous Income	129.89	508.85
	4,976.37	3,378.20
Schedule - 18 : Operating Expenses		
Handling and Storage Expenses	16,489.97	10,026.17
Customer Claims (including provision for demurrage ₹ Nil ; Previous Year ₹ 1.61 Lacs)	534.19	301.61
Railway Operating Expenses	4,953.50	3,549.98
Tug and Pilotage Charges	794.32	639.17
Maintenance Dredging	1,362.40	817.52
Other Marine Expenses	742.03	225.94
Repairs to Plant & Machinery (including stores and spares ₹ 2,862.31 Lacs ; Previous Year ₹ 1,971.17 Lacs)	4,760.61	2,705.39
Repairs to Buildings	523.78	458.55
Power & Fuel	6,713.18	4,626.26
Waterfront Charges	3,971.56	2,829.82
Construction Contract Expenses	702.86	2,533.69
Cost of Land Leased / Sub-Leased (Refer Note 12 (a) of Schedule 23)	348.25	—
	41,896.65	28,714.10
Schedule - 19 : Personnel Expenses		
Salaries, Wages and Bonus	5,885.17	4,755.78
Contribution to Provident & Other Funds	349.36	284.98
Gratuity	100.37	120.93
Workmen and Staff Welfare Expenses	326.90	246.25
	6,661.80	5,407.94

Schedules forming part of the Profit and Loss Account

	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended March 31, 2010 ₹ in Lacs
Schedule - 20 : Administrative and Other Expenses		
Rent (including Land Lease discounting charge of ₹ 12.82 Lacs; Previous Year ₹ Nil, Refer Note 12 (a) of Schedule 23)	181.34	168.02
Rates and Taxes	302.28	215.38
Insurance	500.37	487.58
Advertisement and Publicity	214.41	189.55
Other Repairs and Maintenance	417.64	336.56
Legal and Professional Expenses (includes payment to auditors of ₹ 59.18 Lacs; Previous Year ₹ 43.62 Lacs) (Refer Note 18 (e) of Schedule 23)	1,375.00	1,406.17
Travelling and Conveyance	1,055.15	831.52
Directors Sitting Fee	7.30	7.50
Commission to Non-executive Directors	58.39	60.00
Charity & Donations	2,988.51	3,648.46
Sundry Balances Written Off (Net)	1.47	127.89
Miscellaneous Expenses	1,847.64	1,536.83
	8,949.50	9,015.46
Schedule - 21 : Financial Expenses (Net)		
Interest on Debentures	7,471.50	3,101.85
Interest on Fixed Loans / Buyer's Credit /Others	4,500.47	14,230.32
Interest on Cash Credit	901.99	101.44
Loss on Derivatives / Swap Contracts (net)	453.45	—
Bank and Other Finance Charges	1,220.48	786.83
	14,547.89	18,220.44
Less:		
Interest on Bank Deposits, Inter Corporate Deposits etc. (Tax Deducted at Source ₹ 52.74 Lacs; Previous Year : ₹ 122.52 Lacs)	7,046.49	10,798.78
Gain on Derivatives / Swap Contracts (net)	—	3,004.41
	7,501.40	4,417.25
Schedule 22 : Earnings Per Share (EPS)		
Number of Equity Shares for calculating Basic and Diluted EPS (in Lacs)	20,033.94	20,033.94
Computation on the basis of earnings		
Net profit as per Profit and Loss Account including extraordinary items	98,616.00	70,097.56
Less: Dividend on Non-Cumulative Preference Shares	0.03	0.03
Net Profit for calculation of Basic and Diluted EPS	98,615.97	70,097.53
Weighted number of Equity Shares considered for Calculating Basic and Diluted EPS (in Lacs)	20,033.94	20,033.94
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'.

Schedule 23 : Notes to Accounts

1. Nature of operations

Mundra Port and Special Economic Zone Limited ('the Company', 'MPSEZL') is a developer and operator of the port facilities at Mundra and is also SEZ infrastructure developer at Mundra. The port facilities are developed pursuant to the concession agreement with Government of Gujarat (GOG) and Gujarat Maritime Board for 30 years effective from February 17, 2001 and proposed supplementary concession agreement for coal terminal at Wandh, Mundra with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. The supplementary concession, which will be effective till 2040, is in the process of getting signed with GOG and GMB, however all relevant approvals are in place for developing and operating the coal terminal at Wandh which is recognized as commercially operational w.e.f. February 1, 2011.

Part of the port facilities initially developed by the Company was transferred under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container Terminal Limited) and MPSEZL entered into, on January 7, 2003 wherein MPSEZL has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031.

The Company is also developer of Multi Product Special Economic Zone at Mundra and surrounding areas as per approval of Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 as amended from time to time and consolidated through notification no. 1365 (E) dated May 27, 2009. Currently, 6,472.87 hectares contiguous land area (including port area) has been notified by GOI as approved Special Economic Zone.

2. 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 prices 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.

3. Segment Information

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

4. Related Party Disclosures

The Management has identified the following 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
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* 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 Mummugao 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	-	-	-	5.76
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	-	-	-	-	31.98	-	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)
-	-	-	-	-	-	-	-	28.44	-	-	-	-	-	-	-	-	-	-	-	-	79.80
-	-	-	-	-	16.56	-	-	11.00	-	-	-	-	-	-	-	-	-	-	-	-	78.06
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71.05
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	0.50	-	-	-	-	-	-	13.00	-	-	-	-	-	-	-	29,056.40
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,361.28
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	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

5. 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

6. Amounts Received / Receivable under Long Term Land Lease/Infrastructure Usage Agreements

The Company has entered into various long term agreements granting leases / sub-leases of land and /or rights to use infrastructure facilities for the period which are generally co-terminus with the period of the Concession Agreement between the Company, Gujarat Maritime Board and Government of Gujarat. The Company has received/to receive upfront amounts in consideration of grant of the leases / sub-leases and rights to use its infrastructure facilities. Unamortized amounts received/receivable under Long Term Land Leases/ Infrastructure Usage Agreements at the end of the year amounting to ₹ 59,318.03 Lacs (Previous Year ₹ 62,251.34 Lacs) have been disclosed on the face of the Balance Sheet (Also refer Note 2(m)(ii) above)

7. 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.

S.No	Particulars	(₹ in Lacs)	
		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

(₹ in Lacs)

S.No	Particulars	Year ended March 31, 2011	Year ended March 31, 2010
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 MSME Act 2006.	Nil	Nil
	Total	12.75	4.00

8. Prior period items include:

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Reversal of Income from Lease/Infrastructure Usage	–	2,215.66
Total	–	2,215.66

9. 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.

10. 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	Mar'11	Mar'10	Mar'09	Mar'08	Mar'07
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)

11. Income from Operations includes:

	(₹ in Lacs)	
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Port Services Income	1,63,822.13	1,16,376.00
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	1,88,507.22	1,39,251.70

12. 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.

13. 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		
Salaries, Wages & Bonus	428.12	558.72
Contribution to Provident Fund	12.15	5.26
Workmen and Staff Welfare Expense	—	1.20
Sub Total	440.27	565.18
Administrative and Other Expenses		
Other Repairs and Maintenance	—	0.71
Legal and Professional Expenses	98.01	125.47
Traveling and Conveyance	60.76	122.57
Rent	—	2.27
Customs Establishment Charges	—	92.41
Vehicle Hire Charges	81.71	55.75
Security Charges	34.07	135.16
Other Expenses	27.42	69.10
Sub Total	301.97	603.44
Financial Expenses		
Interest on Fixed Loans	2,571.78	387.38
Bank and Other Finance Charges	1,013.81	2,670.33
Sub Total	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.

14. 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	1,15,106.60	71,994.82

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

(₹ in Lacs)

A)	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”.

16. Contingent Liabilities not provided for

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2011	As at March 31, 2010
a.	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
b.	In earlier years, civil suits have been filled by the Customers for recovery of damages caused to machinery in earthquake ₹ 37.10 Lacs (Previous Year ₹ 37.10 Lacs), to cargo stored in Company's godown ₹ 94.40 Lacs (Previous Year ₹ 94.40 Lacs) and loss due to mis-handling of wheat cargo ₹ 620.00 Lacs (Previous Year ₹ 620.00 Lacs). The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	751.50	751.50
c.	In earlier years, the Company had received show cause notices from the Custom Authorities for recovery of custom duty and interest thereon the import of a tug and bunkers by the Company ₹ 207.15 Lacs (Previous Year ₹ 207.15 Lacs), import of various Cargos at Port ₹ 53.04 Lacs (Previous Year ₹ 48.04 Lacs). The Customs cases are currently pending with, Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad (₹ 207.15 Lacs), Assistant Commissioner of Customs, Mundra (₹ 14.20 Lacs), Customs, Excise and Service Tax Appellate Tribunal, Mumbai (₹ 26.60 Lacs), Commissioner of Customs (Appeals), Ahmedabad (₹ 2.62 Lacs), Commissioner of Customs (Appeals), Kandla (₹ 5.00 Lacs) and Deputy Commissioner of Customs Mundra, (₹ 4.62 Lacs), respectively. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	260.19	255.19

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2011	As at March 31, 2010
d.	Joint Commissioner Customs, Mundra has held the Company liable for custom duty on short delivery of imported goods of various Customers namely, H.M.S. through Mundra Port. The Company has been directed to remit the differential duty of ₹ 7.09 Lacs and penalty of ₹ 0.50 Lacs - under Section 117 of the Customs Act. MPSEZL has preferred to challenge the said Orders which are pending before Commissioner of Customs (Appeals) at Ahmedabad. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	7.59	7.59
e.	Deputy Commissioner of Customs, Mundra and Assistant Commissioner of Customs, Mumbai have held that the Company wrongly availed duty benefit exemption under DFCEC Scheme on import of equipment and demanded duty payment of ₹ 26.31 Lacs (Previous Year ₹ 26.31 Lacs). The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	26.31	26.31
f.	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other misc. fixed assets. The Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹ 250.00 Lacs against the demand. The matters are pending before High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6,528.30	5,730.40
g.	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot in respect of levy of service tax on various services provided by the Company and wrong availing of CENVAT credit by the Company. The matter is currently pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 851.70 Lacs (Previous Year ₹ 1,723.08 Lacs) and Commissioner of Service Tax Ahmedabad ₹ 829.87 Lacs (Previous Year ₹ Nil). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	1,681.57	1,723.08
h.	Differential amount of customs duty in respect of machinery imported under Export Promotion Credit Guarantee Scheme and interest thereon. Based on budgeted sales plan, management is hopeful that it will be able to discharge the obligation by executing the required volume of exports in the future period.	—	173.63
i.	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./SIIB/2009 dated 25/11/2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts	200.00	200.00

Note: The timing and the probability of the future cash flows in respect to item (a to i) above depends on ultimate settlement/conclusions with the relevant authorities.

17. 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.

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

a) Managing Director's Remuneration

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Salaries and Bonus	120.00	120.00
Commission	100.00	50.00
Total	220.00	170.00

b) Whole time Directors' Remuneration

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Salaries and Bonus	328.13	653.62
Contribution to Provident fund	16.54	18.61
Total	344.67	672.23

Notes:

- As the future liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

c) Non Executive Directors' Remuneration

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Commission	58.39	60.00
Total	58.39	60.00

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

(₹ in Lacs)		
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Profit before tax as per Profit and Loss Account	1,07,687.99	76,045.39
<i>Add:</i>		
Directors' Remuneration	344.67	542.23
(Profit) /Loss on Sale of Fixed Assets	(3,290.98)	(413.11)
Director's Sitting Fees	7.30	7.50
Commission to Non Executive Directors	58.39	60.00
Profit on Sale of Investments	(20.30)	(1,348.23)
Provision for doubtful debts	6.66	(21.57)
Net Profit as per Section 349 of the Companies Act, 1956	1,04,793.73	74,872.21
Commission payable to Managing Director @ 2% (Refer Note below)	2,095.88	1,497.44
Commission to Non-Executive Directors @ 1%	1,047.94	748.72
Restricted to	58.39	60.00

Note: Managing Director was provided Commission of ₹ 100.00 Lacs for 2010-11.

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

(₹ in Lacs)		
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
As Auditor -		
Audit fee	26.50	23.00
Limited Review	13.50	12.00
Certification	5.04	7.82
As Adviser -	12.00	—
IFRS		
Reimbursement of out-of-pocket Expenses	2.14	0.80
Total	59.18	43.62

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

(₹ in Lacs)		
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Travelling Expenses	9.55	32.09
Interest	3,124.45	3,566.61
Bank Charges	924.49	1,829.70
Fees and Legal Expenses	23.02	20.05
Others	39.37	124.04
Repairs & Maintenance	105.80	597.50

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

(₹ in Lacs)		
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Marine Services	—	9.89
Storage Rental	375.02	836.52

h) CIF value of Imports :

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Stores & Spares including fuel	26,102.47	18,012.45
Capital goods	13,352.13	94,108.30

i) Imported and indigenous stores and spares consumed

(₹ in Lacs)

Particulars	Total Consumption		% of Total Consumption	
	2010-11	2009-10	2010-11	2009-10
Imported	992.14	714.68	34.67	36.26
Indigenous	1,870.17	1,256.49	65.33	63.74
Total	2,862.31	1,971.17	100.00	100.00

j) Net dividend remitted in foreign exchange

(₹ in Lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Final	Interim	Final	Interim
Number of non-resident shareholders	5	1	5	5
Number of equity shares held on which dividend was due	60,947,655	2,000,000	60,947,655	60,947,655
Amount remitted (USD in Lacs)	19.57	0.22	12.52	32.81
Equivalent (INR in Lacs)	914.21	10.00	609.48	1523.69
Year to which it relates	2009-10	2010-11	2008-09	2009-10

- 19.** 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 Murmugao 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 Textiles and Apparel Park Private Limited
 - All the above loans are repayable on demand except Dholera Infrastructure Private Limited.

- 20.** 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. 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. 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.	0 3 4 1 8 2	State Code	0 4
Balance Sheet Date	3 1 0 3 2 0 1 1		
	Date Month Year		

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

Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

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

Total Liabilities*	7 9 4 6 6 6 5 6	Total Assets	7 9 4 6 6 6 5 6
SOURCES OF FUNDS			
Paid up Capital	4 0 3 4 8 9 8	Reserves & Surplus	3 8 9 0 5 8 0 1
Secured Loans	2 6 8 4 7 4 2 1	Unsecured Loans	2 5 0 9 3 9
APPLICATION OF FUNDS			
Net Fixed Assets	6 6 3 1 3 7 0 4	Investments	7 1 5 0 3 5 1
Net Current Assets	6 0 0 2 6 0 1	Miscellaneous Expenditure	N I L
Accumulated Losses	N I 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	1 9 3 4 8 3 5 9	Total Expenditure	8 5 7 9 5 6 0
Profit/(Loss) Before Tax + -	✓ 1 0 7 6 8 7 9 9	Profit/(Loss) After Tax + -	✓ 9 8 6 1 6 0 0
(Please tick Appropriate + for Profit, – for loss)			
Earnings Per Share (₹)	4 . 9 2	Dividend %	4 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

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
	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											
4	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
	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

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 Zone 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 ₹ 108,036.28 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

Consolidated Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	40,348.98	40,348.98
Reserves and Surplus	2	3,78,638.46	3,05,036.25
		4,18,987.44	3,45,385.23
Minority Interest		9,870.52	8,222.93
Loan Funds			
Secured Loans	3	3,56,693.65	3,20,269.31
Unsecured Loans	4	2,555.74	56,418.39
		3,59,249.39	3,76,687.70
Foreign Currency Monetary Item Transaction Difference Account (Refer Note 3 (o) (iii) and Note 9 of Schedule 23)		—	981.41
Amount Received/Receivable under Long Term Land Lease/ Infrastructure Usage Agreements	5	61,211.78	62,907.01
Deferred Tax Liabilities (net)	6	35,015.37	28,168.57
Total		8,84,334.50	8,22,352.85
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block		7,42,164.76	5,63,415.36
Less : Accumulated Depreciation/Amortisation		1,07,079.92	78,416.91
Net Block		6,35,084.84	4,84,998.45
Capital Work- in- Progress including Capital Advances		2,11,743.95	1,91,825.32
	7	8,46,828.79	6,76,823.77
Investments	8	6,661.98	22,193.36
Goodwill on Consolidation		4,035.14	292.78
Deferred Tax Assets (net)	6	339.39	1,808.53
Current Assets, Loans and Advances			
Inventories	9	4,233.51	3,158.13
Sundry Debtors	10	28,491.07	17,644.13
Cash and Bank Balances	11	25,150.37	99,969.29
Other Current Assets	12	12,007.95	6,429.18
Loans and Advances	13	24,442.78	44,712.62
		94,325.68	1,71,913.35
Less : Current Liabilities and Provisions			
Current Liabilities	14	57,359.56	41,476.96
Provisions	15	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)	16	1.84	2.78
Total		8,84,334.50	8,22,352.85
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet.

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

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

	Schedules	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended 31st March, 2010 ₹ in Lacs
INCOME			
Income from Operations (Refer Note 14 of Schedule 23)		2,00,011.10	1,49,551.98
Other Income	17	3,089.10	4,457.79
		2,03,100.20	1,54,009.77
EXPENDITURE			
Operating Expenses	18	53,210.75	37,885.36
Personnel Expenses	19	7,975.59	5,950.74
Administrative and Other Expenses	20	8,884.32	9,089.58
Financial Expenses (net)	21	8,795.83	6,845.05
Depreciation/Amortisation		23,875.81	18,679.91
		1,02,742.30	78,450.64
Profit before Tax and Prior Period Items		1,00,357.90	75,559.13
- Prior Period Items (Refer Note 11 of Schedule 23)		-	(2,196.29)
Profit before Tax		1,00,357.90	73,362.84
Provision For Taxation			-
- Current Tax		2,234.00	797.40
- 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
Less : - 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
Surplus Carried to Balance Sheet		1,36,620.34	83,739.07
Basic and Diluted Earnings per Share (in Rupees) Face Value of ₹ 2 each	22	4.58	3.37
Notes to Accounts	23		

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account.

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

Dr. Malay R. Mahadevia

Wholetime Director

Place : Ahmedabad

Date : May 9, 2011

Rajesh S. Adani

Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

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

		For the year ended 31st March, 2011 ₹ in Lacs	For the year ended 31st March, 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 / 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 31st March, 2011 ₹ in Lacs	For the year ended 31st March, 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 and on behalf of the Board of Directors

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

Gautam S. Adani

Chairman and Managing Director

Dr. Malay R. Mahadevia

Wholtime Director

Place : Ahmedabad

Date : May 9, 2011

Rajesh S. Adani

Director

B. Ravi

Chief Financial Officer

Dipti Shah

Company Secretary

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at 31st March 2010 ₹ in Lacs
Schedule - 1 : Share Capital		
Authorised		
5,000,000 (Previous Year 5,000,000) Non Cumulative Redeemable Preference Shares of ₹ 10 each	500.00	500.00
4,975,000,000 (Previous Year 995,000,000 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each	99,500.00	99,500.00
	1,00,000.00	1,00,000.00
Issued, Subscribed and Paid - up		
Preference Share Capital		
2,811,037 (Previous Year 2,811,037) 0.01% Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up (Redeemable at a premium of ₹ 990 per Share on March 28, 2024)	281.10	281.10
Equity Share Capital		
2,003,394,100 (Previous Year 400,678,820 Equity Shares of ₹ 10 each) fully paid up Equity Shares of ₹ 2 each	40,067.88	40,067.88
	40,348.98	40,348.98

Notes:

Out of the above

- (i) 901,072,050 (Previous Year 180,214,410 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each (after split of share of ₹ 10 each into 5 shares of ₹ 2 each) were allotted as fully paid up Bonus shares by capitalisation of Securities Premium Account and Profit and Loss Account balance.
- (ii) 201,082,050 (Previous Year 40,216,410 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each (after split of share of ₹ 10 each into 5 shares of ₹ 2 each) were allotted to the shareholders of Adani Port Limited, as fully paid up pursuant to the scheme of amalgamation, for consideration other than cash.
- (iii) 1,552,361,640 (Previous Year 224,146,540 Equity Shares of ₹ 10 each) Equity Shares of ₹ 2 each (after split of share of ₹ 10 each into 5 shares of ₹ 2 each) are held by Adani Enterprises Limited, the Holding Company. The Company has become subsidiary of Adani Enterprises Limited in the current year w.e.f. April 1, 2010. In previous year, the Company was subsidiary of Adani Infrastructure Services Private Limited, which merged with Adani Enterprises Limited.
- (iv) Pursuant to the approval of shareholders at 11th Annual General Meeting held on August 21, 2010, the face value of fully paid up equity shares of ₹ 10 each has been sub-divided into five equity shares of face value of ₹ 2 each fully paid up.

Schedule - 2 : Reserves and Surplus

Capital Reserve

Balance as per last Account

2,234.07

1,607.70

Add : Government grant / Other received / created during the year

-

626.37

Less : Impact of Change in Minority Interest in Subsidiary

(178.94)

-

2,055.13

2,234.07

Capital Redemption Reserve

Balance as per last Account

84.34

70.28

Add : Transferred from Profit and Loss Account

14.06

14.06

98.40

84.34

Preference Share Capital, Redemption Premium Reserve

Balance as per last Account

8,348.82

6,957.36

Add: Transferred from Securities Premium Account (Refer note 21 of Schedule 23)

1,391.42

1,391.46

9,740.24

8,348.82

Securities Premium Account

- Preference

Balance as per last Account

19,480.54

20,872.00

Less: Transferred to Preference Share Capital Redemption Premium Reserve

(1,391.42)

(1,391.46)

18,089.12

19,480.54

- Equity

Balance as per last Account

1,66,734.93

1,66,506.20

Add : Miscellaneous Expenditure adjusted (Refer note 22 of Schedule 23)

-

228.73

1,66,734.93

1,66,734.93

Debenture Redemption Reserve

Balance as per last Account

10,844.29

113.75

Less: Transferred to General Reserve

(1,990.12)

(113.75)

Add: Transferred from Profit & loss Account

11,024.22

10,844.29

19,878.39

10,844.29

General Reserve

Balance as per last Account

13,570.19

6,446.68

Add : Transferred from Profit & loss Account

9,861.60

7,009.76

Add : Transferred from Debenture Redemption Reserve

1,990.12

113.75

25,421.91

13,570.19

Balance in Profit and Loss Account

1,36,620.34

83,739.07

3,78,638.46

3,05,036.25

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at 31st March 2010 ₹ in Lacs
Schedule - 3 : Secured Loans		
Debentures		
4,250 (Previous Year 4,250) 7.50% Secured Non-Convertible Redeemable Debentures of ₹ 10,00,000 each (Redeemable at par on December 30, 2012)	42,500.00	42,500.00
4,250 (Previous Year 4,250) 6.50% Secured Non-Convertible Redeemable Debentures of ₹ 10,00,000 each (Redeemable at par on December 30, 2011)	42,500.00	42,500.00
2,500 (Previous Year 2,500) 8.75% Secured Non-Convertible Redeemable Debentures of ₹ 10,00,000 each (Redeemable at par in 12 quarterly installments commencing from November, 2009, 6 installments paid till March 31, 2011)	13,310.33	21,270.81
	98,310.33	106,270.81
Loans from Banks		
Rupee Loans	44,329.10	11,990.44
Foreign Currency Term Loans	87,248.43	71,712.85
Suppliers bills accepted under foreign currency letters of credit issued by Banks	75,694.92	90,549.08
Short Term Loan	50,000.00	27,500.00
	2,57,272.45	2,01,752.37
Loans from Financial Institutions		
Foreign Currency Term Loans	1,110.87	2,246.13
	1,110.87	2,246.13
Working Capital		
Cash Credit facilities (Secured against lien on fixed deposits)	—	10,000.00
	3,56,693.65	3,20,269.31

Notes:

- Short Term Loan aggregating to ₹ Nil (Previous Year ₹ 27,500 Lacs) from Banks and Foreign Currency loans aggregating to ₹ 1,110.87 Lacs (Previous Year ₹ 2,246.13 Lacs) from Financial Institutions are secured by first *pari passu* charge on all the movable assets of the Company (save & except assets on which exclusive charge is created as stated elsewhere), both present and future and further secured by first charge on immovable assets pertaining to Container Terminal-II, Terminal - II, Multi Purpose Terminal and are further secured by a second charge on assets pertaining to the SPM Project referred to in Note 7 below.
- Short Term Loan aggregating to ₹ 50,000 Lacs (Previous Year ₹ Nil) from Bank is secured by first *pari passu* charge on all assets pertaining to Multi Purpose Terminal, Terminal-II and Container Terminal-II Project assets of the Company and are further secured by second charge on assets pertaining to the SPM Project referred to in Note 7 below.
- Foreign Currency Loans from Banks aggregating to ₹ 24,960.59 Lacs (Previous Year ₹ 22,540.14 Lacs) against purchase of Tugs, are secured by exclusive charge on the individual Tug.
- Foreign Currency Loans from Banks aggregating to ₹ 9,143.55 Lacs (Previous Year ₹ 9,584.46 Lacs) against purchase of Cranes, are secured by exclusive charge on the Cranes. Further, out of above, Foreign currency loan amounting to ₹ 8,638.23 Lacs (Previous Year ₹ 8,733.02 Lacs) are further secured by second charge on the entire fixed assets of the Company over which the first charge is created in respect of the loans referred to in Notes 1, 2, 6 & 7 excluding immovable and the movable assets (including receivables) of the Company pertaining to its Single Point Mooring (SPM) Project.
- Foreign Currency Loans aggregating to ₹ 52,550.36 Lacs (Previous Year ₹ 56,687.01 Lacs) against purchase of dredgers, are secured by exclusive charge on the dredgers. Further, out of the above loan as aggregating ₹ 30,694.07 Lacs (Previous Year ₹ 33,473.64 Lacs) are further secured by way of second charge on the entire fixed assets of the Company over which the first charge is created in respect of the loans referred to in Notes 1, 2, 6 & 7 excluding on the immovable and movable assets (including receivables) of the Company pertaining to its Single Point Mooring (SPM) Project.
- Debentures include Secured Non-Convertible Redeemable Debentures amounting to ₹ 85,000.00 Lacs (Previous Year ₹ 85,000.00 Lacs) issued to Life Insurance Corporation (LIC) and are secured by first *pari passu* charge on all the immovable and movable assets of Container Terminal - II, Terminal -II and Multipurpose Terminal (MPT).
- Debentures include Secured Non-Convertible Redeemable Debentures aggregating to ₹ 13,310.33 Lacs (Previous Year ₹ 21,270.81 Lacs) issued to a Bank and are secured by exclusive mortgage and charge on entire Single Point Mooring (SPM) facilities and the first charge over receivables from Indian Oil Corporation Limited.
- Foreign currency Loans from bank aggregating to ₹ Nil (Previous Year ₹ 20,044.53 Lacs) for Coal Terminal at Wandh are secured by exclusive charge on assets of Coal Terminal, Wandh and second charge on the entire fixed assets of the Company over which the first charge is created in respect of loans referred to at Notes 1, 2, 6 & 7 above.

Schedules forming part of the Consolidated Balance Sheet

9. Foreign Currency Loans aggregating to ₹ 21,236.01 Lacs (Previous Year ₹ 10,489.18 Lacs) towards purchase of capital goods and other equipments /materials are secured by exclusive charge on respective materials and equipments. Further, out of above ₹ 5,650.04 Lacs(Previous year ₹ 6,296.07 Lacs) is secured by second *pari passu* charge on immovable assets pertaining to Container Terminal-II Assets, Terminal - II Assets, Multi Purpose Terminal Assets and SPM Project Assets over which first charge is created in respect of loan referred to at Notes 1, 2, 6 & 7 above.
10. Foreign Currency Loans from Axis Bank, DIFC Branch, Dubai of ₹ 11,162.50 Lacs (Previous Year Nil) towards first *pari passu* charge on movable and immovable fixed assets pertaining to Multi-purpose Terminal, Terminal -II, Container Terminal - II project and second charge on current assets pertaining to said projects. As on March 31, 2011 the said charges are pending to be created in favour of lenders.
11. Debentures, Short Term Loans, Term Loans from Banks and Financial Institutions and Letter of Credits against loan facilities include amount repayable within one year aggregating to ₹ 173,979.82 Lacs (Previous Year ₹ 40,154.05 Lacs)
12. Term Loans taken by the subsidiaries include Rupee Term Loans aggregating to ₹ 44,329.10 Lacs and Foreign Currency Loan aggregating to ₹ 43,890.34 Lacs (Previous Year ₹ 11,990.44 Lacs and ₹ 42,916.61 Lacs respectively) from Banks secured by equitable mortgage of immovable properties of the respective subsidiaries and first charge by way of hypothecation of all movable and intangible assets. Out of the above, Foreign Currency Loan of ₹ 20,324.85 Lacs (Previous Year ₹ 22,163.74 Lacs) are further secured by assignment of book debts, operating cash flows, revenues and receivables of projects of Adani Logistics Limited. Further, Rupee Term Loan aggregating to ₹ Nil (Previous Year ₹ 18,321.07 Lacs) of Adani Petronet (Dahej) Port Private Limited are also secured by pledge of 30% paid -up Equity Share Capital of the Company by the holding Company.

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 4 : Unsecured Loans		
Short Term Loan - Commercial Paper (Refer Note 1 below)	—	50,000.00
Suppliers Credit (Repaid on August 14, 2010.)	—	2,482.70
Suppliers bills accepted under letters of credit issued by Banks (Refer Note 2 below)	2,509.39	3,935.69
Others	46.35	—
	2,555.74	56,418.39
Notes :		
1. Maximum amount of Commercial Paper raised during the period ₹ Nil (Previous Year: ₹ 62,500 Lacs)		
2. Amounts repayable within one year ₹ 2,509.39 Lacs (Previous Year: ₹ 3,935.69 Lacs)		
Schedule - 5 : Amounts received / receivable under Long Term Land Lease/ Infrastructure Usage Agreements (Refer Note 10 of Schedule 23)		
Balance as per last account	62,907.01	65,047.82
Add: Received during the period	1,147.50	824.12
Less: Transferred to Income from Operations	(2,842.73)	(2,964.93)
	61,211.78	62,907.01
Schedule - 6 : Deferred Tax		
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	37,733.16	29,977.10
	37,733.16	29,977.10
Deferred Tax Assets		
Unabsorbed depreciation / Business loss	3,054.21	1,807.41
Others	2.97	1.12
	3,057.18	1,808.53
Net Deferred Tax Liability	34,675.98	28,168.57

SCHEDULE: 7 FIXED ASSETS
Schedules forming part of the Consolidated Balance Sheet

Sr. No.	Particulars	Gross Block (At Cost)			Depreciation / Amortisation			Net Block				
		As at 01-04-2010	Addition due to acquisition of subsidiaries	Deductions/ Adjustments	As at 31-03-2011	Up to 01-04-2010	Addition due to acquisition of subsidiaries	For the period	Deductions/ Adjustments	Up to 31-03-2011	As at 31-03-2011	As at 31-03-2010
INTANGIBLE ASSETS												
1	Goodwill	7,859.49	-	-	7,859.49	1,966.80	-	281.34	-	2,248.14	5,611.35	5,892.69
2	Software	1,979.57	-	371.27	2,209.11	1,358.78	-	454.40	141.73	1,671.45	537.66	620.79
3	License Fees - Indian Railways	5,000.00	-	-	5,000.00	625.34	-	250.00	-	875.34	4,124.66	4,374.66
TANGIBLE ASSETS												
4	Leasehold Land	54.08	-	1,020.58	1,074.66	2.73	-	11.61	-	14.34	1,060.32	51.35
5	Land Development Cost on Leasehold Land	6,700.13	-	4,005.24	10,688.30	1,505.47	-	269.84	-	1,775.31	8,912.99	5,194.66
6	Freehold Land	51,925.79	3.31	1,836.46	53,446.55	20.34	-	18.28	-	38.62	53,407.93	51,905.45
7	Buildings, Roads and Civil Infrastructure	82,706.07	9.50	15,572.91	98,288.48	4,326.15	4.41	1,934.16	-	6,264.72	92,023.76	78,379.92
8	Marine Structures	62,241.09	-	47,920.26	110,161.35	10,403.32	-	3,159.21	-	13,562.53	96,598.82	51,837.77
9	Dredged Channels	55,012.39	-	31,555.58	86,567.97	8,686.24	-	2,387.19	-	11,073.43	75,494.54	46,326.15
10	Tugs & Boats	35,143.48	-	9,909.47	41,440.68	4,253.97	-	2,745.37	1,730.10	5,269.24	36,171.44	30,889.51
11	Railway Tracks	21,484.75	-	1,507.04	22,991.79	4,833.30	-	1,030.36	-	5,863.66	17,128.13	16,651.45
12	Plant and Machinery	202,288.22	241.04	67,056.89	267,934.37	36,806.94	236.07	15,856.11	67.52	52,831.60	215,102.77	165,481.28
13	Aircrafts	16,987.83	-	35.68	17,023.51	863.04	-	953.56	-	1,816.60	15,206.91	16,124.79
14	Wagons	8,247.18	-	-	8,247.18	742.32	-	391.74	-	1,134.06	7,113.12	7,504.86
15	Office Equipment, Furniture & Fixtures	2,749.35	-	227.48	2,971.30	850.39	-	209.66	0.03	1,060.02	1,911.28	1,898.96
16	Computer Hardware	1,854.57	-	848.96	2,536.84	880.20	-	346.80	157.36	1,069.64	1,467.20	974.37
17	Vehicles	1,181.37	-	1,869.94	3,010.20	291.58	-	199.99	19.35	472.22	2,537.98	889.79
ASSETS TAKEN ON LEASE												
18	Rights of use in Leased land (Refer Note 3 (C) of Schedule 23 and Note vi below)	-	-	750.46	712.98	-	-	39.00	-	39.00	673.98	-
		5,63,415.36	253.85	1,84,488.22	5,99,267.7	78,416.91	240.48	30,538.62	2,116.09	1,07,079.92	6,35,084.84	4,84,998.45
Capital Work-in-Progress (Refer note 16 of Schedule 23)												
											1,71,668.56	1,67,620.27
Capital Advances (Refer note viii below)											40,075.39	24,205.05
Total		4,10,155.22	-	1,56,870.21	5,63,415.36	54,458.66	-	24,769.56	811.31	78,416.91	8,46,828.79	6,76,823.77
Previous Year												

Notes:

- Foreign Exchange Fluctuation: Additions/ (Deletions) to Buildings, Marine Structures, Dredged Channels, Tugs & Boats and Plant & Machinery during the year include ₹ (11.64) Lacs (Previous Year ₹ (192.04) Lacs), ₹ (17.64) Lacs (Previous Year ₹ (123.24) Lacs), ₹ Nil (Previous Year ₹ (38.47) Lacs), ₹ 935.98 Lacs (Previous Year ₹ 2,670.81 Lacs) and ₹ 533.24 Lacs (Previous Year ₹ (7,910.60) Lacs) respectively, on account of foreign exchange fluctuations.
- (a) Plant & Machinery includes project assets of ₹ 96,832.79 Lacs (Gross) (Previous Year ₹ 93,948.62 Lacs), accumulated depreciation ₹ 23,074.11 Lacs (Previous Year ₹ 14,708.98 Lacs) which are mainly used for construction activities. (b) Depreciation of ₹ 6,337.62 Lacs (Previous Year ₹ 6,258.38 Lacs) relating to the project assets has been transferred to Expenditure During Construction Period.
- Freehold Land includes land development cost of ₹ 1,020.40 Lacs (Previous Year ₹ 1,020.40 Lacs)
- Plant and Machinery includes cost of Water Pipeline amounting to ₹ 881.32 Lacs (Gross) (Previous Year ₹ 870.05 Lacs), accumulated depreciation ₹ 185.46 Lacs (Previous Year ₹ 143.57 Lacs) and Capital work in progress includes an expenditure of ₹ 872.33 Lacs (Previous Year ₹ Nil) which is incurred on land not owned by the Company.
- Buildings includes 384 flats valuing ₹ 7,681.69 Lacs at Samudra Township, Mundra, which are pending to be registered in the name of Company.
- As a part of concession agreement for development of port and related infrastructure at Mundra the Company has been allotted land on lease basis by Gujarat Maritime Board (GMB). During the year, the Company has recorded the Rights of use in the GMB Land at present value of future annual lease payments in the books.
- Land development cost on leasehold land includes costs incurred towards reclaimed land of ₹ 3,536.65 Lacs (Previous Year ₹ Nil)
- Capital Advances include ₹ 8,603.09 Lacs (Previous Year ₹ 6,071.28 Lacs) paid to various parties for acquisition of land for development of Special Economic Zone in the Mundra Region.
- Addition to Fixed Assets / Capital Work-in-Progress includes borrowing cost on loan for qualifying asset capitalised during the year ₹ 5,960.51 Lacs (Previous Year: ₹ 3,094.36 Lacs) as per Accounting Standard - 16 'Borrowing Costs'.

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 8 : Investments		
Current Investments,		
In Units of Mutual Funds - Unquoted		
Nil (Previous Year - 5,216,736 units) of DWS Short Maturity Fund Institutional weekly dividend plan) (Face Value ₹ 10 each)	—	522.60
Nil (Previous Year - 14,70,31,015 units) LICMF Savings Plus Fund -Daily Dividend Plan (Face Value ₹ 10 each)	—	14,703.10
	—	15,225.70
Long Term Investments		
In Equity Shares of Companies		
Trade, Unquoted		
4,00,00,000 (Previous Year - 4,00,00,000) fully paid Equity Shares of ₹ 10 each fully paid up of Kutch Railway Company Limited	4,000.00	4,000.00
Bharuch Dahej Railway Company Limited	1,000.00	1,000.00
1,53,75,100 Equity Shares (Previous Year Nil) of VMM Developer Pvt.Ltd. of ₹ 10 each	1,537.51	—
10,00,000 Equity Shares (Previous Year Nil) of AY Developer Pvt.Ltd. of ₹ 10 each	110.00	—
	6,647.51	5,000.00
Acquisition of Controlling Interest in Equity Shares of Company		
Nil (Previous Year - 5,910) fully paid Equity Shares of ₹ 100 each of Adinath Polyfills Private Limited	—	1,954.17
In Equity Shares of an Associate Company		
Unquoted		
4,900 (Previous Year - 4,900) fully paid Equity Shares of ₹ 10 each of Dholera Infrastructures Private Limited	0.49	0.49
In Preference Shares of a Company		
1,30,000 (Previous Year - 1,30,000) 0.01% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each of Adani Shipyard Private Limited	13.00	13.00
In Government Securities		
Government Securities (Lodged with Government Department) In 6 Years National Saving Certificates	0.98	—
	6,661.98	22,193.36

- Aggregate cost of unquoted investments in mutual funds as at March 31, 2011 ₹ Nil (Previous Year - ₹ 15,225.70 Lacs). Repurchase value of unquoted investments in mutual funds as at March 31, 2011 ₹ Nil (Previous Year - ₹ 15,248.13 Lacs)
- Aggregate cost of other unquoted investments as at March 31, 2011 ₹ 6,661.98 Lacs (Previous Year - ₹ 6,967.66 Lacs)

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule - 9: Inventories*		
Stores and Spares	4,233.51	3,158.13
	4,233.51	3,158.13
*At lower of cost and net realizable value		
Schedule- 10: Sundry Debtors (Unsecured)		
Debts Outstanding for a period more than six months		
- Considered good	2,232.54	2,221.23
- Considered doubtful	262.38	137.34
Other Debts		
- Considered good	26,258.53	15,422.90
	28,753.45	17,781.47
Less: Provision for doubtful debts	(262.38)	(137.34)
	28,491.07	17,644.13
Schedule-11: Cash and Bank Balances		
Cash and Cheques on Hand	7.61	6.54
Balances with Scheduled Banks:		
- On Current Accounts	6,588.37	13,955.48
- On Share Application Refund Accounts	16.96	16.96
- On Dividend Accounts	64.40	53.01
- On Margin Money Accounts	4,828.58	11,839.49
- On Fixed Deposit Accounts	13,644.45	74,097.81
	25,150.37	99,969.29
Note: Margin Money and Fixed Deposit includes ₹ 4,828.58 Lacs (Previous Year ₹ 31,942.97 Lacs) pledged / lien against bank guarantees, letter of credit and Cash Credit.		
Schedule-12: Other Current Assets		
Interest Accrued on Deposits and Loans	687.52	347.36
Accrued Revenue	2,574.31	6,081.82
Land Lease Receivable (Refer Note 15 (a) of Schedule 23)	8,746.12	—
	12,007.95	6,429.18
Schedule-13: Loans and Advances		
(Unsecured, Considered Good except to the extent stated)		
Advances and Loans to Other Companies	876.41	876.41
Inter Corporate Deposits	12,100.00	30,500.00
Advances Recoverable in Cash or in Kind or for Value to be Received	3,992.28	5,476.21
Balance with Excise & Custom Authorities (Includes ₹ 250.00 Lacs; Previous Year ₹ 250.00 Lacs earmarked against demand by the Excise department)	5,960.63	3,412.36
Advance Income Tax / Tax deducted at source (Net of provision ₹ Nil ; Previous Year : ₹ 3,352.28 Lacs)	—	1,174.67
Advance Fringe Benefit Tax (Net of provision ₹ 318.31 Lacs; Previous Year ₹ 318.31 Lacs)	15.33	38.88
Advance against purchase of Investment	—	1,395.47
Share Application Money (Pending allotment)	0.50	0.50
Deposits - Others	1,497.63	1,838.12
	24,442.78	44,712.62

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in Lacs	As at March 31, 2010 ₹ in Lacs
Schedule-14: Current Liabilities		
Sundry Creditors		
- Micro, Small and Medium Enterprises	12.75	4.00
- Others	34,978.69	20,634.30
Advances/Deposits from Customers	12,292.65	15,091.62
Equity Share Application Money Refundable*	16.96	16.96
Interest Accrued but not Due on Loans	2,857.02	3,234.41
Obligations under Leased Land (Refer Note 15 (a) of Schedule 23)	666.75	—
Unearned Income	2,453.44	1,100.73
Unclaimed Dividend*		
- Equity Shares	64.38	53.00
- Preference Shares	0.02	0.01
Other Liabilities	4,016.90	1,341.93
	57,359.56	41,476.96
* Not due for credit to “Investors Education & Protection Fund”		
Schedule -15 : Provisions		
Provision of Income Tax (Net of Advance tax ₹ 4,857.54 Lacs; Previous Year ₹ Nil)	703.23	—
Proposed Dividend on Equity Shares	—	6,010.18
Interim Dividend on Equity Shares	8,013.58	—
Proposed Dividend on Preference Shares	0.03	0.03
Employee Benefits	614.29	442.35
Operational and Other Claims (Refer Note 20 of Schedule 23)	1,167.63	943.67
	10,498.76	7,396.23
Schedule 16 : Miscellaneous Expenditure (to the extent not written- off or adjusted)		
Opening balance	2.78	8.64
Addition during the year - Share Issue Expenses	—	(228.73)
- Preliminary Expenses		(2.78)
	2.78	(222.87)
Add : Adjusted against Securities Premium Account (Refer Note 22 of Schedule 23)	—	228.73
Less : Write off during the year	(0.94)	(3.08)
	1.84	2.78

Schedules forming part of the Consolidated Profit and Loss Account

	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended March 31, 2010 ₹ in Lacs
Schedule -17 : Other Income		
Dividend from Long Term Investment	600.00	120.00
Dividend from Current Investment	20.88	16.69
Sale of Scrap	151.24	287.45
Profit on Sale of Current Investments	20.30	1,348.23
Profit on Sale of Fixed Asset (net)	23.05	541.74
Unclaimed Liabilities / Excess Provision written back (including Managing Director commission of ₹ Nil; Previous Year ₹ 335.18 Lacs)	521.88	422.70
Gain on Foreign Exchange Variation (net)	1,305.24	1,250.83
Miscellaneous Income	446.51	470.15
	3,089.10	4,457.79
Schedule - 18 : Operating Expenses		
Handling and Storage Expenses	17,730.90	10,117.65
Customer Claims (including provision for demurrage ₹ Nil; Previous Year ₹ 1.61 Lacs)	652.58	301.61
Cargo Freight and Transportation Expenses	9,307.02	2,917.10
Railway Operating Expenses	4,953.50	8,035.26
Tug and Pilotage Charges	912.84	639.17
Maintenance Dredging	1,362.40	817.52
Aircraft Operating Expenses	910.69	977.19
Other Operating Expenses	852.53	778.81
Repairs to Plant & Machinery (including stores and spares ₹ 2,030.51 Lacs ; Previous Year ₹ 1,966.12 Lacs)	4,135.51	2,852.73
Repairs to Buildings	524.05	458.55
Power & Fuel	6,758.90	4,626.26
Waterfront Charges	4,064.04	2,829.82
Construction Contract Expenses	702.86	2,533.69
Cost of Land Leased / Sub-Leased (Refer Note 15 (a) of Schedule 23)	342.93	—
	53,210.75	37,885.36
Schedule - 19 : Personnel Expenses		
Salaries, Wages and Bonus	7,020.31	5,189.52
Contribution to Provident & Other Funds	405.81	324.94
Gratuity	144.75	122.82
Workmen and Staff Welfare Expenses	404.72	313.46
	7,975.59	5,950.74

Schedules forming part of the Consolidated Profit and Loss Account

	For the Year ended March 31, 2011 ₹ in Lacs	For the Year ended March 31, 2010 ₹ in Lacs
Schedule - 20 : Administrative and Other Expenses		
Rent (including Land Lease discounting charge of ₹ 12.82 Lacs; Previous Year ₹ Nil, Refer Note 15 (a) of Schedule 23)	325.62	179.39
Rates and Taxes	318.51	231.92
Insurance	568.44	532.32
Advertisement and Publicity	232.18	195.23
Other Repairs and Maintenance	439.90	338.03
Legal and Professional Expenses (includes Payment to Auditors of ₹ 76.94 Lacs; Previous Year ₹ 52.07 Lacs)	1,560.41	1,732.47
Travelling and Conveyance	349.61	349.24
Directors Sitting Fee	7.30	7.50
Commission to Non-executive Directors	58.39	60.00
Charity & Donations	2,988.51	3,648.46
Sundry Balances Written Off (Net)	1.47	127.89
Other Expenses	2,033.98	1,687.13
	8,884.32	9,089.58
Schedule - 21 : Financial Expenses (Net)		
Interest on Debentures	7,471.50	3,101.85
Interest on Fixed Loans / Buyer's Credit /Others	6,519.31	17,615.02
Interest on Cash Credit	901.99	101.44
Loss on Derivatives / Swap Contracts (net)	453.45	—
Bank and Other Finance Charges	1,363.92	956.54
	16,710.17	21,774.85
Less:		
Interest on Bank Deposits, Inter Corporate Deposits, Govt. Securities etc. (Tax Deducted at Source ₹ 135.97 Lacs (Previous Year : ₹ 308.67 Lacs)	7,914.34	11,925.39
Gain on Derivatives / Swap Contracts (net)	—	3,004.41
	8,795.83	6,845.05
Schedule 22 : Earnings Per Share (EPS)		
Number of Equity Shares for calculating Basic and Diluted EPS (in Lacs)	20,033.94	20,033.94
Computation on the basis of earnings		
Net profit as per Profit and Loss Account including extraordinary items	91,814.65	67,599.94
Less: Dividend on Non-Cumulative Preference Shares	0.03	0.03
Net Profit for calculation of Basic and Diluted EPS	91,814.62	67,599.91
Weighted number of Equity Shares considered for Calculating Basic and Diluted EPS (in Lacs)	20,033.94	20,033.94
Basic and Diluted Earnings Per Share in ₹	4.58	3.37

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 Earnings Per Share (EPS) for the corresponding periods have been adjusted in accordance with Accounting Standard 20 'Earnings Per Share'.

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

Schedule 23 : Notes to Consolidated Accounts

1) Nature of operations

Mundra Port and Special Economic Zone Limited ('the Company', 'MPSEZL') is a developer and operator of the port facilities at Mundra and is also SEZ infrastructure developer at Mundra. The port facilities are developed pursuant to the concession agreement with Government of Gujarat (GOG) and Gujarat Maritime Board for 30 years effective from February 17, 2001 and proposed supplementary concession agreement for coal terminal at Wandh, Mundra with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. The supplementary concession, which will be effective till 2040, is in the process of getting signed with GoG and GMB, however all relevant approvals are in place for developing and operating the coal terminal at Wandh which is recognized as commercially operational w.e.f. February 1, 2011.

Part of the port facilities initially developed by the Company was transferred under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container Terminal Limited) and MPSEZL entered into, on January 7, 2003 wherein MPSEZL has given rights to MICTL to handle the container cargo for a period of 28 years i.e. up to February 17, 2031.

The Company is also developer of Multi Product Special Economic Zone at Mundra and surrounding areas as per approval of Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 as amended from time to time and consolidated through notification no. 1365 (E) dated May 27, 2009. Currently, 6,472.87 hectares contiguous land area (including port area) has been notified by GOI as approved Special Economic Zone.

The entities considered for consolidation and their nature of operations are as follows:

- i) Adani Logistics Limited (ALL) [Formerly Inland Conware Private Limited], a 100% subsidiary of MPSEZL, is setting up multi-modal cargo storage-cum-logistics services through development of inland container depots at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.
- ii) MPSEZ Utilities Private Limited (MUPL), a 100% subsidiary of MPSEZL, is in the process of planning, provision, operation, development, maintenance, improvement, and extension of utility services of every description at Mundra Special Economic Zone in Kutch district.
- iii) Rajasthan SEZ Private Limited (RSEZ), a 100% subsidiary of MPSEZL, is engaged in the business of establishing and developing Special Economic Zone and Industrial Estates/Parks in the state of Rajasthan.
- iv) Mundra SEZ Textile and Apparel Park Private Limited, a 51.41% subsidiary of MPSEZL & 5.57% investment held through ALL (a 100% subsidiary of MPSEZL), is in the process of setting up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district.
- v) Karnavati Aviation Private Limited (KAPL – erstwhile Gujarat Adani Aviation Private Limited), a 100% subsidiary of MPSEZL, is engaged in providing non scheduled (passenger) services through its aircrafts.
- vi) Adani Petronet (Dahej) Port Private Limited (APPPL), a 74% subsidiary of MPSEZL, has commenced of first phase of bulk cargo terminal at Dahej, Gujarat. .
- vii) Adani Murmugao Port Terminal Private Limited, a 74% subsidiary of MPSEZL, is in the process of setting up coal handling terminal at Murmugao, Goa.
- viii) Mundra International Airport Private Limited, a 100% subsidiary of MPSEZL, is in the process of setting up air cargo operations at Mundra, district Kutch (Gujarat).
- ix) Adani Hazira Port Private Limited, a 100% subsidiary of MPSEZL, is developing, constructing, operating and maintain multi – cargo terminal and related infrastructure at Hazira (Surat) subject to approval by the Gujarat Maritime Board.
- x) Hazira Infrastructure Private Limited, a step down subsidiary of MPSEZL, a 100% subsidiary of Adani Hazira Port Private Limited is developing and constructing rail corridor between Surat and Hazira along with related infrastructure subject to approval by railway board and Government of Gujarat.
- xi) Hazira Road Infrastructure Private Limited, a step down subsidiary of MPSEZL, a 100% subsidiary of Adani Hazira Port Private Limited is developing, maintaining and operating road and highway project subject to approved of local authority, state government and national highway authority of India.
- xii) During the year the Company has strategically acquired controlling interest in Adinath Polyfills Private Limited.

2) Principles of consolidation

The Consolidated financial statements relate to the Mundra Port Group which comprises the financial statements of MPSEZL and its subsidiaries as at 31 March 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.

3) Statement of Significant Accounting Policies

a) Basis of Preparation

The consolidated financial statements have been prepared to comply in all material respects with the 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 Accounts 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.

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	2 Over the period of 20 Years from the date of commencement operations 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 is 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 of 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.

4) Segment Information

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

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
	Operating Profit	1,09,461.03	(349.51)	1,09,153.72
		81,359.50	(1,900.94)	80,207.89
	Less: Finance Expense (net)	—	—	8,795.83
		—	—	6,845.05
	Profit/(Loss) before tax	1,09,461.03	(349.51)	1,00,357.89
		81,359.50	(1,900.94)	73,362.84
	Current Taxes			2,234.00
				797.40
	Deferred Tax			6,506.67
				5,207.99

(₹ in Lacs)

Sr. No.	Particulars	Port and SEZ Activities	Others	Total
	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>—</i>	<i>—</i>	<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>—</i>	<i>—</i>	<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>—</i>	<i>1,884.24</i>
	Unallocated Non-Cash Expenses other than Depreciation	—	—	6,506.67
		<i>—</i>	<i>—</i>	<i>5,207.99</i>

Previous year figures are in italics

- 5) 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	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

- 6) 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.

7) 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 Limited 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:

- 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.
- 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.
- 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.
- For the purpose of comparison, the previous year's transactions have been re-classified in the current year.
- Adani Power Limited, Adani Energy Limited and Adani Gas Limited have been re-classified as fellow subsidiaries w.e.f. April 1, 2010 because 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
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
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
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	
68.67	-	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
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,663.10
-	-	-	0.50	-	-	-	-	-	-	13.00	-	-	-	-	-	-	-	370.10
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	562.00
-	-	-	-	-	-	-	-	-	-	110.00	-	-	-	-	-	-	-	466.60
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,375.75
-	-	-	-	-	72.97	-	-	-	-	-	-	-	-	-	-	-	-	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
20.16	-	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

- 8) 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
	—	—	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

9) Foreign Currency Monetary Translation Difference Account

The Company has exercised the option as per the Companies Accounting Standard Rules, 2009. As per the option exchange differences related to long term foreign currency monetary items so far as they relate to the acquisition of a depreciable capital assets are capitalized and depreciated the same over the useful life of the assets and in other cases, have been transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term (assets)/liabilities but not beyond accounting period ending on or before March 31, 2011, the unamortized balance in this account is ₹ Nil [Previous year ₹ 981.41 Lacs]

(₹ In Lacs)

Particulars	2010-11	2009-10
Balance as on April 1	981.41	(193.69)
Add: Exchange differences arising during the year	—	2,156.72
Less: Amortization for the year	981.41	981.62
Balance as on March 31	Nil	981.41

10) Amounts Received / Receivable under Long Term Land Infrastructure Usage Agreements

The Company has entered into various long term agreements granting leases / sub-leases of land and /or rights to use infrastructure facilities for the period which are generally co-terminus with the period of the Concession Agreement between the Company, Gujarat Maritime Board and Government of Gujarat. The Company has received/to receive upfront amounts in consideration of grant of the leases/ sub-leases and rights to use its infrastructure facilities. Unamortized amounts received/receivable under Long Term Land Leases/ Infrastructure Usage Agreements at the end of the year amounting to ₹ 61,211.78 Lacs (Previous Year ₹ 62,907.01 Lacs) have been disclosed on the face of the Balance Sheet (Also refer Note 3(n)(ii)above).

11) Prior period items include:

(₹ in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Administrative and Other Expenses	—	(11.06)
Excess Gratuity/Leave encashment expense related to previous year written off	—	(8.31)
Income from Lease/Infrastructure Usage (Reversed)	—	2,215.66
Total	—	2,196.29

- 12) 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.

13) Details of employee benefits

1. 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)

14) Income from Operations includes:

(₹ in Lacs)

Particular	Year ended March 31, 2011	Year ended March 31, 2010
Port Services Income	165,686.60	116,322.85
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	200,011.10	149,551.98

- 15) 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.

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

(₹ in Lacs)

Particular	Year ended March 31, 2011	Year ended March 31, 2010
Expenditure		
Salaries, Wages & Bonus	593.94	569.72
Contribution to Provident Fund	18.44	5.88
Workmen and Staff Welfare Expense	8.52	1.21
Sub Total	620.90	576.81
Administrative & Other Exp.		
Power & Fuel	111.78	80.25
Insurance	8.83	5.43
Other Repairs & Maintenance	0.68	0.18
Legal & Professional Exp.	131.62	163.23
Travelling & Conveyance Exp.	353.63	130.19
Rent	293.70	147.81
Custom Establishment Charges	—	92.41
Vehicle Hire Charges	88.16	57.43
Security Charges	42.79	150.54
Office Exp	38.95	7.75
Other Expenses	104.34	103.54
Rates & Taxes	0.01	5.36
Sub Total	1,174.49	944.12
Financial Expenses		
Interest of Fixed Loans	4,550.27	387.38
Bank and Other Finance Charges	1,410.24	2,706.98
Sub Total	5,960.51	3,094.36
Depreciation	6,337.62	6,258.38
Total Expenditure (A)	14,093.52	10,873.67
Income		
Miscellaneous Income	116.36	30.29
Interest on Bank Deposits	14.32	0.21
Total (B)	130.68	30.50
(C) 50% Balance B/F of Adani Petronet (Dahej) Port Private 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.

17) 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	177,100.94	105,637.62

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

(₹ in Lacs)

A)	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) Contingent Liabilities not provided for

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2011	As at March 31, 2010
a.	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
b.	In earlier years, civil suits have been filed by the Customers against the Company for recovery of damages caused to its machinery in earthquake ₹ 37.10 Lacs (Previous Year ₹ 37.10 Lacs), to its cargo stores in Company's godown ₹ 94.40 Lacs (Previous Year ₹ 94.40 Lacs) and loss due to mis-handling of wheat cargo ₹ 620.00 Lacs (Previous Year ₹ 620.00 Lacs). The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	751.50	751.50
c.	In earlier years, the Company had received show cause notices from the Custom Authorities for recovery of custom duty and interest thereon on the import of a tug and bunkers by the Company ₹ 207.15 Lacs (Previous Year ₹ 207.15 Lacs), import of various Cargos at Port ₹ 53.04 Lacs (Previous Year ₹ 48.04 Lacs). The Customs cases are currently pending with, Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad (₹ 207.15 Lacs), Assistant Commissioner of Customs, Mundra (₹ 14.20 Lacs), Customs, Excise and Service Tax Appellate Tribunal, Mumbai (₹ 26.60 Lacs), Commissioner of Customs (Appeals), Ahmedabad (₹ 2.62 Lacs), Commissioner of Customs (Appeals), Kandla (₹ 5.00 Lacs) and Deputy Commissioner of Customs Mundra, (₹ 4.62 Lacs), respectively. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	260.19	255.19
d.	Joint Commissioner Customs, Mundra has held the Company liable for custom duty on short delivery of imported goods of various customers namely, H.M.S. through Mundra Port. The Company has been directed to remit the differential duty of ₹ 7.09 Lacs and penalty of ₹ 0.50 Lacs - under section 117 of the Customs Act. MPSEZL has preferred to challenge the said Orders which are pending before Commissioner of Customs (Appeals) at Ahmedabad. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	7.59	7.59

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2011	As at March 31, 2010
e.	Deputy Commissioner of Customs, Mundra and Assistant Commissioner of Customs, Mumbai have held that the Company wrongly availed duty benefit exemption under DFCEC Scheme on import of equipment and demanded duty payment of ₹ 26.31 Lacs (Previous Year ₹ 26.31 Lacs). The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	26.31	26.31
f.	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other misc. fixed assets. The Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of ₹ 250.00 Lacs against the demand. The matters are pending before High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6,528.30	5,730.40
g.	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company. The matter is currently pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad ₹ 851.70 Lacs (Previous Year ₹ 1,723.08 Lacs) and Commissioner of Service Tax Ahmedabad ₹ 829.87 Lacs (Previous Year ₹ Nil). The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	1,681.57	1,723.08
h.	Differential amount of customs duty in respect of machinery imported under Export Promotion Credit Guarantee Scheme and interest thereon. Based on budgeted sales plan, management is hopeful that it will be able to discharge the obligation by executing the required volume of exports in the future period.	2,407.69	379.16
i.	Commissioner of Customs, Ahmedabad has demanded for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited.), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts	1,667.00	1,667.00
J.	Notice received from Superintendent of Service Tax Department and Show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat credit / Service Tax credit and Education Cess on input services steel and cement.	3,540.60	—
K.	Notice received from Superintendent of Service Tax Department and Show cause from Directorate General of Central Excise Intelligence for Non- Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse base mechanism.	303.75	—

Note: The timing and the probability of the future cash flows in respect to item (a to k) above depends on ultimate settlement/conclusions with the relevant authorities.

20) 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 depend on the ultimate settlement / conclusion with the respective customer.

- 21)** 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) 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)** 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) 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

Annexure to the Consolidated Financial Statements
Statement pursuant to approval U/S 212(8) of the Companies Act, 1956

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 Murnugao 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

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