



**Adani Petronet (Dahej) Port Private Limited**

Plot No. 02, Next to Panchvatti Apartment,  
Opp. Sarveshwarnagar Society,  
Zadeshwar Road,  
Bharuch - 392 011.

**NOTICE**

NOTICE is hereby given that Seventh Annual General Meeting of Adani Petronet (Dahej) Port Private Limited will be held on Friday, 6<sup>th</sup> August, 2010 at 12:00 noon at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on 31<sup>st</sup> March, 2010 along with the Schedules forming part of the same and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Gautam S. Adani who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. Sengupta who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of section 225 of the Companies Act, 1956; M/s. S. V. Ghatalia & Associates, Chartered Accountants, Ahmedabad (Registration Number: 103162W) be and are hereby appointed as Auditors of the Company in place of the retiring Auditors M/s. S. R. Batliboi & Associates, Chartered Accountants, who has shown their unwillingness to continue as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on the terms and conditions mutually decided by the Board and Auditors of the company."

**SPECIAL BUSINESS:**

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

"RESOLVED THAT Dr. Malay Mahadevia who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and 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."

Registered Office: Adani House, Near Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India.

Fixed: 91-(2642)-230537  
Fax : 91-(2642)-230468

E-mail:jk.shah@adanipetronet.com  
Website: www.adanigroup.com

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

"RESOLVED THAT Mr. B. Ravi who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and 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."

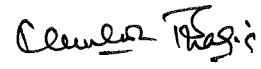
7. To consider and if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pankaj Kumar, IAS who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and 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."

**Date:** 06.05.2010  
**Place:** Ahmedabad

**By order of the Board**

**Regd. Office:**  
Adani House,  
Nr. Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad - 380 009

  
**Kamlesh Bhagia**  
**Company Secretary**

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member.
2. The instruments appointing proxy should however be deposited at the Registered Office of the Company in not less than 48 hours before the commencement of the meeting.
3. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

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

**ITEM NO. 4**

The present Statutory Auditor of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants is proposed to be replaced with M/s. S. V. Ghatalia & Associates, Chartered Accountants both firms being part of Ernst & Young (E & Y). Pursuant to the provision of section 225 of the Companies Act, 1956, consent of members at Annual General Meeting is required for change of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on the terms and conditions mutually decided by the Board and Auditors of the Company.

Your Directors recommend the said resolution for your approval.

None of the Directors is interested in the Resolution.

**ITEM NO. 5**

Dr. Malay Mahadevia was appointed as an Additional Director of the Company w.e.f. 22<sup>nd</sup> September, 2009 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he continues to hold office as Director until the conclusion of the ensuing Annual General Meeting. Board considers it desirable that the Company should continue to avail his services.

Board recommends the resolution to the members for their approval for his appointment as a Director liable to retire by rotation.

None of the Directors except Dr. Malay Mahadevia is interested in the Resolution.

**ITEM NO. 6**

Mr. B. Ravi was appointed as an Additional Director of the Company w.e.f. 22<sup>nd</sup> September, 2009 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he continues to hold office as Director until the conclusion of the ensuing Annual General Meeting. Board considers it desirable that the Company should continue to avail his services.

Board recommends the resolution to the members for their approval for his appointment as a Director liable to retire by rotation.

None of the Directors except Mr. B. Ravi is interested in the Resolution.

**ITEM NO. 7**

Mr. Pankaj Kumar, IAS was appointed as an Additional Director of the Company w.e.f. 20<sup>th</sup> March, 2010 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director upto the date of

ensuing Annual General Meeting. Board considers it desirable that the Company should continue to avail his services.

Board recommends the resolution to the members for their approval for his appointment as a Director liable to retire by rotation.

None of the Directors except Mr. Pankaj Kumar, IAS is interested in the Resolution.

**Date: 06.05.2010**  
**Place: Ahmedabad**

**Regd. Office:**  
Adani House,  
Nr. Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad - 380 009

**By order of the Board**



**Kamlesh Bhagia**  
**Company Secretary**

**Adani Petronet (Dahej) Port Private Limited**

Plot No. 02, Next to Panchvatti Apartment,  
Opp. Sarveshwarnagar Society,  
Zadeshwar Road,  
Bharuch - 392 011.

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

**Project Implementation:**

The Company's Solid Cargo Port Terminal project is under implementation. Substantial progress has been made on Construction of Jetty, Conveyor Structure, Stacker-cum-Reclaimer etc. Orders have been placed for major long lead delivery equipments viz. Rail Mounted Mobile Harbour Cranes, Stacker-cum-Reclaimer, Conveyor Belts, Wagon Loading System etc. Two ship loaders are expected to arrive at site by end of May, 2010.

The Board complimented the management team for implementation of the project under difficult working conditions like strong and high tide variation etc. The Board complimented the quid on time near current completion of the 2.4 kms jetty. It also recognized the efforts put in to handle issues like land acquisitions etc.

**Financial Highlights:**

Particulars	(Rs. in Crores)	
	As on 31/03/2010	As on 31/03/2009
Fixed Assets	12.31	7.45
Capital Work in Progress	416.03	159.74
Expenditure during Construction period pending Allocation	20.13	16.25
Investments (In Mutual Fund & Shares of Joint Venture)	10.00	13.30
Net Current Assets	(1.30)	15.05
Statement of Expenses Debit Balance	2.49	1.41
<b>Total</b>	<b>459.65</b>	<b>213.20</b>
<b>Promoter's Contribution</b>		
Mundra Port And Special Economic Zone Ltd.	208.73	91.14
Petronet LNG Limited	67.71	32.06
<b>Total (A)</b>	<b>276.44</b>	<b>123.20</b>
<b>Secured Loan</b>		
From Consortium Bankers	183.21	90.00
<b>Total (B)</b>	<b>183.21</b>	<b>90.00</b>
<b>Total (A+B)</b>	<b>459.65</b>	<b>213.20</b>

**Amendment of Sub-Concession Agreement:**

During the year under review, on execution of amendment Agreement to Sub-Concession Agreement, the equity contribution of Mundra Port And Special Economic Zone Ltd. and Petronet LNG Ltd. stands modified from 50:50 to 74:26.

**Share Capital:**

In order to broad base the capital structure of the company, the authorized share capital of the company has been increased from Rs. 175 Crores divided into 17,50,00,000 Equity Shares of Rs. 10/- each to Rs. 350 Crores divided into 35,00,00,000 Equity Shares of Rs. 10 each. During the year under review, the paid up share capital of the Company has been increased from 64.11 Crores to 260.44 Crores.

**Holding Company:**

During the year under review, your Company has become Subsidiary of Mundra Port And Special Economic Zone Limited (MPSEZL). MPSEZL being Subsidiary of Adani Infrastructure Services Private Limited (AISPL), by virtue of section 4 of Companies Act, 1956; AISPL has become the ultimate Holding Company of your Company.

**Dividend:**

Due to inadequate profit, your Directors have not recommended any dividend.

**Fixed Deposits:**

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

**Directors:**

During the year under review, Dr. Malay Mahadevia and Mr. B. Ravi were appointed as an Additional Directors of the Company. In terms Sub-Concession Agreement, Mr. Pankaj Kumar, IAS was nominated by Gujarat Maritime Board. Pursuant to the provisions of Section 260 of the Companies Act, 1956, these Directors hold office upto the date of ensuing Annual General Meeting and being eligible offer themselves for appointment.

As per Section 256 of the Companies Act, 1956; Mr. Gautam S. Adani and Mr. A. Sengupta are liable to retire by rotation and being eligible offer themselves for reappointment.

Board recommends the appointment of the Directors of the Company.

**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. The applicable accounting standards have been followed and that no material departures have been made from the same.
2. Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting record 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. 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.

**Auditors:**

M/s. S. R. Batliboi & Associates, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. S. R. Batliboi & Associates Chartered Accountants, expressing their unwillingness to be reappointed as Auditors.

Your directors have therefore proposed to appoint M/s. S. V. Ghatalia & Associates, Chartered Accountants as Statutory Auditors of the Company, subject to approval of the members at the ensuing Annual General Meeting. The Company has received letter from M/s. S. V. Ghatalia & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

**Auditors' Report:**

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

**Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:**

The Company has no activities relating to conservation of energy or technology absorption. There has been no foreign exchange earning during the year under review. Foreign Exchange outgo during the year under review is Rs. 5.17 Crores.

**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 is not given as no employee is in receipt of remuneration as required by section 217(2A) of the Companies Act, 1956.

**Acknowledgement:**

Your Directors would like to express their sincere appreciation for assistance and co-operation received from Financial Institutions, Banks, Central & State Government authorities, Gujarat Maritime Board, Stakeholders, Employees and all other personnel.

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

**Date: 06.05.2010**

**Place: Ahmedabad**

  
**Gautam S. Adani**  
**Chairman**

**Auditors' Report**

To

**The Members of Adani Petronet (Dahej) Port Private Limited**

1. We have audited the attached Balance Sheet of Adani Petronet (Dahej) Port Private Limited ('the Company') as at March 31, 2010 and also the Statement of Expenses 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) 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, statement of expenses and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, statement of expenses and cash flow statement dealt with by this report comply with the accounting standards



## *S.R. BATLIBOI & ASSOCIATES*

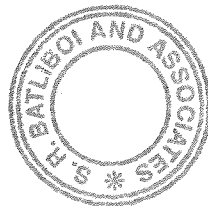
referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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, 2010;
  - b) in the case of the Statement of Expenses, 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.

*S.R. Batliboi & Associates*  
For S.R. BATLIBOI & ASSOCIATES  
Firm Registration No.: 101049W  
CHARTERED ACCOUNTANTS

*Arpit Patel*

per Arpit Patel  
Partner  
Membership No. 34032



Place : Ahmedabad.  
Date : May 6, 2010

Annexure referred to in paragraph 3 of our report of even date  
Re: **Adani Petronet (Dahej) Port Private 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 of the Company have been physically verified by the management during the year as per the programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The Company does not hold any inventory and accordingly, sub-clauses (a), (b) and (c) to clause (ii) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable.
- (iii) According to the information and explanations provided by the Management, there are no companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub-clauses (a), (b), (c), (d), (e), (f) and (g) to clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) 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 fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations provided by the Management, there are no companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub-clauses (a) and (b) to clause 4(v) 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.
- (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, income-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The Company does not have any statutory dues towards investor education and protection fund, employees' state insurance, sales-tax and wealth tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-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 information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for more than five years at the end of the financial year. However, considering that the Company has not commenced commercial production, expenditure as per the Statement of Expenses has not been considered as loss to be considered for reporting under this clause.
- (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.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.



## *S.R. BATLIBOI & ASSOCIATES*

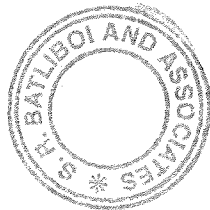
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans 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) As informed, there are no companies, firms or other parties to be covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (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.

*S. R. Batliboi & Associates*  
For S.R. BATLIBOI & ASSOCIATES  
Firm Registration No.: 101049W  
CHARTERED ACCOUNTANTS

*Arpit Patel*

per Arpit Patel  
Partner

Membership No. 34032



Place : Ahmedabad.

Date : May 6, 2010

ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	2,604,423,080	641,100,000
Share Application Money Pending Allotment	2	160,002,020	590,895,100
		<u>2,764,425,100</u>	<u>1,231,995,100</u>
<b>Loan Funds</b>			
Secured Loans	3	1,832,107,096	900,000,000
<b>Total</b>		<u>4,596,532,196</u>	<u>2,131,995,100</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block		135,303,058	80,965,395
Less : Accumulated Depreciation		12,210,325	6,476,308
Net Block		123,092,733	74,489,087
Capital Work-in-Progress including capital advances	4	4,160,251,621	1,597,415,930
		<u>4,283,344,354</u>	<u>1,671,905,017</u>
<b>Expenditure during Construction Period, pending allocation</b>	5	201,289,908	162,468,695
<b>Investments</b>	6	100,000,000	133,030,603
<b>Current Assets, Loans and Advances</b>			
Cash and Bank Balances	7	24,369,096	57,358,462
Loans and Advances	8	275,637,462	188,856,449
		<u>300,006,558</u>	<u>246,214,911</u>
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	9	312,354,003	95,122,670
Provisions	10	664,713	613,670
		<u>313,018,716</u>	<u>95,736,340</u>
<b>Net Current Assets</b>		(13,012,158)	150,478,571
<b>Balance as per Statement of Expenses</b>		24,910,092	14,112,214
<b>Total</b>	11	<u>4,596,532,196</u>	<u>2,131,995,100</u>

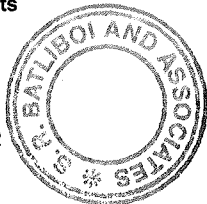
Notes to Accounts

The schedules referred to above and notes to accounts form an integral part of the balance sheet As per our report of even date

S. R. Batliboi & Associates

For S. R. BATLIBOI & ASSOCIATES  
Firm Registration No : 101049W  
Chartered Accountants

*Anup Patel*  
per Arpit Patel  
Partner  
Membership No. 34032  
Place : Ahmedabad  
Date : May 6, 2010



For and behalf of the Board of Directors of  
Adani Petronet (Dahej) Port Private Limited

*Rajeeva Ranjan Sinha*  
Rajeeva Ranjan Sinha  
[Managing Director]

*R. K Garg*  
R. K Garg  
[Director]

*Kamlesh Bhagia*  
Kamlesh Bhagia  
[Company Secretary]

Place : Ahmedabad  
Date : May 6, 2010

*Dr. Malay Mahaderis*  
Dr. Malay Mahaderis  
[Director]

ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED

STATEMENT OF EXPENSES FOR THE YEAR ENDED MARCH 31,2010

Schedules	For the year ended 31 st March 2010 Rs.	For the year ended 31 st March 2009 Rs.
<b>EXPENDITURE</b>		
Loss on discarded fixed assets (net)	-	126,327
Advertisement & Publicity	312,334	492,277
Expenses incidental to increase in Authorised Share Capital	10,496,400	4,614,040
Freight Charges	-	103,225
Payment to Auditors for Certification	-	135,000
Excess FBT Provision Written Back	(10,856)	-
<b>Total</b>	<b>10,797,878</b>	<b>5,470,869</b>
Loss before tax	10,797,878	5,470,869
<b>Net Loss for the Period</b>	<b>10,797,878</b>	<b>5,470,869</b>
Net Loss of Previous Period Brought Forward	14,112,214	8,641,345
<b>Net Loss carried to Balance Sheet</b>	<b>24,910,092</b>	<b>14,112,214</b>
<b>Basic Earnings per share (Nominal value of Rs. 10 per equity share)</b>	<b>(0.11)</b>	<b>(0.11)</b>
<b>Notes to Accounts</b>	11	

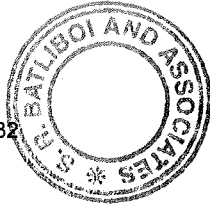
The schedules referred to above and notes to accounts form an integral part of the Statement of Expenses  
As per our report of even date

*S. R. Batliboi & Associates*

For S. R. BATLIBOI & ASSOCIATES  
Firm Registration No : 101049W  
Chartered Accountants

*Arpit Patel*  
per Arpit Patel  
Partner

Membership No. 34032  
Place : Ahmedabad  
Date : May 6, 2010



For and behalf of the Board of Directors of  
Adani Petronet (Dahej) Port Private Limited

*Rajeeva Ranjan Sinha*  
Rajeeva Ranjan Sinha  
[Managing Director]

*R. K Garg*  
R. K Garg  
[Director]

*Kamlesh Bhagia*  
Kamlesh Bhagia  
[Company Secretary]

Place : Ahmedabad  
Date : May 6, 2010

*DR. Malay Mahadevia*  
DR. Malay Mahadevia  
[Director]

ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED  
SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
<b>Schedule - 1: Share Capital</b>		
<b>Authorised</b>		
350,000,000 Equity Shares of Rs. 10 each (Previous Year 175,000,000 Equity Shares of Rs. 10 each)	3,500,000,000	1,750,000,000
	<u>3,500,000,000</u>	<u>1,750,000,000</u>
<b>Issued, Subscribed and Paid - up</b>		
<b>Equity Share Capital</b>		
260,442,308 fully paid up Equity Shares of Rs.10 each (Previous Year 64,110,000 Equity Shares of Rs. 10 each)	2,604,423,080	641,100,000
Of the above:		
192,727,308 (Previous Year : 32,055,000) Equity Shares are held by Mundra Port and Special Economic Zone Limited, the Holding Company and 67,715,000 (Previous Year : 32,055,000) Equity Shares are held by Petronet LNG Limited.		
	<u>2,604,423,080</u>	<u>641,100,000</u>
<b>Schedule - 2: Share Application Money Pending Allotment</b>		
<b>Share Application Money</b>		
Mundra Port and Special Economic Zone Limited	160,002,020	590,895,100
	<u>160,002,020</u>	<u>590,895,100</u>
<b>Schedule - 3: Secured Loans</b>		
Term Loan from Banks	1,199,043,344	900,000,000
Due within one year Rs. Nil (Previous Year Rs.Nil)		
Suppliers Bill accepted under Letter of Credit convertible into Secured Term Loan (Secured by First Mortgage and Charge on all the immovable and movable assets, both present and future of the proposed solid cargo port terminal project including assets situated on the 38 hectares of forest land allotted to the company)	633,063,752	-
	<u>1,832,107,096</u>	<u>900,000,000</u>



*Caution: This is*

**ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED**

**Schedule forming part of the Balance Sheet**

**Schedule: 4 Fixed Assets**

Sr. No.	Particulars	Gross Block (At Cost)				Depreciation				Net Block		
		As at 01-04-2009	Additions	Deductions	As at 31-03-2010	Upto 01-04-2009	For the year	Deductions	Upto 31-03-10	As at 31-03-10	As at 31-03-09	
	<b>TANGIBLE ASSETS</b>											
1	Forest Land	44,238,000	-	-	44,238,000	457,709	1,576,073	-	2,033,782	42,204,218	43,780,291	
2	Building	17,090,336	-	-	17,090,336	1,336,778	260,654	-	1,597,432	15,492,904	15,753,558	
3	Plant and Machinery	11,109,475	52,607,734	-	63,717,209	2,521,771	2,863,080	-	5,384,851	58,332,358	8,587,704	
4	Electrical Installation	139,526	81,731	-	221,257	9,973	11,475	-	21,448	199,809	129,553	
5	Office Equipment	2,184,742	326,866	-	2,511,608	490,330	122,210	-	612,540	1,899,068	1,694,412	
6	Furniture & Fixtures	2,044,389	710,782	-	2,755,171	836,074	326,270	-	1,162,344	1,592,827	1,208,315	
7	Computer Hardware	1,792,664	610,550	-	2,403,214	455,268	349,631	-	804,899	1,598,315	1,337,396	
8	Vehicles	2,366,263	-	-	2,366,263	368,405	224,624	-	593,029	1,773,234	1,997,858	
	<b>SUB-TOTAL</b>	<b>80,965,395</b>	<b>54,337,663</b>	<b>-</b>	<b>135,303,058</b>	<b>6,476,308</b>	<b>5,734,017</b>	<b>-</b>	<b>12,210,325</b>	<b>123,092,733</b>	<b>74,489,087</b>	
1	Capital Work-in-Progress									3,623,902,467	1,438,622,811	
2	Capital Advances									536,349,154	158,793,119	
	<b>SUB-TOTAL</b>									<b>4,160,251,621</b>	<b>1,597,415,930</b>	
	<b>TOTAL</b>	<b>80,965,395</b>	<b>54,337,663</b>	<b>-</b>	<b>135,303,058</b>	<b>6,476,308</b>	<b>5,734,017</b>	<b>-</b>	<b>12,210,325</b>	<b>4,283,344,354</b>	<b>1,671,905,017</b>	
	Previous Year	29,513,573	51,996,483	544,661	80,956,395	3,357,794	3,384,847	266,333	6,476,308	1,671,905,017	847,389,188	

**Notes:**

- Foreign Exchange Fluctuation:
- Additions to Plant and Machinery during the year is net of Rs 5,316,084 (Previous Year Rs. Nil) on account of foreign exchange fluctuation gains.
- Land represents 38 hectare Forest Land allotted to the Company by Ministry of Environment and Forests, for the development of the Port Project.
- Plant and Machinery represents construction equipments, which have been given to third party contractors for construction activities.
- Capital Work in Progress includes capital inventory of Rs 727,638,894/- (Previous Year Rs 250,210,400/-)
- Depreciation amounting to Rs. 5,734,017/- (Previous Year Rs 3,384,847/-) has been transferred to Expenditure During Construction Period, Pending Allocation in Schedule 5.



*Signature*

ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED  
SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
<b>Schedule-5: Expenditure during Construction Period, pending allocation</b>		
Opening Balance brought forward	[a] 162,468,695	149,121,044
<b>Personnel Expenses</b>		
Salaries, Wages and Bonus	1,081,218	4,264,313
Contribution to Provident Fund and other funds	62,074	73,228
Gratuity Expenses	18,702	130,499
Recruitment and Training Expenses	1,352	-
<b>Sub Total</b>	[b] <u>1,163,346</u>	<u>4,468,040</u>
<b>Administrative and Other Expenses</b>		
Power & Fuel	7,987,634	3,549,645
Rent	123,000	172,900
Lease Rent for Land	14,000,000	-
Rates and Taxes	2,400	149,805
Office Expenses	775,066	757,619
Repairs & maintenance	275,669	114,642
Traveling & Conveyance	749,588	987,617
Communication Expenses	268,869	471,746
Legal & Professional Expenses	3,454,327	3,731,333
Insurance	543,246	95,979
Guest House maintenance Expenses	357,812	320,715
Canteen Expenses	1,247,679	602,245
Payment to Auditors	440,400	386,670
Membership & Subscription	132,749	77,371
Security Expenses	1,538,189	1,028,846
Printing & Stationery	193,036	165,876
Survey Expenses	19,461	230,077
Misc. Expenses	100,209	27,202
Land Development Expenses	184,673	-
<b>Sub Total</b>	[c] <u>32,394,007</u>	<u>12,870,288</u>
<b>Depreciation</b>	[d] 5,734,017	3,384,847
<b>Financial Expenses</b>		
Interest - Others	-	-
Interest On Term Loan *	-	-
Bank charges	2,299,098	440,041
Finance Charges -	-	-
- Loan Syndication Fees	-	50,000
- Upfront fees on borrowings	-	400,000
<b>Sub Total</b>	[e] <u>2,299,098</u>	<u>890,041</u>
<b>Total [a]+[b]+[c]+[d]+[e]</b>	<b>204,059,163</b>	<b>170,734,260</b>
<b>Less:</b>		
Interest on Bank Deposits (Tax deducted at source Rs. 16875 (Previous Year Rs.Nil))	275,169	1,314
Interest on Others	11,190	-
Dividend Income - Non-Trade Investments - Short Term	-	1,648,752
Exchange Differences (net)	21,277	12,028
Miscellaneous Income - scrap sales	2,461,619	6,603,471
	[f] <u>2,769,255</u>	<u>8,265,565</u>
<b>Total [e]-[f]</b>	<b>201,289,908</b>	<b>162,468,695</b>

\* Interest on Term Loan of Rs.118150656 net off Interest on Fixed Deposit of Rs. 2,196,375 and Dividend on Mutual Fund of Rs.655,538 respectively have been directly allocated to Fixed Assets under construction.

*Camelia Fegie*



ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED  
SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
<b>Schedule-6: Investments</b>		
<b>Long Term Investment (at cost)</b>		
<b>Trade (Unquoted)</b>		
Bharuch Dahej Railway Company Limited (10000000 (Previous Year 25000) Equity Shares of Rs 10 Each) (Also refer Note 6 in Schedule 11 - Notes to Accounts)	100,000,000	250,000
	<u>100,000,000</u>	<u>250,000</u>
<b>Current Investments</b> (Quoted at lower of cost and market value)		
<b>Investment In Mutual Funds:</b>		
SBI -Magnum Insta Cash Fund- Daily Dividend Option No. of Units-NIL (Previous Year 8,115,635.285 Units )of Rs.10.005 each)	-	81,196,931
TFLD TATA Floater Fund- Daily Dividend No. of Units- NIL (Previous Year- 5,062,096.734 Units of Rs. 10.036 each)	-	50,801,178
UTI- Liquid Plus Institutional Plan- Daily Dividend No. of Units- NIL (Previous Year 782.321 Units of Rs.1000.220 each)	-	782,494
	<u>-</u>	<u>132,780,603</u>
(Aggregate Market value of Quoted Investments Rs.-NIL , (Previous Year- Rs.132,248,109)		
	<u>100,000,000</u>	<u>133,030,603</u>
<b>Schedule-7: Cash and Bank Balances</b>		
Cash on Hand	138,784	25,658
Balances with Scheduled Banks :	-	-
On Current Accounts	14,059,884	57,315,674
On Deposit Accounts ( Fixed Deposit Receipt of Rs.10,170,428 (Previous Year 17,130) pledged against bank guarantees )	10,170,428	17,130
	<u>24,369,096</u>	<u>57,358,462</u>
<b>Schedule-8: Loans and Advances</b> (Unsecured, Considered Good except to the extent stated)		
Advances Recoverable in Cash or in Kind or for Value to be Received	6,375,279	1,467,798
Share Application Money	-	76,220,587
Tax Deducted at Source	519,876	324,919
MODVAT Credit (Input) Receivable	180,140,927	78,223,702
Service Tax Credit (Input) Receivable	86,849,740	30,898,053
Deposits - Others	1,751,640	1,721,390
	<u>275,637,462</u>	<u>188,856,449</u>
<b>Schedule-9: Current Liabilities</b>		
Sundry Creditors	268,443,262	86,471,217
Other Liabilities	43,910,741	8,651,453
	<u>312,354,003</u>	<u>95,122,670</u>
<b>Schedule -10: Provisions</b>		
Provision for Leave Encashment	364,193	331,852
Provision for Gratuity	300,520	281,818
	<u>664,713</u>	<u>613,670</u>

*Arundha Raju*



ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	For the year ended 31st March 2010 Rs.	For the year ended 31st March 2009 Rs.
<b>A. Cash flow from operating activities</b>		
<b>Net (Loss) as Per Statement of Expenses</b>	(10,797,878)	(5,470,869)
Adjustments for:		
Loss on sale of fixed assets	-	126,327
Excess FBT provision written back	(10,856)	-
<b>Operating (Loss) before working capital changes</b>	(10,808,734)	(5,344,542)
Movements in working capital :		
Decrease / (Increase) loans and advances	(86,781,012)	(137,936,085)
Increase / (Decrease) in current liabilities & provisions	35,321,186	6,059,630
<b>Cash generated from operations</b>	(62,268,560)	(137,220,997)
<b>Net cash inflow/(outflow) from operating activities</b>	(62,268,560)	(137,220,997)
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (Including Capital Work In Progress and Adjustment related to Capital Creditors)	(2,435,201,309)	(824,125,421)
Proceeds from sale of fixed assets		152,001
Purchase of investments	(99,750,000)	(643,028,954)
Proceeds from sale of investments	132,780,603	509,998,351
(Increase)/ Decrease in Expenditure During Construction Period	(33,087,196)	(9,962,804)
<b>Net cash inflow/(outflow) from investing activities</b>	(2,435,257,902)	(966,966,827)
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of Share Capital/ Share Application Money	1,532,430,000	262,800,000
Pending Allotment		
Proceeds from long-term borrowings	932,107,096	900,000,000
Repayment of long-term borrowings		(3,500,000)
<b>Net cash inflow/(outflow) used in financing activities</b>	2,464,537,096	1,159,300,000
<b>Net Increase in Cash &amp; Cash Equivalents (A + B + C)</b>	(32,989,366)	55,112,176
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	57,358,462	2,246,286
<b>Cash &amp; Cash Equivalents at the end of the year</b>	24,369,096	57,358,462

Notes :

Component of Cash and Cash equivalents		
Cash on Hand	138,784	25,658
Balance with Schedule Banks :		
On Current Accounts	14,059,884	57,315,674
On Deposit Accounts *	10,170,428	17,130
Cash and Bank Balances as per Schedule 8	24,369,096	57,358,462

\* Fixed Deposits with Bank are not readily available for use by the company as they have been pledged against guarantees given to Custom and Sales Tax Authorities.

The Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow

Statements issued by the Companies (Accounting Standard) Rules, 2006 (as amended)

Figures in brackets indicate Cash outflow.

*S.R. Batliboi & Associates*

For S. R. BATLIBOI & ASSOCIATES  
Firm Registration No : 101049W  
Chartered Accountants

*Arpit Patel*  
per Arpit Patel  
Partner  
Membership No. 34032  
Place : Ahmedabad  
Date : May 6, 2010



For and behalf of the Board of Directors of  
Adani Petronet (Dahej) Port Private Limited

*Rajeeva Ranjan Sinha*  
Rajeeva Ranjan Sinha  
[Managing Director]

*R.K Garg*  
R.K Garg  
[Director]

*Kamlesh Bhagia*  
Kamlesh Bhagia  
[Company Secretary]

Place : Ahmedabad  
Date : May 6, 2010

*Dr. Malay Mahadevi*  
Dr. Malay Mahadevi  
[Director]

## Adani Petronet (Dahej ) Port Private Limited

### Schedule 11 : Notes to Accounts

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#### 1. Nature of operations

Adani Petronet (Dahej) Port Private Limited ('APPPL', 'Company', 'JVC'), has been promoted as a joint venture between Petronet LNG Limited and Mundra Port and Special Economic Zone Limited. The JVC is formed for undertaking the development of a Solid Cargo Port Terminal ('the Project', 'SCPT') at Dahej, Gujarat for commercial use on a 30-year concession under the built-own-operate-transfer (BOOT) policy framework of the Gujarat Ports Policy, 1995. The Company has entered into Sub-Concession agreement with Gujarat Maritime Board and Petronet LNG Limited for development of Solid Cargo Port Terminal w.e.f. January 3, 2007. The Gujarat Maritime Board had earlier granted Concession to Petronet LNG Limited to develop, operate and maintain Solid Cargo Port Terminal at Dahej on December 20, 2005.

Pursuant to amendment to the above Sub-concession Agreement between the Company, Petronet LNG Limited and Gujarat Maritime Board dated 30 December, 2009, the Company has become a subsidiary of Mundra Port and Special Economic Zone Limited w.e.f. January 4, 2010, which has now 74% shareholding in the Company.

The Company has not commenced commercial operations upto March 31, 2010.

#### 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 below are consistent with those used in the previous year.

Indirect expenditure incurred during the construction period which is not related to the construction activity nor is incidental thereto has been charged to the Statement of Expenses. The expenditure related to construction activity is classified as "Expenditure during construction period (Pending Allocation)" and will be apportioned to the Fixed assets on completion of the Project. Necessary details as required under Part II of Schedule VI of the Companies Act, 1956 have been disclosed in schedule 5 to the financial statement in respect of the said expenditure.

##### 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. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

##### c) Change in Accounting Policies

##### Exchange Differences on Long Term Foreign Currency Monetary Items

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



*Arjun Raj*

## Adani Petronet (Dahej ) Port Private Limited

### Schedule 11 : Notes to Accounts

---

The Company did not have any long-term foreign currency monetary item in any previous accounting period, and the liability has accrued in the current year only. As such the Company has decided to exercise the option for the current year ending 31st March, 2010.

Had the Company continued to use the earlier basis of accounting for exchange difference arising on long-term foreign currency monetary items, the charge to the Statement of Expenses Account after tax for the current year would have been lower by Rs. 5,316,084, the net block of fixed assets would have been higher by Rs. 5,316,084.

#### d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition 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.

#### e) Expenditure during construction period, pending allocation

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 Statement of expenses Account. Income earned during construction period is deducted from the total of the indirect expenditure.

#### f) Depreciation

Depreciation on Fixed Assets, except for those stated in para (i) to (iv) is provided on straight line method (SLM) as per the rates prescribed under Schedule XIV of the Companies Act, 1956, except for the following:

- (i) Cost of Forest Land is amortised over the period of the Concession Agreement of 30 years effective from January 3, 2007, with Gujarat Maritime Board and Petronet LNG Limited.
- (ii) Depreciation on Concrete Pumps, included under Plant and Machinery, is provided on the basis of their useful life which is estimated at 5 years.
- (iii) Depreciation on Mobile phones, included under Office Equipments, is provided at the rate of 100% in the year of purchase.
- (iv) Depreciation of individual assets costing upto Rs. 5000/- is provided at the rate of 100% in the year of purchase.

#### g) Leases

*Where the Company is the lessee*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of expenditure during construction period pending allocation on a straight-line basis over the lease term.

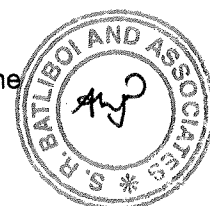
#### h) Revenue recognition

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.

#### **Dividends**

Revenue is recognised when the unit holders' right to receive payment is established by the balance sheet date.

*Chander Thakur*



## Adani Petronet (Dahej ) Port Private Limited

### Schedule 11 : Notes to Accounts

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#### **Interest**

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

#### **i) Investments**

Investments that are readily realisable 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 recognise a decline other than temporary in the value of the investments.

#### **j) Segment Reporting Policies**

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

#### **k) Foreign Currency Translation**

##### *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, 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 relates to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortised over the balance period of such long-term assets/liability but not beyond accounting period ending on or before 31st March, 2011.

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

#### **l) Retirement and other employee benefits**

**i)** Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the "Statement of Expenditure during Construction Period Pending Allocation" 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 liability is a defined benefit obligation and is provided for at the year end on actual basis considering that there are only two employees in the company.

**iii)** Short term compensated absences at the year end are provided for on actual basis.

*Amal K. Das*



## Adani Petronet (Dahej ) Port Private Limited

### Schedule 11 : Notes to Accounts

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#### m) 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 estimates.

#### n) Earnings 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 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.

#### o) Cash and Cash equivalents

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

### 3. Related Parties

Management has identified the following Companies and individuals as related parties of the Company for the year ended 31<sup>st</sup> March, 2010 for the purposes of reporting under AS18- Related Party Transactions :

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding Company	Mundra Port and Special Economic Zone Limited (w.e.f January 4, 2010)*
Enterprises having significant influence	
Joint Venturers	Mundra Port and Special Economic Zone Limited (upto January 4, 2010)* Petronet LNG Limited
Key Management Personnel	Mr. Rajeeva Ranjan Sinha - Managing Director

\* Pursuant to amendment to the Sub-concession Agreement between the Company, Petronet LNG Limited and Gujarat Maritime Board dated 30 December, 2009, the Company has become a subsidiary of Mundra Port and Special Economic Zone Limited w.e.f. January 4, 2010, which has now 74% shareholding in the Company.

*Camer Rajeev*



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**Adani Petronet (Dahej ) Port Private Limited**

**Schedule 11 : Notes to Accounts**

**Details of related party transactions for the year 2009-10**

(Amounts in Rs)

Particulars	Joint Venturers		Holding Company		Key Management Personnel (Managing Director)		Total	Total
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09		
<b>Equity Share Application Money Received</b>								
Mundra Port and Special Economic Zone Limited	694,200,000	204,200,000	491,630,000	-			1,175,830,000	204,200,000
Petronet LNG Limited	356,600,000	108,600,000	-	-			356,600,000	108,600,000
<b>Equity Share Application Money Repaid</b>								
Mundra Port and Special Economic Zone Limited	-	50,000,000	-	-			-	50,000,000
<b>Equity Shares Allotted During the Year</b>								
Mundra Port and Special Economic Zone Limited	921,500,000	108,600,000	685,223,080	-			1,606,723,080	108,600,000
Petronet LNG Limited	356,600,000	108,600,000	-	-			356,600,000	108,600,000
<b>Equity Share Application Money Received, Pending Allotment</b>								
Mundra Port and Special Economic Zone Limited	160,002,020	590,895,100	-	-			160,002,020	590,895,100
<b>Sale of Steel</b>								
Mundra Port and Special Economic Zone Limited	2,576,800	6,452,586	663,840	-			3,240,640	6,452,586
<b>Purchase of Steel</b>								
Mundra Port and Special Economic Zone Limited	-	-	2,061,485	-			2,061,485	-
<b>Payment to Key Management Personnel</b>								
Mr. J.K.Shah - Managerial Remuneration	-	-	-	-			-	3,150,000
- Consultancy Fees (was a related party in 2008-09)	-	-	-	-			-	228,494
<b>Loan Repaid During the Year</b>								
Adani Properties Private Limited (was a related party in 2008-09)	-	-	-	-			-	3,500,000



*Sameer Batia*

## Adani Petronet (Dahej ) Port Private Limited

### Schedule 11 : Notes to Accounts

#### 4. Leases

Assets taken under operating leases – Office space and residential houses for staff accommodation, are obtained on operating leases. During the year, the Company has incurred Rs.123,000/- (Previous year Rs. 155,500) towards lease rentals which have been recognized as expenditure during construction period, pending allocation. The lease terms are generally from eleven to thirty three months and are renewable by mutual agreement. There is no sub-lease and the leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.

#### 5. Segment Information

On Commencement of operations, the Company would be primarily engaged in the business of developing, operating and maintaining the port and port based related infrastructure facilities. The entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

#### 6. Investment in Bharuch Dahej Railway Company Limited

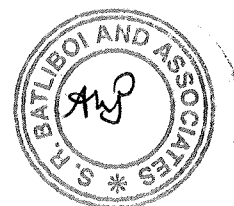
The Company has entered into a participation agreement with Rail Vikas Nigam Limited, Gujarat Maritime Board, Gujarat Narmada Valley Fertilizers Company Limited, Dahej SEZ Limited, Hindalco Industries Limited-Unit Birla Copper and Jindal Infrastructure Industries Limited. on June 16, 2008 (Supplemental to shareholder agreement dated January 12, 2007) to acquire 10.5% stake in Bharuch Dahej Railway Company Limited ('BDRCL'), a special purpose vehicle (SPV), for gauge conversion of Bharuch-Samni-Dahej Railway line between Bharuch and Dahej and subsequent operation and maintenance of the railway line and railway services thereon. During the year, the Company has been allotted shares of Rs. 99,750,000/- (Previous year Rs. Nil/-) in BDRCL.

7. For the development of the Solid Cargo Port Terminal ("SCPT") project, the company has been allotted 38 hectares of forest land for the project from MoEF, The Government of India for which an Agreement has been executed with Department of Forest, Government of Gujarat.

During the year, the Company has been allotted 12.00 hectares of GIDC land and 13.57 hectares of Gauchar Land from GMB. Pending finalisation of the Solid Cargo Port Terminal Lease and Possession Agreement with Gujarat Maritime Board, the Company has paid an advance amount of Rs 20,000,000/- to GMB. For the period, the Company has provided Lease Rental Charges of Rs. 1,40,00,000/- based on best estimates (Previous Year : NIL).

8. In accordance with Accounting Standard 22 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India, in view of the losses incurred by the Company during the year and the Company under the stage of setting up the Solid Cargo Port Terminal Project, deferred tax assets on losses incurred during the year have not been accounted for in the books since it is not virtually certain whether the Company will be able to take advantage of such losses.
9. 'MODVAT Credit (Input) Receivable' and 'Service Tax Credit (Input) Receivable' under Schedule 8 to the financial statements represents excise duties, countervailing duties and service tax paid by the Company which shall be utilized as a set off from the service tax payments as and when the Company commences port activities.
10. Management represents that, based on the information available, the company has not been informed by any supplier of being covered under the Micro, Small and Medium Enterprises Development Act 2006. As a result, no interest provision or payments have been made by the Company to such suppliers, if any and no related disclosures are made in these accounts.

*Arundhati Singh*



**Adani Petronet (Dahej ) Port Private Limited****Schedule 11 : Notes to Accounts****11. Earnings per share (EPS)**

Particulars	2009-10	2008-09
Net Loss as per Statement of Expenses for calculation of EPS	10,797,878	5,470,869
Number of Equity Shares at the beginning of the year	64,110,000	42,390,000
Add : Weighted average number of equity shares issued during the year	34,537,026	6,069,699
Weighted average number of equity shares in calculating basic EPS	98,647,026	48,459,699
Basic and Diluted Earnings (Loss) Per Share (in Rupees)	(0.11)	(0.11)

Basic and Diluted Earning Per share has been calculated on the weighted average number of shares outstanding during the period i.e.98,647,026 shares. 'Share application money pending allotment' has not been considered for computation of Diluted Earnings per share, as it is considered to be anti-dilutive.

**12. Capital Commitments**

(Amount in Rs )

	Year ended March 31, 2010	Year ended March 31, 2009
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	3,040,960,531	3,688,361,246

**13. Contingent Liabilities not provided for**

- The Company has imported plant and machinery for their Solid Cargo Port Terminal Project under EPCG Scheme for which Export Obligation of Rs. 164,426,896 (Previous Year Rs Nil.) is pending which is equivalent to 8 times of duty saved Rs 20,553,362 (Previous Year Rs Nil) for which export to be made in eight years.
- Bank Guarantee to the Customs Authorities in respect of custom duty against EPCG obligations Rs.9,080,800 (Previous Year Rs. NIL)
- Bank Guarantee to Gujarat Maritime in respect of construction of Solid Cargo Port Terminal for Rs.200,000,000 (Previous Year Rs NIL)

**14. Supplementary Statutory Information****a) Managing Directors' Remuneration**

(Amount in Rs )

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Salaries	-	3,048,750
Perquisite	-	101,250
Retainership Fees	-	228,494
<b>Total</b>	-	<b>3,378,494</b>

*Comptroller & Auditor General of India*



**Adani Petronet (Dahej ) Port Private Limited**

**Schedule 11 : Notes to Accounts**

**b) Details of Payment to Auditors**

(Amount in Rs.)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Audit fee	468,775	413,625
Certification and other services	-	151,686
Reimbursement of Expenses	10,000	10,000
<b>Total</b>	<b>478,775</b>	<b>575,311</b>

**c) Expenditure in Foreign Currency (on accrual basis)**

(Amount in Rs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Professional Fees	2,120,095	718,285

**d) Value of imports calculated on CIF basis**

(Amount in Rs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Capital goods	49,561,211	-

15. The Company is in the process of setting up the project. Hence, information pursuant to the provisions of paragraphs 3, 4C and 4D of Part –II of Schedule VI to the Companies Act, 1956 is provided only to the extent applicable.

**16. Previous Year Comparatives**

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

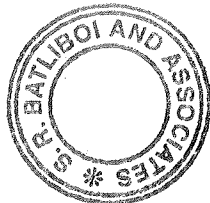
As per our report of even date

*S. R. Batliboi & Associates*

**FOR S. R. BATLIBOI & ASSOCIATES**  
Firm Reistration No:  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Adani Port (Dahej) Port Private Limited**

*Arpit Patel*  
Per Arpit Patel  
Partner  
Membership No. 34032



*Rajeeva Ranjan Sinha*  
Rajeeva Ranjan Sinha  
[Managing Director]

*R.K. Garg*  
R.K. Garg  
(Director)

*Kamlesh Bhagia*  
Kamlesh Bhagia  
[Company Secretary]

Place : Ahmedabad

Place : Ahmedabad

Date : May 6, 2010

Date : May 6, 2010

*DR. Malay Mahadewa*  
DR. Malay Mahadewa  
[Director]

