

# **ANNUAL REPORT 2010-11**

## **ADANI MURMUGAO PORT TERMINAL PRIVATE LIMITED**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors present herewith Second Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2011.

**Project Implementation:**

The financial closure of the project for setting up coal terminal at Mormugao, Goa has been done with Axis Bank Limited on 12<sup>th</sup> May, 2010. Mormugao Port Trust has given the award of Concession on 15<sup>th</sup> May, 2010. During the year under review, the work of approach bund has been completed and civil work for various activities is under process. Orders for equipments have also been placed and letter of credit has been established in favour of supplier.

**Financial Highlights:**

The project is under implementation and commercial activities are yet to commence, hence Profit and Loss account does not reflect any revenue from operations. The expenditure incurred during the year under review is Rs. 0.24 crores as against Rs. 0.06 crores incurred during the previous year.

**Dividend:**

As your company has not started commercial activity and project is under implementation, the directors do not recommend any dividend.

**Fixed Deposits:**

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

**Holding Company:**

Your Company is a subsidiary of Mundra Port and Special Economic Zone Limited (MPSEZL).

During the year under review, it has become step down subsidiary of Adani Enterprises Limited (AEL) pursuant to section 4 of the Companies Act, 1956 due to merger of erstwhile Holding Company Adani Infrastructure Services Pvt. Ltd. (AISPL) into AEL.

**Share Capital:**

During the year under review, the Authorised Share Capital of the company is increased from 5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- each to Rs. 42,50,00,000 (Rupees Forty Two Crores Fifty Lacs Only) divided into 4,25,00,000 (Four Crores Twenty Five Lacs) equity shares of Rs. 10/- each ranking pari passu with the existing Equity Shares.

**Directors:**

As per Section 256 of the Companies Act, 1956 and Articles of Association of the Company; Mr. Rajeeva Ranjan Sinha is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Board recommends the appointment of the Director of the Company.

**Manager:**

During the year under review, Mr. Bhasker Tiwari was appointed as Manager under the Companies Act, 1956.

**Directors' Responsibility Statement:**

Pursuant to the requirements under 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors hereby confirm the following:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanatory statement relating to material departures;
2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period;
3. That directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts on a going concern basis.

**Auditors:**

The Company's Auditors' M/s G. K. Choksi & Co., Chartered Accountants, Ahmedabad, will retire on the conclusion of forthcoming Annual General Meeting and being eligible, have expressed their willingness for reappointment.

**Auditors' Report:**

Notes forming part of accounts, are self-explanatory and therefore, do not call for any further comments.

**Dematerialization of Equity Shares:**

During the year under review, the Company has entered into an agreement with National Securities Depository Limited (NSDL) to facilitate the shareholders of the Company to avail dematerialization facility.

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

As Company has not started any Commercial activity, a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not appended.

Details of Foreign Exchange Earnings and Outgo are set out in Note 10 of Schedule H of Notes to Account.

**Personnel:**

The particulars of employees as required by Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended from time to time is not given as no employee is in receipt of remuneration as required under section 217(2A) of the Companies Act, 1956.

**Appreciation and Acknowledgement:**

Your Directors wish to place on record to express their thanks to the Government Agencies, Banks and all other personnel.

**For & on behalf of the Board of Directors**

**Date: May 2, 2011**  
**Place: Ahmedabad**

**Dr. Malay Mahadevia**  
**Chairman**

**AUDITORS' REPORT**

To  
The Members,  
Adani Murmugao Port Terminal Private Limited

1. We have audited the attached Balance Sheet of Adani Murmugao Port Terminal Private Limited as at March 31, 2011, Profit and Loss Account and Cash Flow Statement of the Company 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 misstatements. 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 (Auditors' Report) Order, 2003 issued by the 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 paragraph 4 and 5 of the said order.
4. Further we report that:
  - a. 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;
  - b. 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.
  - c. the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956
  - e. on the basis of written representations received from the directors of the Company as at March 31, 2011 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director of Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- f. 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 Loss 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 G. K. CHOKSI & CO.**  
**(Firm Registration No: 101895W)**  
*Chartered Accountants*

**Sandip A. Parikh**  
*Partner*  
Membership No: 40727

**Place: Ahmedabad.**  
**Date: May 2, 2011**

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) As explained to us, all major items of fixed assets were physically verified by the Management at the end of the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such verification.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- (ii) In respect of its inventories:

The Company does not have any inventory. Therefore, the provisions of clause 4 (ii) of The Companies (Auditors' Reports) Order, 2003 are not applicable to the company.
- (iii) As per the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and hence clause 4 (iii) (a) to (e) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of fixed assets. During the course of our audit, we have not observed any major weakness in the internal controls.
- (v) (a) According to information and explanations given to us, the company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956 hence clause 4 (v) (a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the act.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal Audit system commensurate with the size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the class of companies to which the Company belongs. Accordingly clause 4(viii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- (ix) (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues.

- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at March 31, 2011.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year
- (xi) As per the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures during the period.
- (xii) As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) As per the information given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that Company has not utilised any funds raised on short term basis for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period under review.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

**FOR G. K. CHOKSI & CO.**  
**(Firm Registration No: 101895W)**  
*Chartered Accountants*

**Sandip A. Parikh**  
*Partner*  
Membership No: 40727

**Place: Ahmedabad**  
**Date: May 2, 2011**

## Balance Sheet as at 31 March, 2011

	Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	42 35 00 000	5 00 000
Share Application Money pending allotment		31 98 000	1 14 48 000
		<u>42 66 98 000</u>	<u>1 19 48 000</u>
<b>Loan Funds</b>			
Secured Loans	B	15 50 14 730	-
		<u>15 50 14 730</u>	<u>-</u>
<b>Total</b>		<u><u>58 17 12 730</u></u>	<u><u>1 19 48 000</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	C	39 52 917	28 263
Less : Depreciation		<u>9 43 929</u>	<u>19 300</u>
Net Block		30 08 988	8 963
Capital Work- in- Progress		<u>56 91 18 608</u>	<u>96 69 756</u>
		57 21 27 595	96 78 719
<b>Current Assets, Debtors &amp; Loans and Advances</b>			
Cash and Bank Balances	D	11 60 261	8 60 819
Loans and Advances		<u>5 40 08 677</u>	<u>10 38 404</u>
		5 51 68 938	18 99 223
Less : Current Liabilities and Provisions	E	<u>4 86 08 203</u>	<u>2 68 239</u>
<b>Net Current Assets</b>		65 60 735	16 30 984
Profit and Loss Account		30 24 399	6 38 297
<b>Total</b>		<u><u>58 17 12 730</u></u>	<u><u>1 19 48 000</u></u>
Significant Accounting Policies	G	-	-
Notes forming part of the Accounts	H	-	-

As per our attached Report of even date  
**FOR G. K. CHOKSI & CO.,**  
**(Firm Registration No: 101895W)**  
Chartered Accountants

**For and on behalf of the Board**

**Sandip A.Parikh**  
Partner  
Membership No: 40727

**B. Ravi**  
Director

**Dr. Malay Mahadevia**  
Director

**Bhasker Tiwari**  
Manager

Place : Ahmedabad  
Date : May 2, 2011

Place : Ahmedabad  
Date : May 2, 2011

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

	Schedule	For the year ended 31st March, 2011		For the period ended
		Rs.	Rs.	31st March, 2010
				Rs.
<b>INCOME</b>				
Income From Operations		-		-
Other Income		-		-
			-	-
<b>EXPENDITURE</b>				
Administrative and Other Charges	F	23 86 102		6 38 297
			23 86 102	6 38 297
Profit/(Loss) Before Tax			( 23 86 102)	( 6 38 297)
Provision For Tax				
- Current Tax		-		-
- Deferred Tax Charge (Credit)		-		-
			-	-
Profit after Tax			( 23 86 102)	( 6 38 297)
Balance brought forward from Previous Year			( 6 38 297)	-
Balance available for appropriation			( 30 24 399)	( 6 38 297)
<b>Balance Carried to Balance Sheet</b>			<b>( 30 24 399)</b>	<b>( 6 38 297)</b>
Basic and Diluted Earnings per Share			<b>(0.30)</b>	<b>(12.77)</b>

Significant Accounting Policies G  
Notes forming part of the Accounts H

As per our attached Report of even date

**FOR G. K. CHOKSI & CO.**  
**(Firm Registration No: 101895W)**  
Chartered Accountants

**Sandip A. Parikh**  
Partner  
Membership No. : 40727

Place : Ahmedabad  
Date : May 2, 2011

**For and on behalf of the Board**

**B. Ravi**  
Director

**Dr. Malay Mahadevia**  
Director

**Bhasker Tiwari**  
Manager

Place : Ahmedabad  
Date : May 2, 2011

## Cash flow Statement for the year ended on March 31, 2011

	For the year ended March 31, 2011 Amount (Rs.)	For the Period ended March 31, 2010 Amount (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Net Loss	( 23 86 102)	( 6 38 297)
<b>Operating Loss before Working Capital Changes</b>	( 23 86 102)	( 6 38 297)
Adjustments for :		
Increase in Loans and Advances	(5 29 70 273)	( 10 38 404)
Increase in Current Liabilities and Provisions	4 83 39 964	2 68 239
<b>Cash Generated from Operations</b>	( 70 16 411)	( 14 08 462)
Direct Taxes paid (Net)	-	-
<b>Net Cash from Operating Activities</b>	( 70 16 411)	( 14 08 462)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets (including CWIP)	(56 24 48 877)	( 96 78 719)
<b>Net Cash used in Investing Activities</b>	(56 24 48 877)	( 96 78 719)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares	41 47 50 000	1 19 48 000
Secured Loan Fund	15 50 14 730	-
<b>Net Cash Flow from Financing Activities</b>	56 97 64 730	1 19 48 000
<b>D Net Increase in Cash and Cash Equivalents (A+B+C)</b>	2 99 442	8 60 819
<b>E Cash and Cash Equivalents at start of the period</b>	8 60 819	-
<b>F Cash and Cash Equivalents at close of the period</b>	11 60 261	8 60 819
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash on Hand	4 873	4 140
Balances with Scheduled Banks		
- On Current Accounts	11 55 388	8 56 679
	11 60 261	8 60 819

**Notes:**

- 1 The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- 2 Purchase of fixed assets/ CWIP are stated inclusive of movement of capital work in progress, creditors, project and other advances.
- 3 Figures in bracket indicate cash outflow.

**FOR G. K. CHOKSI & CO.,**  
(Firm Registration No: 101895W)  
Chartered Accountants

For and on behalf of the Board of Directors

**Sandip A Parikh**  
Partner  
Membership No.: 40727

**B. Ravi**  
Director

**Dr. Malay Mahadevia**  
Director

**Bhasker Tiwari**  
Manager

Place: Ahmedabad  
Date: May 2, 2011

Place: Ahmedabad  
Date: May 2, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>Schedule-'A': Share Capital</b>		
<b>Authorised</b>		
4,25,00,000 Equity Shares (Previous year 50,00,000) of Rs.10 each.	42 50 00 000	5 00 00 000
	<u>42 50 00 000</u>	<u>5 00 00 000</u>
<b>Issued and Subscribed</b>		
4,23,50,000 Equity Shares (Previous year 50,000) of Rs.10 each.	42 35 00 000	5 00 000
	<u>42 35 00 000</u>	<u>5 00 000</u>
[3,13,39,000 equity shares (Previous Year 50,000) are held by Mundra Port and Special Economic Zone Ltd., (Holding Company) and 1,10,11,000 equity shares (Previous Year NIL) are held by Adani Enterprises Ltd., (the Ultimate Holding Company)]		
<b>Schedule-'B': Loan Funds</b>		
<b>Secured Loans</b>		
Term Loan from AXIS Bank	15 50 14 730	-
	<u>15 50 14 730</u>	<u>-</u>

**Note:**

1. Term Loan from AXIS Bank is secured by equitable mortgage of immovable properties of the company and first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of project and by pledge of equity shares aggregating to 30% of the paid up share capital of the Company.

## Schedule "C": Fixed Assets

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at April 1, 2010	Additions during the year	Deductions during the year	As at March 31, 2011	Up to 31st March, 2010	For the year	Deductions/ Adjustments	Up to 31st March, 2011	As at March 31, 2011	As at March 31, 2010
<b>Tangible Assets</b>										
Building	-	22 13 177	-	22 13 177	-	7 79 816	-	7 79 816	14 33 361	-
Furniture and Fixure	19 238	2 91 938	-	3 11 176	19 238	58 384	-	77 622	2 33 554	-
Office Equipment	9 025	3 28 740	-	3 37 765	62	46 000	-	46 062	2 91 703	8 963
Computer Hardware	-	5 08 495	-	5 08 495	-	22 385	-	22 385	4 86 110	-
Plant and Machinery	-	5 82 305	-	5 82 305	-	18 045	-	18 045	5 64 260	-
<b>Total</b>	<b>28 263</b>	<b>39 24 654</b>	<b>-</b>	<b>39 52 917</b>	<b>19 300</b>	<b>9 24 629</b>	<b>-</b>	<b>9 43 929</b>	<b>30 08 988</b>	<b>8 963</b>
<b>Previous Year Balance</b>	-	28 263	-	28 263	-	19 300	-	19 300	8 963	-
Capital Work in Progress	96 69 756	55 94 48 848		56 91 18 604	-	-	-	-	56 91 18 604	96 69 756

Notes:

1. Capital Work in Progress and Fixed Assets include:

- Rs.1,48,97,659/- on account of Borrowing Cost (Previous year Rs. Nil/-)
- Rs. 2,38,47,109/- on account of Expenditure During Construction Period. (Previous year Rs. 11,80,426/-)
- Rs 12,28,17,826/- on account of Advance against Project Contracts (Previous year Rs. 4,05,000/-)

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>Schedule - 'D' : Current Assets, Loans and Advances</b>		
<b>Cash and Bank Balances</b>		
Cash on Hand	4 873	4 140
Balances with Scheduled Banks in:		
Current Accounts	11 55 388	8 56 679
	<u>11 55 388</u>	<u>8 56 679</u>
	11 60 261	8 60 819
<b>Loans and Advances</b> (Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	2 45 81 309	47 990
Service Tax and Cenvat Receivable	2 93 37 367	8 97 414
Deposits	<u>90 000</u>	93 000
	5 40 08 677	<u>10 38 404</u>
	<u>5 51 68 938</u>	<u>18 99 223</u>
<b>Schedule-'E': Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors	4 20 17 438	99 166
Other Liabilities and Provisions	<u>65 90 765</u>	<u>1 69 073</u>
	<u>4 86 08 203</u>	<u>2 68 239</u>

	For the year ended 31st March, 2011		For the period ended
	Rs.	Rs.	31st March, 2010
<b>Schedule-'F': Administrative &amp; Other Charges</b>			Rs.
Audit Fees	75 000		25 000
Legal and Professional Fees	63 751		-
Fees for Increase in Authorized Share Capital	21 25 000		4 75 000
Miscellaneous Expenses	<u>1 22 351</u>		<u>1 38 297</u>
		<u>23 86 102</u>	<u>6 38 297</u>

**SCHEDULE – `G': SIGNIFICANT ACCOUNTING POLICIES****1. General**

These financial statements have been prepared to comply in all material respect with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied in accordance with the requirements of the Companies Act, 1956.

**2. Use of Estimates**

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actuals and estimates is recognized in the subsequent period when the actuals are known.

**3. Fixed Assets and Capital Work-in-Progress**

- (i) Fixed Assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any attributable cost to the acquisition of the Fixed Assets, up to the date of their commissioning, and other incidental expenses incurred up to that date.
- (ii) Capital Work-in-Progress includes projects under implementation and other capital work-in-progress, which are carried at cost, comprising cost of land, direct cost, related incidental expenses, attributable interest and other incidental expenses incurred up to that date.

**4. Expenditure on new projects and substantial expansion**

- (i) Expenditure directly related 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. Income earned during construction period is deducted from the total of the indirect expenditure.
- (ii) All the direct capital expenditure on expansion is capitalized. As regard indirect expenditure on expansion only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion. The same is treated as preoperative expenditure pending allocation to fixed assets/capital work in progress and is shown under "Expenditure during Construction period". The same is transferred to fixed assets on commencement of commercial activities.

**5. Depreciation**

- (i) Depreciation on other Fixed Assets 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) Individual assets costing up to Rs.5000/- are depreciated fully in the month of purchase.

**6. Foreign Currency Transactions****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 arising on the settlement of monetary items or on restatement of monetary items 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.

**7. Borrowing Costs**

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

**8. Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of 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.

**9. 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 Indian Income Tax Act. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

**10. Segment Reporting Policies**

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

**11. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## SCHEDULE – `H': NOTES FORMING PART OF THE ACCOUNTS

## 1. Nature of Operations

Adani Murmugao Port Terminal Private Limited (hereinafter referred to as 'the Company') has signed an agreement on September 22, 2009 with Mormugao Port Trust to Design, Build, Finance, Operate and Transfer a Coal handling Terminal at Berth No.7 in the port of Murmugao, Goa on Build, Own, Operate and Transfer (BOOT) for a period of thirty years.

## 2. Contingent Liabilities and Commitments on Capital Account

Particulars	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
Guarantees	12,60,00,000	12,60,00,000
Estimated amount of Unexecuted Capital Contracts (Net of Advances and Letter of Credit)	148,96,43,168	4,12,04,773
Letter of Credit	43,67,51,250	Nil

## 3. Related Party Disclosures

(a)	List of related parties with whom transactions have taken place during the year and relationship	
<b>Sr. No.</b>	<b>Name of related party</b>	<b>Relationship</b>
(i)	Mundra Port and Special Economic Zone Limited	Holding Company
(ii)	Adani Enterprises Ltd.	Ultimate Holding Company

(b)	Transactions with related parties		
<b>Sr. No.</b>	<b>Nature of transaction</b>	<b>Current Year Rs.</b>	<b>Previous Year Rs.</b>
(i)	Capital Contribution		
	- Holding Company (Mundra Port and Special Economic Zone Limited)	31,28,90,000	5,00,000
	- Ultimate holding Company (Adani Enterprises Limited)	11,01,10,000	--
	Total Capital Contribution	42,30,00,000	5,00,000
(ii)	Share Application Money		
	- Holding Company (Mundra Port and Special Economic Zone Limited)	31,98,000	1,14,48,000

The particulars given above have been identified on the basis of information available with the Company.

## 4. Auditors' Remuneration is made up of

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	75,000	25,000

### 5. Dues to Small Scale Industries

In the absence of necessary information relating to the suppliers registered as Micro, Small and Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, the Company has not been able to identify such suppliers and the information required under the said Act could not be disclosed.

### 6. Earnings per Share

Particulars	Current Year	Previous Year
Net Profit for the year	(23,86,102)	(6,38,297)
Number of Equity Shares #	4,23,50,000	50,000
Nominal Value of the Shares	10	10
Earning per Share (Basic and Diluted) (Rs.)	(0.30)	(12.77)

7. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet. Provision has been made for all known liabilities and the same is adequate and not in excess of the amount considered reasonably necessary.
8. Balances of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation by the parties concerned.
9. The previous year figures are for a period lesser than 12 months and therefore they are not comparable with current year figures.
10. Additional information as required under part II of Schedule VI of the Company Act, 1956 has been given to the extent applicable to the company.

### Expenditure in Foreign Currency (Amount in Rupees)

Particulars	2010-11	2009-10
Advance for Purchase of Capital Items	7,15,60,734	Nil

As per our attached report of even date

**FOR G. K. Choksi & Co.**  
**(Firm Registration No: 101895W)**  
 Chartered Accountants

**Sandip A. Parikh**  
 Partner  
 Membership No.: 40727

**Place : Ahmedabad**  
**Date : May 2, 2011**

**For and on behalf of the Board**

**B. Ravi**  
 Director

**Dr. Malay Mahadevia**  
 Director

**Bhasker Tiwari**  
 Manager

**Place : Ahmedabad**  
**Date : May 2, 2011**

**Balance Sheet Abstract and Company's General Business Profile:****I. Registration Details:**

Registration No : U61100GJ2009PTC057727

Balance Sheet Date: 31<sup>st</sup> March 2011**II. Capital Raised during the year**

(Rs. Thousands)

			2010-11	2009-10
Public Issue :	--	Right Issue :		--
Bonus Issue :	--	Private Placement :	42350	500

**III. Position of Mobilization and Deployment of funds**

(Rs. Thousands)

	2010-11	2009-10		2010-11	2009-10
<b>Total Liabilities</b>	<b>581713</b>	<b>11948</b>	<b>Total Assets</b>	<b>581713</b>	<b>11948</b>
<b>Sources of funds</b>			<b>Application of Funds</b>		
Paid-up Capital	423500	500	Net Fixed Assets	572128	9679
Share Application Money	3198	11448	Deferred Tax Asset	Nil	Nil
Secured Loans	155015	--	Net Current Assets	6561	1631
Unsecured Loans		--	Miscellaneous Expenditure	Nil	Nil
			Profit & Loss Account	3024	638

**IV. Performance of the Company**

(Rs. Thousands)

Particulars	2010-11	2009-10	Particulars	2010-11	2009-10
Turnover and Other Income	--	--	Total Expenditure	2386	638
Profit/(Loss) before tax	(2386)	(638)	Profit/(Loss) after tax	(2386)	(638)
Earning per share	(0.30)	(12.77)	Dividend Rate	--	--

**V. Generic names of three Principal Products/Services of the Company**

(As per monetary terms)

Product/Service Description	Item code No.

**FOR AND ON BEHALF OF THE BOARD**

**B. Ravi**    **Dr. Malay Mahadevia**    **Bhasker Tiwari**  
 Director    Director    Manager

Place: Ahmedabad

Date : May 2, 2011