13th Annual Report 2011-2012
(Abridged)

The high-water mark in Port Cargo handling!

Resources Logistics Energy

adani™

Forward Looking Statement

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

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less then accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We under take no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

adani™

13TH ANNUAL REPORT 2011 – 2012
(Abridged)

Company Information

Board of Directors
Mr. Gautam S. Adani, Chairman & Managing Director
Mr. Rajesh S. Adani
Dr. Malay Mahadevia, Whole Time Director
Mr. Rajeeva Ranjan Sinha, Whole Time Director
Mr. K. N. Venkatasubramanian (upto June 26, 2012)
Mr. S. Venkiteswaran (upto June 30, 2012)
Mr. Arun Duggal
Mr. D. T. Joseph, IAS (Retd.)
Mr. Pankaj Kumar, IAS
Dr. Ravindra Dholakia (upto May 19, 2012)
Prof. G. Raghuram

Company Secretary
Ms. Dipti Shah

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

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

Bankers and Financial Institutions
Axis Bank Ltd.
Citi Bank
DEG-Deutsche Investitions-Und Entwicklungsgesellschaft MBH
Dena Bank
DZ Bank
HDFC Bank Ltd.
HSH Nord Bank AG
Hypo Und Vereins Bank AG
ICICI Bank Ltd.
IndusInd Bank Ltd.
ING Vysya Bank Ltd.
Japan Bank of International Cooperation
Kotak Mahindra Bank Ltd.
State Bank of India
Standard Chartered Bank
The Bank of Tokyo - Mitsubishi UFJ, Ltd.
UCO Bank
Yes Bank Ltd.

Registrar and Transfer Agent
M/s Link Intime India Private Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.
Phone: +91-022-2594 6970, Fax: +91-022-2594 6969

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

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Thirteenth Annual Report of your Company together with the Audited Accounts for the financial year ended March 31, 2012.

Financial Results:

Your Company's standalone operating performance for the financial year ended March 31, 2012 as compared to the previous financial year ended March 31, 2011 is summarized herein below:

(₹ in Lacs)

Particulars	**For the year ended March 31, 2012**	**For the year ended March 31, 2011**
Income from operations	2,48,190.28	1,88,507.22
Other Income	4,269.93	12,022.86
Total Income	2,52,460.21	2,00,530.08
Operating & Administrative Expenses	77,000.13	57,507.95
Operating Profit before Interest, Depreciation and Tax	1,75,460.08	1,43,022.13
Interest and Financial Charges	21,151.71	14,547.89
Depreciation / Amortization	27,350.28	20,786.25
Profit Before Tax and Prior Period Adjustment	1,26,958.09	1,07,687.99
Provision for tax (including deferred tax)	9,232.14	9,071.99
Profit after tax	1,17,725.95	98,616.00
Surplus brought forward from previous year	1,49,097.73	89,415.11
Balance available for appropriation	2,66,823.68	1,88,031.11
Appropriations:		
Interim Dividend on Equity Shares (Previous year's amount includes Interim Dividend ₹8,013.58 lacs declared on April 28, 2011)	6,010.21	18,031.95
Tax on Interim Dividend (including surcharge)	975.02	-
Dividend on Preference Shares	0.03	0.03
Tax on Dividend on Preference Shares (including surcharge)	*-	-
Proposed Final Dividend on Equity Shares (previous year amount represents rounding off effect of earlier year)	14,023.76	1.52
Tax on Final Dividend (including surcharge)	2,275.00	-
Transfer to Capital Redemption Reserve	14.06	14.06
Transfer to General Reserve	11,772.60	9,861.60
Transfer to Debenture Redemption Reserve	4,699.20	11,024.22
Balance carried to Balance Sheet	2,27,053.80	1,49,097.73

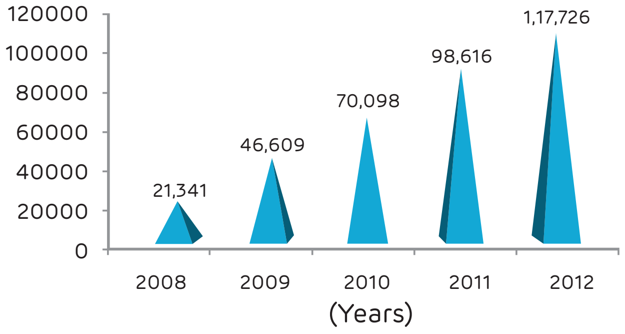
* Figures being nullified on conversion to ₹in lacs.

Operational Highlights:

Your Company has maintained its excellent pace of growth reflected by the significant rise in Turnover, Net Profit, EBIDTA and Cargo volume. It has shown consistent growth in market position making it today the 4th largest commercial port in India.

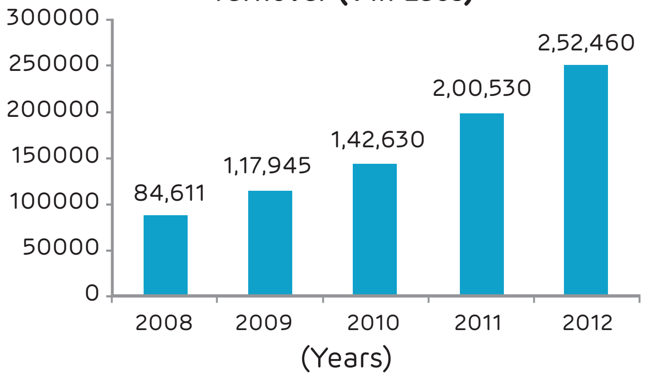
The key aspects of your Company's performance during the financial year 2011-12 are as follows:

Net Profit (₹ in Lacs)



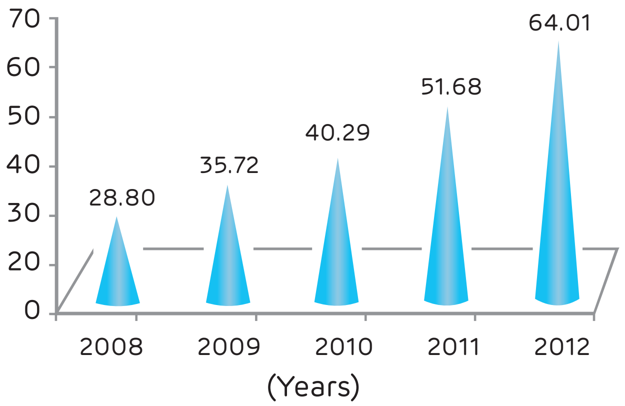
Net Profit for the FY 2011-12 stood at ₹ 1,17,725.95 Lacs as compared to ₹ 98,616.00 Lacs in FY 2010-11 registering growth of 19.38%

Turnover (₹ in Lacs)



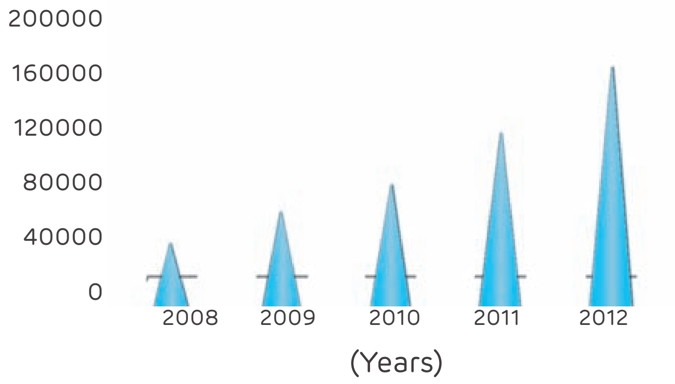
Turnover increased by 25.90% from ₹ 200,530.08 Lacs in 2010-11 to ₹ 2,52,460.21 Lacs in 2011-12

Cargo Volume (MMT)



Cargo Volume increased by 23.86% from 51.68 million tonnes in FY 2010-11 to 64.01 million tonnes in FY 2011-12.

EBDTA (₹ in Lacs)



The EBIDTA for the FY 2011-12 stood at ₹ 1,80,000.00 Lacs as compared to ₹ 1,43,022.13 Lacs in FY 2010-11 registering growth of 25.85%

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

Dividend:

Having due regard to the profit of the year and on careful review of the Company's ways and means position, the Directors had declared and paid interim dividend of ₹ 0.30 (15%) per share during the year under review. The Board of Directors are pleased to recommend a final dividend of ₹ 0.70 per share (35%) making aggregate dividend of ₹ 1 per share (50%) on 2,00,33,94,100 equity shares of ₹ 2 each and Dividend on 0.01% Non Cumulative Redeemable Preference Shares of ₹ 10 each for the financial year 2011-12. The total outgo on account of dividend would be ₹ 20,033.97 Lacs.

Re-financing:

Your company has successfully refinanced the one year bridge facility for acquiring Abbot Point Coal Terminal, Queensland, Australia. The bridge loan has been replaced with a non recourse asset based funding of AUD 1,250 million with a tenor of five years and USD 800 million recourse loan having a tenor of seven years. With this the company has successfully completed the long term financial tie up of the Australian asset.

Redemption of Debentures:

During the year under review, 4,250 Secured Redeemable Non Convertible Debentures (NCDs) of face value of ₹ 10 Lacs each aggregating to ₹ 42,500 Lacs issued on Private Placement basis to Financial Institutions were redeemed.

Change of Name:

Your Directors have pleasure to inform that in pursuance of the resolution passed at the Extraordinary General Meeting of the Company held on December 31, 2011, the Registrar of Companies, Gujarat has issued fresh Certificate of Incorporation on change of name and accordingly w.e.f January 6, 2012 the name of your Company stands changed from 'Mundra Port and Special Economic Zone Limited' to 'Adani Ports and Special Economic Zone Limited' (APSEZL).

This change has been necessitated due to change in the profile of our business as well as the ownership. Your Company being subsidiary of Adani Enterprises Limited, the name Adani Ports and Special Economic Zone Limited gives singular identity of Adani Brand.

New Corporate Identity:

During the year under review, new logo adani™ of the Adani Group was launched.

The brand mark is the signature of our brand identity.

Our logo is more international, more flexible, and more vibrant! It reflects our ambition and ability to absorb various colours of cultures and nationalities. It reflects our ability to dream, our ability to move fast and our ability to achieve.

Our logo is the symphony of colors. The colors reflect our 3 integrated businesses. Green represents Resources like coal and oil & gas, Blue represents Ports & Logistics and Orange represents Energy like power and gas distribution. The mark is designed to tell the story of integration and acting as one.

Your Company has pioneered a unique leadership initiative to transform itself into an integrated business player and to focus on three core businesses of resources, logistics and energy. These three businesses are strong enough on their own and bring synergy for the stakeholders. The Adani Group would continue to build its strengths in these core sectors nationally and internationally.

The integrated model is well adapted to the infrastructure challenges of fast-growing countries such as India. It offers security of supply for coal and other essential imports while mitigating price and political risk.

Integration multiplies the benefits of synergies and economies of scale for us, our customers and stakeholders.

Subsidiaries:

As on March 31, 2012, your Company had eighteen subsidiary companies under its belt. These group companies broadly operate and focus in India and Outside India.

1. Adani Hazira Port Pvt. Ltd.
2. Adani International Container Terminal Pvt. Ltd.
3. Adani Kandla Bulk Terminal Pvt. Ltd.
4. Adani Logistics Ltd.
5. Adani Murmugao Port Terminal Pvt. Ltd.
6. Adani Petronet (Dahej) Port Pvt. Ltd.
7. Adani Vizag Coal Terminal Pvt. Ltd.
8. Hazira Infrastructure Pvt. Ltd.
9. Hazira Road Infrastructure Pvt. Ltd.
10. Karnavati Aviation Pvt. Ltd.
11. Rajasthan SEZ Pvt. Ltd.
12. MPSEZ Utilities Pvt. Ltd.
13. Mundra International Airport Pvt. Ltd.
14. Mundra SEZ Textile and Apparel Park Pvt. Ltd.
15. Adani Abbot Point Terminal Holdings Pty Ltd, Australia
16. Adani Abbot Point Terminal Pty Ltd, Australia
17. Mundra Port Holdings Pty Ltd, Australia
18. Mundra Port Pty Ltd, Australia

In order to create more business opportunities and to make strategic investment, Adani Warehousing Services Pvt. Ltd. was incorporated as wholly owned subsidiary as on April 19, 2012.

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

On restructuring, Mundra Port Holdings Pty Ltd. had become step down subsidiary of the Company w.e.f March 6, 2012 and Adani Abbot Terminal Holdings Pty Ltd had become wholly owned subsidiary of the Company w.e.f. March 15, 2012.

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

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

The annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. Details of developments of subsidiaries of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

Fixed Deposits:

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

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

The particulars, as prescribed under clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended from time to time are appended in the Annexure to the Directors' Report.

Quality, Health, Safety and Environment:

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

Successfully managing Health, Safety & Environment (HSE) issues is an essential component of our operations. Through observance and encouragement of this policy, your Company assist in protecting the environment and the overall well-being of all stakeholders. To drive performance improvement, make progress and contribute to sustainable development, your Company works in an integrated manner across the areas of HSE. Your Company achieved a score of more than 94.5 % in Safety Audit conducted by third party as per IS 14489.

Your Company takes a proactive approach toward creating safe working environments for all its employees. To emphasize our continuing commitment to HSE issues, we adhere to HSE Principles. These Principles are the cornerstone of HSE culture and address issues such as accountability, training, communication, resources, engineering design, performance measurement, and sustainable development.

Corporate Governance and Management Discussion and Analysis Report:

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

Your Company in compliance with the requirements of the Listing Agreement has also formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed their compliance thereto.

Directors:

Prof. G. Raghuram, was appointed as an Additional Director on the Board of the Company w.e.f May 14, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of ensuing Annual General Meeting and being eligible offer himself for appointment. The Company has received a notice in writing from the member of the Company signifying his candidature for the office of Board of Directors of the Company.

Dr. Ravindra Dholakia has resigned as an Independent Director w.e.f May 19, 2012. In accordance with Retirement Policy for Non Executive Independent Directors of the Company, Mr. K. N. Venkatasubramanian and Mr. S. Venkiteswaran had resigned as an Independent Directors of the Company w.e.f. June 26, 2012 and June 30, 2012 respectively.

Board welcomes incoming Director and place on record the deep appreciation for valuable services and guidance provided by outgoing Directors during the tenure of their Directorships.

Board of Directors has reappointed Mr. Gautam S. Adani, as Chairman and Managing Director and Mr. Rajeeva Ranjan Sinha, as Whole Time Director for a tenure of five years w.e.f July 1, 2012 and October 12, 2012 respectively, subject to the approval of shareholders.

As per Section 256 of the Companies Act, 1956 and Article 152 of the Articles of Association of the Company, Mr. Rajesh S. Adani and Mr. Pankaj Kumar, IAS Directors of the Company are liable to retire by rotation and being eligible offer themselves for re-appointment. Board recommends reappointment of the Directors of the Company.

Directors Responsibility Statement:

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

- The applicable accounting standards have been followed and there are no material departures from the same;
- Accounting Policies selected have been applied consistently and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at March 31, 2012 and of the profit of your Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a going concern basis.

Insurance:

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

Particulars of Employees:

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

Auditors:

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

Auditors' Report:

Notes to the financial statements, as referred in the Auditors Report, are self-explanatory and therefore do not call for any further comments and explanations under section 217(3) of the Companies Act, 1956.

Information Technology: an enabler for Growth

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

An initiative has been taken to provide our major customers with online vessel tracking information through the APMS system. This initiative through IT Department is part of our commitment to provide better service to our external clients. The berthing / sailing information of vessels during the last 48 hours has also now been made live through APMS. The data can be accessed by all port users from Port Operation section of Mundra Port website. These initiatives help in serving the customers better.

Awards and Accreditations:

During the year under review, your Company had won the following awards:

- Non Major Port of the year 2011 award at International Maritime Offshore Logistics 2011.
- MALA awards for the Best Private Port and Best Private Container Terminal Operator.
- Gateway Awards of Excellence-Ports & Shipping 2012 category "Private Port of the Year" from Ministry of Shipping, New Delhi.
- "Special Commendation Certificate for Golden Peacock Award" in the field of Occupational, Health & Safety - 2011.
- Won awards at the 22nd Gujarat Level Convention on Quality held at Vadodara in September 2011 and 25th National Convention on Quality Concepts (NCQC) - 2011 held at Hyderabad.

Acknowledgment:

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

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

For and on behalf of the Board of Directors

Place: Ahmedabad — **Gautam S. Adani**

Date: July 2, 2012 — Chairman & Managing Director

Annexure - I to the Directors' Report

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

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

A. CONSERVATION OF ENERGY:

a) The following energy conservation measures have been taken:

1. In continuation to the last year's efforts, stabilizers have now been installed in SS6 lighting system inside liquid terminal in addition to other substations.
2. Power factor has been maintained at the level of 0.990 to 1.0. This has been achieved by close monitoring and timely switching on capacitor banks.
3. West Basin also achieved a power factor of 0.9862. This effectively means that out of all the Apparent Power (Mega Volt Ampere - MVA) supplied, West Basin plant systems utilised 98.62% (Megawatt - MW) for effective work production.
4. Lighting Energy Conservation - On average, 70% of the lights on the plant are switched off for 7 hours every night. This has managed to save, approximately, 447 Megawatt-hours.
5. Utilization of Electrical power operated Golf Carts.

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

Presently there is no such investment proposal being implemented for improving in power consumption process.

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

Approximate savings;

Due to Stabilizer in SS6 Liquid Terminal	:	₹ 1.28 lacs (25242 kwh)
Saving by maintain power factor	:	₹ 12.38 lacs
Power Factor Correction at West Basin	:	₹ 3.64 lacs
Lighting Energy Conservation	:	₹ 20.12 lacs

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

Not applicable to the Company

B. TECHNOLOGY ABSORPTION:

1. Successfully commissioned eight mobile harbour cranes (Liebherr make) with electrical E-drive during 2011-12. These cranes have facility to run on electricity as well as diesel. By electrification, we are approximately saving ₹ 1000/ per operating hour compared to Diesel.
2. The Company has converted all diesel Rubber Tyre Gantry Cranes (RTGs) into Electric RTG in December, 2011 & January, 2012. This is expected to result in significant savings in operation cost and reduce carbon dioxide emissions by 70%. All the erection and commissioning activity of E-RTG project were undertaken on in-house basis with a number of indigenous development and programming that has brought savings besides the main supply of technology and material coming from the vendor from Germany. The endeavour is only of its kind in South Asia.

3. Achieved unique success in implementing automation solutions like GPS - RFID based Equipment /Vehicle Allocation and Management System, Workforce Management System (which helps in minimizing unauthorized practices through system) and SMS Application for Vessel / Container and Adani Foundation.
4. Successfully implemented Barcode based IT asset tracking system and this has been upgraded to Web based enterprise application which can be used for any other location for IT Assets.
5. In the IT infrastructure area, carried out Container Terminal Wi-Fi up-gradation, established 26KM long fibre optic connectivity from Adani House to West basin SS1 which can also be used as secondary line for Adani Power for improving data and communication network, and strengthened infrastructure support by implementing disaster recovery (Near DR) setup for business critical Adani Port Management System.
6. Automation in the steel yard has helped in the introduction of facilities for generation of Port Entry Permits at customer locations, thereby leading to a reduction in the turnaround time of the trailers as well as 100% RDT utilisation whereby the stock accounting of steel cargo is done through RDT.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned and used for the year ended March 31, 2012.

(₹ in Lacs)

Particulars	2011-12	2010-11
Foreign Exchange Earnings	-	375.02
Foreign Exchange outgo	83,058.74	41,903.16

Management Discussion and Analysis

The discussion hereunder covers the financial results and its subsidiaries developments of Adani Ports and Special Economic Zone Ltd. (APSEZL) for the financial year 2011-12 and its business outlook for the future. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook. The Company assumes no responsibility to publicly amend, modify or revise any such statement on the basis of subsequent developments, information or events.

Economic Outlook:

In 2011-12, India found itself undergoing a slowdown in the economy compared to the previous two financial years. The Indian economy in 2011-12 is estimated to grow by 6.9% as against 8.4% in each of the two preceding years. But this in no way downplays the overall development in the nation because India still remains among the front-runners when compared to other nations across the globe. The agriculture and services sectors have continued to perform well and the slowdown can be attributed almost entirely to the weakening industrial growth. The manufacturing sector grew by 2.7% and 0.4% in the second and third quarters of 2011-12. Inflation has been at an all time high during 2011-12. This has compelled the Reserve Bank of India (RBI) to tighten the monetary policy during the year to control inflation and curb inflationary expectations.

The global economic environment took a beating during the mid-part of 2011-12 owing to the turmoil in the Eurozone, and questions about the outlook on the US economy provoked by rating agencies. However, for the Indian economy, the outlook for growth and price stability at this juncture looks more promising. There are signs from some high frequency indicators that a gradual upswing in the economic activity is around the corner.

Industry Structure:

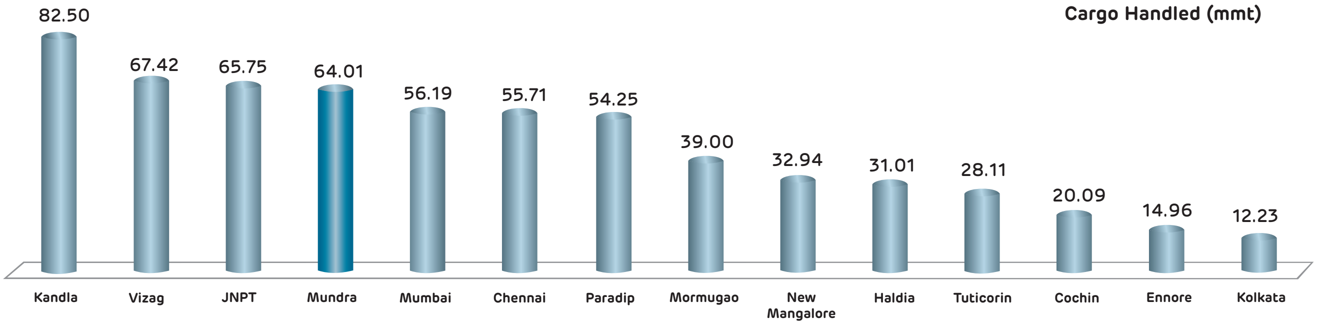
Ports:

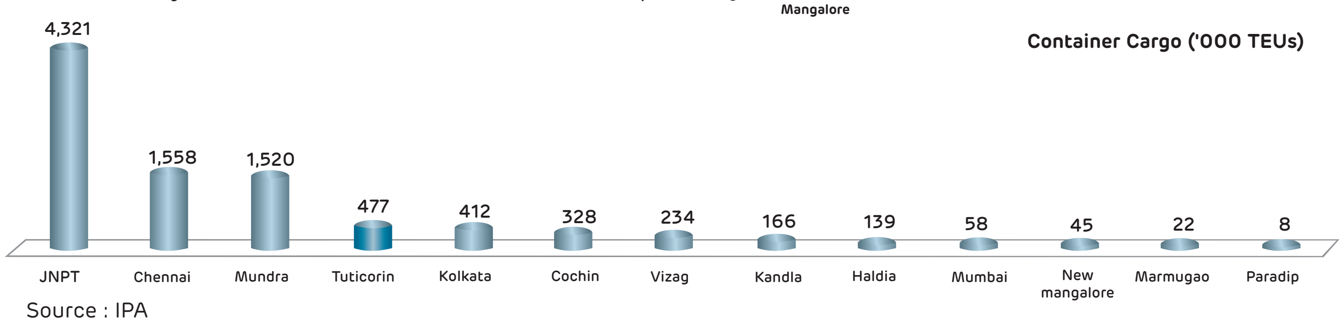
Indian Scenario:

India's 95% external trade by volume and 70% by value moves by sea. The twelve Major Ports of India handled 560.2 million tonnes of cargo during the financial year 2011-12. The cargo volumes have dropped by 1.73% year on year. The total cargo handled during 2010-11 for all major ports was 570.0 million tonnes.

The volume of cargo handled in non-major has grown at just 7.2% in the first half of 2011-12 but it is significantly better than the performance of major ports. Non major ports handled more than 37% of total maritime freight traffic of India during April-September 2011. The growth in cargo handled at non-major ports is attributed to growth in non-major ports located in Gujarat and Maharashtra, which are aided by substantial increase in the cargo traffic of coal, fertilizers and building material. Gujarat accounted for more than three-fourths of the total traffic handled by non-major ports across India. Additionally, the total cargo handled by ports located in Gujarat (including Kandla port) accounts for one-third of the total cargo traffic handled in the entire country.

APSEZL at its port location in Mundra handled 64.01 million tonnes of cargo in financial year 2012, a growth of 23.86% year to year. Compared with the major as well as non major ports of India, it ranks 4th in terms of total cargo handled and 3rd in terms of Container Cargo handled during the year under review amongst all major commercial ports:





Source : IPA

Special Economic Zone:

The Special Economic Zone Policy was framed in April, 2000 with an objective to increase the exports, attract Foreign Direct Investment and to accelerate the economic growth of the country. The total exports from the SEZs in the year 2011-12 was ₹ 3,64,477 crore approximately against ₹ 3,15,867 crores in 2010-11 registering growth of 15.39%. The total investment in SEZs till March 31, 2012 is ₹ 2,01,874.76 crore approximately. The Multi-product SEZ at Mundra is the largest notified SEZ in the country. Export from Mundra SEZ for the financial year 2011-12 was ₹ 1,706 crores against ₹ 1,530 crores in the previous year 2010-11 a growth of 10.32%. Your company's SEZ with its multi-modal connectivity including road, rail, sea port and airport is expected to attract more and more investments in the coming years.

Your company has also obtained approvals from Government of India for setting up another Multi-product SEZ and Free Trade Warehousing Zones in Taluka: Mundra. Notification of both the SEZs has been issued by Government of India in March, 2012. These SEZs are adjacent to the existing multi-product SEZ.

Performance Overview:

During the year under review the performance of your Company is encouraging.

Highlights of Overall Performance:

- Total number of vessels handled at Mundra Port during 2011-12 was 2577, against 2,517 vessels in the previous year 2010-11 an increase of 2.38% year on year. The gross registered tonnage for the year 2011-12 was 83.89 MMT against 74.45 MMT for the year 2010-11, a growth of 12.68%.
- Cargo volumes have improved across all segments. Cargo handled in 2011-12 was 64.01 million tonnes against 51.68 million tonnes in 2010-11 a growth of 23.86% year on year.

Railway:

- Total number of rakes handled in 2011-12 is 8,414.
- The West Port Terminal is the 5th Rail Terminal at APSEZL. It commenced operations in December, 2011. The terminal has 6 full rakes siding with two loading lines. The loading of rakes is done using the automated wagon loading system.

Dry Cargo:

- Dry Cargo handled during 2011-12 was 28.46 million tonnes as against 22.66 million tonnes during 2010-11, a growth of 25.6% year on year.
- Coal Cargo handled during the 2011-12 was 18.75 million tonnes as against 14.06 million tonnes during 2010-11, a growth of 33.36% year on year.

Container Cargo:

- Mundra Port handled 1.52 million TEUs as against 1.23 million TEUs in 2010-11, a growth of 23.58% year on year.
- In January 2012, Adani Mundra Container Terminal (AMCT) handled a record 77,234 TEUs on 56 vessels. This is the highest throughput in a month by any Container Terminal in Gujarat since the start of container business from the Gujarat coast.

Marine:

- Commissioning of Berth 9 in August, 2011 and 10 in January, 2012 at Terminal-3. Commissioning of West Basin berth WB-3 on 15th April 2011. With this berthing, West Basin now has 3 operational berths.
- Induction of two additional Tug: Tug Dolphin No. 17 and Dolphin No.18, both 70 ton Bollard pull tugs were inducted into the APSEZL Tug fleet in the month of August, 2011 and November, 2011 respectively. With the induction of Dolphin No. 18, APSEZL is now a proud owner of 14 tugs.
- APSEZL successfully completed the 200th SPM operation for IOCL vessels at Mundra SPM on March 10, 2012.
- The second SPM at Mundra which will receive crude oil for HMEL refinery was commissioned on July 20, 2011. The SPM is now fully operational for receiving crude oil through VLCC tankers and has achieved a throughput of 1.11 MMT in this financial year.

Automobiles :

- Total 95,070 cars were exported in the financial year 2011-12.

Liquid :

- Achieved historic high (5.35 million tonnes) in handling of HPCL cargo during 2011-12.
- Commenced rake unloading facility for black oil in September 2011. Handled 9 rakes during the year.
- Radar gauging system commissioned for Vegetable Oil tanks during February, 2012

Corporate Social Responsibility (CSR) related initiatives:

At Adani Group, CSR is aligned with business operations and social values, integrates the interest of its stakeholders and lakhs of villagers who are part of large Adani Family. Your Company through Adani Foundation has carried out extended activities in the field of education, community health, sustainable livelihood, development and rural infrastructure. The summarized scope of CSR activities are as follows:

- Education related initiatives aimed at improving quality of Education in more than 115 Government Primary Schools and all high schools of Mundra Taluka with special focus on Girl Child Education.
- Community Health initiatives like Mobile Medical Van and Rural Clinic provided cash less medical services to more than 60,000 patients and Gynec Camp and General Health Camps treated more than 2000 patients of Mundra Taluka free of cost at their doorstep.
- Wide spread Infrastructure Development Works in Mundra Taluka such as Community Halls, School Rooms, School and Community Sanitation facilities, Village Gardens, Internal Roads, Fish landing Sheds, Check dams, Cricket Grounds, Gaushala, Rural Clinics, etc benefitting more than 35,000 people.

- Skill Development Initiatives for increasing Employability & Rural Entrepreneurial Development trainings in sectors such as Sewing and Garment Making, Beauty Parlor Training, LMV, HGV and Auto Mobile repairing.
- APSEZL also imparts vocational training to local youth for increasing employability. APSEZL has developed infrastructure at Mundra in form of a dedicated simulation and training centre to impart training to youth as operators for mobile harbour cranes, rail mounted quay cranes, rubber tyre gantry cranes and grab ship unloaders.

Special Economic Zone:

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

The Co-developers of the SEZ have provided various social infrastructure facilities such as Housing, Hospital and School in the SEZ. MPSEZ Utilities Pvt. Ltd. (MUPL), a 100% subsidiary of your Company and approved Co-developer, has developed electricity distribution network and started distribution of electricity in the SEZ. In addition to the eleven Co-developers approved by Government of India one more Co-developer has obtained approval for setting up a Hotel facility.

The Development Commissioner's office is functional within the SEZ and the SEZ units are obtaining required approvals within the Zone itself. By now total 23 units have been approved for setting up manufacturing and service facilities in the SEZ. Total investment by these units is expected to be more than ₹ 3577 crores of which they have already invested about ₹ 1193 crores. Some of the approved Units have already started export activities in the Zone.

Port Related Developments:

- APSEZL is developing the 4th Berth in West Basin capable of handling 250,000 DWT vessels taking the total capacity of the West Basin to more than 60 million tonnes per year.
- APSEZL is developing a Mega Container Terminal in newly developed South Basin. Phase I facility of South Basin will have cargo handling of 1.5 million TEUs per year in a quay length of 810 meters. Ultimate capacity of south basin container terminal will be around 5 million TEUs per year. The phase 1 of the project will be completed by first quarter of 2012-13.
- APSEZL is developing an Exim yard for stuffing and destuffing containers. The yard shall be spread over 22 acres in phase 1 including parking facility.

Other Group Developments:

Your Company through its subsidiaries is developing ports at different locations in India or Abroad. Through its Australian subsidiary, Mundra Port Pty Ltd owns the 50 mtpa capacity Abbot Point Coal Terminal in Queensland, Australia.

- During the financial year 2011-12, Adani Logistics Ltd (ALL) showed remarkable performance on the development of strategic infrastructure and opening up of rail route between Mundra & NCR region for double stack trains. Further, Kishangarh in Rajasthan commissioned its train examination facility (TXR) providing a new thrust to trains.
- Adani Petronet (Dahej) Port Pvt. Ltd. (APPPL) a JV company with Petronet LNG Ltd., is the developer of Solid Cargo Port Terminal at Dahej in Gujarat. It commenced commercial operations of the second jetty on December 31, 2011. During the year under review, Dahej Port handled 68 vessels with total cargo

volume of 2.14 MMT. Railway line at Dahej Port was commissioned and the fist coal rake was handled on December 1, 2011. APPPL has received Notification from the Office of Commissioner of Customs for unloading of imported goods and loading of export goods at Dahej Port, whereby the Company can handle cargo of all users.

- Adani Murmugao Port Terminal Pvt. Ltd., (AMPTPL), a coal import terminal is being developed in Mormugao Port, Goa on Design, Build, Finance, Operate and Transfer basis. Under the terms of concession the terminal will be developed, financed, constructed and operated by AMPTPL. Significant progress has been made in construction including installation of two numbers of mobile harbour cranes.
- Adani Hazira Port Pvt. Ltd., (AHPPL) is being developed in Hazira, Dist. Surat, Gujarat under sub-concession route with Shell, Hazira for non-LNG facilities like containers, liquid, dry & break bulk. The construction for total 5 berths with back up area is in full swing. The construction work for 1 Container Berth (273m) and 1 Multipurpose Berth (333m) is completed. The master plan provides for 13 berths to be developed in a phased manner.
- Adani Vizag Coal Terminal Pvt. Ltd. (AVCTPL) signed the Concession Agreement with the Board of Trustee for Visakhapatnam Port Trust giving AVCTPL the right to develop and operate the coal terminal for a period of 30 years.
- Adani Kandla Bulk Terminal Pvt. Ltd. (AKBTPL) was formed to set up a Dry Bulk Terminal on build, operate and transfer basis at Off Tekra near Tuna at Kandla Port, a Special Purpose Vehicle on receiving the Letter of Intent from the Kandla Port Trust. This development is poised to give us a strategic advantage vis-a-vis north-western hinterland.
- MPSEZ Utilities Pvt. Ltd. (MUPL) has commenced power supply to units in SEZ, Gujarat Electricity Regulatory Commission (GERC) has issued 'Multi-Year Tariff Order' to the Company.
- Adani Abbot Point Coal Terminal (AAPCT), formerly known as APCT is a modern, deep-water, high-volume, fast turnaround port facility located in Queensland, Australia for exporting coal. The port is well-equipped with extensive and efficient coal handling facilities both onshore and offshore. The port has a capacity of 50 MMTPA (which was recently enhanced from 21 MMTPA).

Competition:

APSEZL faces competition from multiple ports which cater to the northern and north-western hinterland. In case of dry bulk, break bulk and liquid cargo, APSEZL faces competition mainly from Kandla Port and other non-major GMB ports. In case of containers, the competitors include JNPT, Mumbai Port, Pipavav Port and Kandla Port.

APSEZL is able to compete against state-run as well as private ports because of factors such as state-of-art port infrastructure facilities including the deep draft direct berthing facilities, domain expertise in the port services industry, established customer relationships, available land resources and ability to facilitate port-based development, consistent high-quality service and our ability to flexibly meet our customers' requirements including flexibility in tariffs. Despite common hinterland in northwest India which is shared with these ports, APSEZL has been successful in attracting substantial cargo increase year after year and the trend is expected to continue in the future as well.

Risk and concerns:

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

Management control, internal control and internal audit system and their adequacy:

The company has in place an adequate system of internal control. It has documented procedures covering all financial and operating functions. Internal audit programme of the company is designed based on complexity of Port / SEZ operation and nature of business activities covering major risk factors related to business process and port operations. The internal audit programme is duly approved by the Audit Committee.A well established multidisciplinary Management Audit & Assurance Services consists of professionally qualified accountants, engineers and SAP experienced executives which carries out extensive audit throughout the year, across all functional areas and submits its reports to Management and Audit Committee about the compliance with internal controls and efficiency and effectiveness of operation and key process risk.

Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of Internal audit environment and monitor implementation of internal audit recommendations including those relating to strengthening of company's risk management policies and systems.

Human Resource Development:

APSEZL being the largest private port developer and operator is a premier workplace that attracts innovative and passionate employees whose talent and commitment fuel our vision to handle 200MMT port by 2020. To realize vision 2020, Human Resource Department is building the capabilities through structured talent acquisition, talent development and retention processes.

The operations at West Basin operations have received a shot in the arm with the induction of expatriate leadership talent. The commencement of operations at west basin and Terminal 3 had a smooth sailing due to timely recruitment efforts. Diploma Engineer Trainees and Graduate Engineer Trainees have also been recruited to build an engineering talent pipeline for the existing facility at Mundra as well as for the Hazira & South Basin projects. APSEZL enjoys excellent employee relations which have been built over the years by taking various initiatives to enhance the employee morale.

Standalone Financial Performance with respect to operation performance:

Your Company has recorded total income to the tune of ₹ 2,52,460.21 Lacs during the financial year 2011-12 compared to ₹ 2,00,530.08 Lacs in the corresponding previous financial year, an increase of 25.90%.

Net Block of fixed assets of the Company as on March 31, 2012 is ₹ 5,80,507.44 Lacs as compared to ₹ 5,30,564.25 Lacs as on March 31, 2011 an increase of 9.41% in the corresponding period in the previous year. During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹ 1,80,000.00 Lacs as compared to ₹ 1,43,022.13 Lacs in the previous year, showing growth of 25.85%.

Net profit after tax is ₹ 1,17,725.95 Lacs in the financial year 2011-12 as compared to ₹ 98,616.00 Lacs in the previous financial year, an increase of 19.38%

Earnings per share increased by 19.38% to ₹ 5.88 on face value of ₹ 2 each.

Consolidated Financial Performance of the Company:

Your Company has recorded total income to the tune of ₹ 3,33,044.97 Lacs during the year 2011-12 compared to ₹ 2,11,014.54 Lacs in the corresponding previous financial year, an increase of 57.83%.

During the year, your Company generated earnings before interest, depreciation and tax (EBIDTA) of ₹ 2,12,489.93 Lacs compared to ₹ 1,40,943.88 Lacs in the previous year, an annualized growth of 50.76%.

Net profit after tax is ₹ 1,10,206.99 Lacs in the financial year 2011-12, as compared to ₹ 91,814.65 Lacs in the previous financial year, an increase of 20.03%

Earnings per share increased by 20.03% to ₹ 5.50 on face value of ₹ 2 each.

Cautionary Statement:

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

Corporate Governance Report

1. Company's philosophy on code of governance

Good Corporate Governance is truly the need of the hour. Primarily it involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in Clause 49 of the Listing Agreement of the Stock Exchanges.

The objectives of your Company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

Your Company has always believed in the concept of Good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. Board of Directors

a) Composition of the Board:

The Board of Directors of your Company as on March 31, 2012 comprises eleven Directors out of which eight Directors are Non-Executive Directors. Non-Executive Independent Directors consists professionals drawn from diverse fields that bring in a wide range of skills and experience to the Board.

The following composition of the Board of Directors is as on July 2, 2012 and number of other Directorship & Memberships / Chairmanships of Committee is as on March 31, 2012 :

Name of Director	Category of Directorship	Directorship in other Companies	Details of Committee	
			Chairman	Member
Mr. Gautam S. Adani (Chairman & Managing Director)	Promoter & Executive Director	3	1	-
Mr. Rajesh S. Adani	Promoter & Non-Independent Director	6	2	3
Mr. Rajeeva Ranjan Sinha	Executive Director	9	-	-
Dr. Malay Mahadevia	Executive Director	14	-	1
Mr. K. N. Venkatasubramanian[1]	Independent & Non Executive Director	6	-	2
Mr. S. Venkiteswaran[2]	Independent & Non Executive Director	5	-	6
Mr. Arun Duggal	Independent & Non Executive Director	11	3	2
Mr. D. T. Joseph	Independent & Non Executive Director	6	1	3
Mr. Pankaj Kumar, IAS	GMB Nominee	9	-	-
Dr. Ravindra Dholakia[3]	Independent & Non Executive Director	2	-	-
Prof. G. Raghuram[4]	Independent & Non Executive Director	6	N.A.	N.A.

[1] Ceased to be a Director w.e.f. June 26, 2012
[2] Ceased to be a Director w.e.f. June 30, 2012
[3] Resigned as a Director w.e.f May 19, 2012
[4] Appointed as an Additional Director w.e.f May 14, 2012.

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

b) Board Procedure:

Board met five times during the year under review on April 28, 2011, May 9, 2011, August 4, 2011, November 11, 2011 and February 6, 2012. The criteria of maximum time gap between any two consecutive meetings shall not exceed four months has been followed by the Company.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board Papers and is also available at the Board Meeting to enable the Board to take decisions. As required under Clause 49 of Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

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

Name of Director	Meetings		Attendance at last AGM held on August 10, 2011
	Held	Attended	
Mr. Gautam S. Adani	5	4	Yes
Mr. Rajesh S. Adani	5	5	Yes
Dr. Malay Mahadevia	5	5	Yes
Mr. Rajeeva Ranjan Sinha	5	4	Yes
Mr. K. N. Venkatasubramanian	5	5	Yes
Mr. S. Venkiteswaran	5	2	No
Dr. Ravindra Dholakia *	5	2	Yes
Mr. Arun Duggal	5	5	No
Mr. D. T. Joseph, IAS (Retd.)	5	5	No
Mr. Pankaj Kumar, IAS	5	2	No

*Appointed as Additional Director w.e.f July 1, 2011. His term ended at last Annual General Meeting and was re-appointed u/s 257 of the Companies Act, 1956 at the same Annual General Meeting.

c) Code of Conduct:

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

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

Mr. Rajesh S. Adani and Mr. Pankaj Kumar, IAS are Directors retiring at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Prof. G. Raghuram was appointed as an Additional Director w.e.f May 14, 2012. He will retire pursuant to Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting. As required under Section 257 of the Act, the Company has received a notice from the member of the company signifying his intention to propose his appointment as a Director of the Company.

Board of Directors had reappointed Mr. Gautam S. Adani as Managing Director and Mr. Rajeeva Ranjan Sinha as Whole Time Director for a period of five years w.e.f July 1, 2012 and October 12, 2012 respectively, subject to the approval of shareholders at the ensuing Annual General Meeting.

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

3. Committees of the Board

A) Audit Committee:

a) Constitution & Composition of Audit Committee:

The Audit Committee of the Company was constituted on September 22, 2001 and was re-constituted on January 30, 2007 and July 30, 2009 in line with the provisions of Clause 49 of the Listing Agreement of the stock exchange read with Section 292A of the Companies Act, 1956.

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

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. K. N. Venkatasubramanian, Chairman[1]	Non-Executive & Independent Director	4	4
Mr. S. Venkiteswaran[2]	Non-Executive & Independent Director	4	1
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	4	4
Mr. D. T. Joseph	Non-Executive & Independent Director	4	4

[1] Ceased to be a Director w.e.f. June 26, 2012

[2] Ceased to be a Director w.e.f. June 30, 2012

During the year under review Audit Committee Meetings were held four times on May 9, 2011, August 4, 2011, November 11, 2011 and February 6, 2012.

The Chief Financial Officer, representatives of statutory auditors and internal audit department are invited to the meetings of the Audit Committee.

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

The Chairman of the Committee was present at the last Annual General Meeting held on August 10, 2011.

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

b) Broad Terms of reference:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment and re-appointment of the statutory auditor and the fixation of their remuneration.
3. Reviewing with the management, the annual financial statements before submission to the Board with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
    b) Changes, if any, in accounting policies and practices and reasons for the same.
    c) Major accounting entries involving estimates based on the exercise of judgment by management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any Related Party Transactions.

g) Qualifications in the draft Audit Report.

4. Reviewing with the management, quarterly, half yearly and annual financial statements before submission to the Board for approval.
5. Reviewing and discussing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
6. Reviewing and discussing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors any significant findings and follow up thereon.
8. Reviewing, if necessary, the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
11. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
12. Reviewing the Management Discussion and Analysis of financial condition and results of operations.
13. Reviewing and discussing the statement of significant related party transactions submitted by management.
14. Reviewing the Internal audit reports relating to internal control weaknesses.

B) Remuneration Committee:

a) Constitution & Composition of Remuneration Committee:

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

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

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. K. N Venkatasubramanian, Chairman[1]	Non-Executive & Independent Director	1	1
Mr. S. Venkiteswaran[2]	Non-Executive & Independent Director	1	-
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	1	1
Mr. D. T. Joseph	Non-Executive & Independent Director	1	1

[1] Ceased to be a Director w.e.f. June 26, 2012

[2] Ceased to be a Director w.e.f. June 30, 2012

During the year under review Remuneration Committee Meeting was held on May 9, 2011.

b) Brief Terms of reference:

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

c) Remuneration Policy:

i. Remuneration to Non-Executive Directors

Pursuant to Section 309 and all other applicable provisions of the Companies Act, 1956; Directors who is neither in the whole time employment of the Company nor Managing Director, may be paid remuneration by way of Commission, if the Company by special resolution authorizes such payment. Accordingly, as approved by the Board of Directors commission of ₹ 3 Lacs per quarter within the overall limit of 1% of the Net Profit of the Company is paid to Non-Executive Directors. The Board of Directors at its meeting held on February 6, 2012 has approved the payment of commission for a further period of five years commencing from April 1, 2012, subject to the approval of the shareholders at the forthcoming Annual General Meeting. In addition to commission, Non-Executive Directors are paid ₹ 20,000 as sitting fees and reimbursement of expenses for attending each meeting of the Board and Committee.

ii. Remuneration to Executive Directors

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

d) Details of Remuneration:

i) Non-Executive Directors:

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2011-2012 is as under:

(₹ in Lacs)

Name	Commission	Sitting Fees
Mr. Rajesh S. Adani	-	6.30
Mr. Arun Duggal	12.00	0.80
Mr. S. Venkiteswaran	12.00	1.20
Mr. K. N. Venkatasubramanian	12.00	2.50
Mr. D. T. Joseph	12.00	2.30
Mr. Pankaj Kumar, IAS (Nominee of Gujarat Maritime Board)	-	0.40
Dr. Ravindra Dholakia *	9.00	0.40

* Appointed as Additional Director w.e.f July 1, 2011.

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

ii) Executive Directors:

Details of remuneration paid/payable to Chairman & Managing Director and Whole Time Directors during the financial year 2011-2012 is as under:

Name	Salary	Perquisites, Allowances & other Benefits	Commission*	Total
Mr. Gautam S. Adani	120.00	-	100.00	220.00
Mr. Rajeeva Ranjan Sinha	72.00	109.10	-	181.10
Dr. Malay Mahadevia	96.00	141.00	-	237.00

* Payable in financial year 2012-13

iii) **Details of shares of the Company held by Directors as on March 31, 2012 are as under:**

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

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

C) Shareholders/Investors Grievance Committee:

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

The Shareholders/Investors Grievance Committee of Directors was constituted on January 30, 2007 and was reconstituted on July 30, 2009.

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

Name	Category	No. of Meetings	
		Held	Attended
Mr. K. N. Venkatasubramanian, Chairman[1]	Non-Executive & Independent Director	4	4
Mr. Rajesh S. Adani	Non-Executive & Non-Independent Director	4	4
Mr. D. T. Joseph	Non-Executive & Independent Director	4	4

[1] Ceased to be a Director w.e.f. June 26, 2012

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

During the year under review, Shareholders/Investors Grievance Committee Meeting was held four times on May 9, 2011, August 4, 2011, November 11, 2011 and February 6, 2012.

b) Brief terms of reference:

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

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

Opening Balance	During the year		Pending Complaints
	Received	Resolved	
1	125	123	3

D) Transfer Committee:

a) Constitution & Composition of Transfer Committee:

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

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

Name	Category	No. of Meetings	
		Held	Attended
Mr. Rajesh S. Adani, Chairman	Non-Executive & Non-Independent Director	7	7
Mr. K. N. Venkatasubramanian[1]	Non-Executive & Independent Director	7	1
Dr. Malay Mahadevia	Executive Director	7	7

[1] Ceased to be a Director w.e.f. June 26, 2012

During the year under review Transfer Committee Meeting was held seven times on August 20, 2011, September 29, 2011, October 10, 2011, October 24, 2011, November 11, 2011, February 23, 2012 and March 16, 2012.

b) Brief terms of reference:

1. To approve and register transfer and/or transmission of equity and preference shares and debentures.
2. To subdivide, consolidate and issue equity and preference share certificates and/or debenture certificate on behalf of the Company.
3. To affix or authorise fixation of common seal of the Company on the equity, preference share certificates and debenture certificate of the Company.
4. To issue duplicate equity and preference share certificates and debenture certificate.
5. To apply for dematerialization of the equity, preference shares and debentures.
6. To do all such acts, deeds or things as may be necessary or incidental to the exercise of above powers.

The Corporate Governance Report under clause 49 of Listing Agreement is as on March 31, 2012. Due to subsequent changes in directors the committees will be reconstituted.

4. Subsidiary Companies:

None of the subsidiaries of the Company come under the purview of the material non-listed subsidiary as per criteria given in Clause 49 of Listing Agreement. The Audit Committee of the Company reviews the financial statements and investments made by unlisted subsidiary Companies and the minutes of the unlisted subsidiary Companies are placed at the Board Meeting of the Company.

5. General Body Meetings:

a) Annual General Meetings:

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

Financial Year	Date	Location of Meeting	Time	No. of special Resolutions passed
2008-09	31-08-2009	Bhaikaka Bhavan, Law Garden, Ahmedabad – 380 006	11:00 a.m.	1
2009-10	21-08-2010	J. B. Auditorium Hall, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	9:30 a.m.	1
2010-11	10-08-2011	J. B. Auditorium Hall, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	9.30 a.m.	2

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

No

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

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

d) Procedure for postal ballot:

Prescribed procedure for postal Ballot as per the provisions contained in this behalf in the Companies Act, 1956 and the rules made there under namely Companies (Passing of resolution by Postal Ballot) Rules, 2011 as amended from time to time shall be complied with whenever necessary.

6. Disclosures:

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

b) In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

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

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

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

f) The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2012 in compliance with Clause 49 of Listing Agreement.

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

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

7. Means of Communication:

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

The Company's financial results, Press release, official news and presentations to investors are displayed on the Company's web site www.mundraport.com

Your Company has maintained consistent communication with investors at various forums organized by investment bankers and by organizing investors visit to the port and SEZ site.

8. General Shareholders Information:

a) Date, time and venue of the 13th Annual General Meeting:

Thursday, the August 9, 2012 at 10.00 a.m. at J. B. Auditorium, AMA Complex, Atira, Dr. Vikaram Sarabhai Marg, Ahmedabad - 380 015.

b) Financial Year:

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

Particulars	:	Tentative Schedule
Quarterly Results		
Quarter ending on June 30, 2012	:	On or before August 14, 2012
Quarter ending on September 30, 2012	:	On or before November 14, 2012
Quarter ending on December 31, 2012	:	On or before February 14, 2013
Annual Result of 2012-13	:	Within 60 days from March 31, 2013

c) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 1, 2012 to Thursday, August 9, 2012 (both days inclusive) for the purpose of 13th Annual General Meeting and entitlement of dividend.

d) Unclaimed Shares Lying in the Escrow Account:

The Company entered the Capital Market with initial public offer through 100% book building process for 4,02,50,000 equity shares of ₹ 10/- each at a premium of ₹ 430/- per share. In light of SEBI's notification No. SEBI/CFD/DIL /LA/2009/24/04 on April 24, 2009, the Company has opened separate demat account in the name of "Adani Ports and Special Economic Zone Limited - IPO Escrow Account" in order to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient/ incorrect information or any other reason. The voting rights in respect of the said shares are frozen till the time rightful owner claims such shares. Details of shares in Adani Ports and Special Economic Zone Limited - IPO Escrow Account are as under:

Sr. No.	Particulars	No. of shareholders	No. of shares
(I)	Aggregate number of shareholders and the outstanding shares in the suspense account lying in IPO Escrow Account as on April 1, 2011	379	28425
(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	4	300
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	4	300
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	375	28125

e) **Listing on Stock Exchanges:**

The Company's shares are listed on the following stock exchanges:

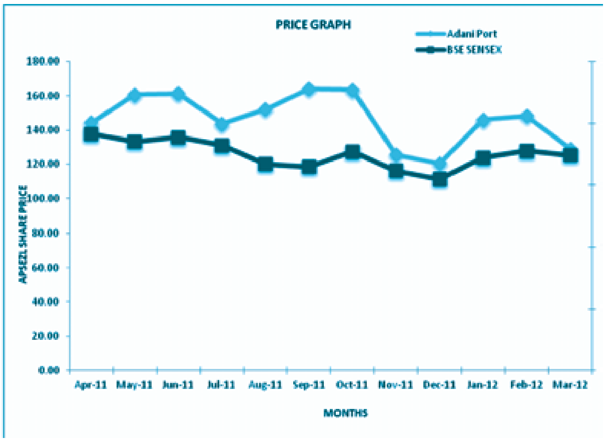
Name of Stock Exchange	Address	Code
Bombay Stock Exchange Limited	Floor 25, P. J Towers, Dalal Street, Mumbai - 400 001	532921
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	ADANIPORTS

Annual listing fees for the year 2012-13 have been paid by the Company to BSE and NSE.

f) **Market Price Data:**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	158.00	136.90	158.40	137.50
May, 2011	163.60	125.25	165.90	126.10
June, 2011	165.30	142.00	165.70	141.40
July, 2011	165.50	136.00	165.75	135.25
August, 2011	152.90	128.00	152.90	130.00
September, 2011	169.40	144.00	169.80	142.20
October, 2011	169.75	147.20	170.45	146.70
November, 2011	167.15	115.25	167.50	115.20
December, 2011	133.80	117.60	133.95	117.70
January, 2012	157.60	111.00	157.60	111.00
February, 2012	157.80	135.80	157.75	135.20
March, 2012	148.00	116.25	152.00	116.10

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



h) Registrar & Transfer Agents:

Name & Address	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078
Tel.	:	91 22 2594 6970
Fax.	:	91 22 2594 6969
E-mail	:	rnt.helpdesk@linkintime.co.in
Contact Person	:	Ms. Chaitali Jadhav
Website	:	www.linkintime.co.in

i) Share Transfer Procedure:

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

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

j) Shareholding as on March 31, 2012:

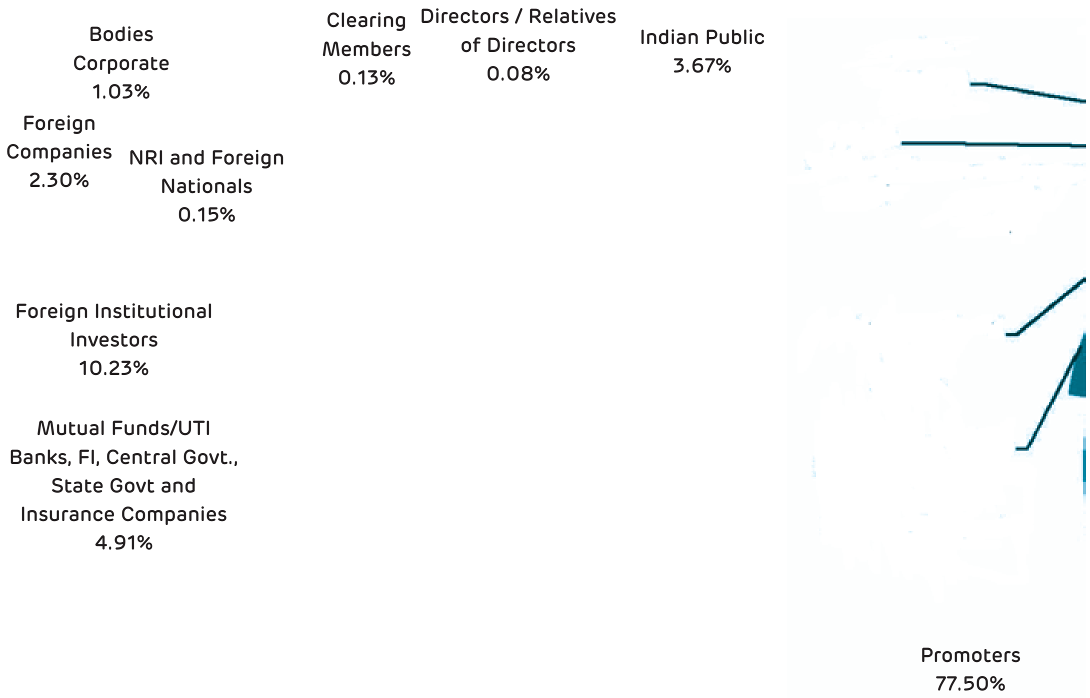
(a) Distribution of Shareholding as on March 31, 2012:

No. of shares	No. of shares	% to Shares	Total no. of accounts	% to total accounts
1-500	3,17,34,409	1.58	3,43,394	96.74
501-1000	46,64,980	0.23	6,304	1.78
1001-2000	35,15,112	0.17	2,469	0.70
2001-3000	23,39,489	0.12	933	0.26
3001-4000	11,65,682	0.06	330	0.09
4001-5000	17,94,060	0.10	376	0.11
5001-10000	33,91,509	0.17	469	0.13
10001 & above	1,95,47,88,859	97.57	674	0.19
Total	**2,00,33,94,100**	**100.00**	**3,54,949**	**100.00**

(b) **Shareholding Pattern as on March 31, 2012:**

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Electronic		
Promoter Holding	-	1,55,25,38,715	1,55,25,38,715	77.50
Mutual Funds/UTI	-	3,11,48,156	3,11,48,156	1.55
Banks/FI/Central Govt./ State Govt. & Insurance Companies	-	6,73,68,487	6,73,68,487	3.36
Foreign Institutional Investors	-	20,49,35,962	20,49,35,962	10.23
Trusts	-	13,185	13,185	0.00
NRI/Foreign Nationals	-	30,54,068	30,54,068	0.15
Foreign Companies	-	4,61,30,915	4,61,30,915	2.30
Other Corporate Bodies	-	2,06,95,793	2,06,95,793	1.03
Clearing Member	-	2,663,117	2,663,117	0.13
Directors/Relatives of Director	-	15,40,890	15,40,890	0.08
Indian Public	4,840	7,32,99,972	7,33,04,812	3.67
Total	**4,840**	**2,00,33,89,260**	**2,00,33,94,100**	**100.00**

Categories of Shareholders as on March 31, 2012



k) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.99% of the Company's share capital are dematerialized as on March 31, 2012.

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

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE742F01042.

l) Listing of Debt Securities:

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

m) Debenture Trustees (for privately placed debentures)

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

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

o) Site location:

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

p) Address for Correspondence:

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

ii) For transfer/dematerialization of shares, change of address of members and other queries.
Ms. Chaitali Jadhav
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel. : 91 22 2594 6970
Fax. : 91 22 2594 6969
E-mail : rnt.helpdesk@linkintime.co.in

q) **Non-mandatory Requirements:**

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

1. **The Board:**

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

2. **Remuneration Committee:**

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

3. **Shareholders Right:**

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

4. **Audit Qualifications:**

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

5. **Training of Board Members:**

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

6. **Whistle Blower Policy:**

   The employees of the Company have access to senior management for any counselling or consultation in case they notice any fraud or misdoing by other employee.

DECLARATION

I, Gautam S. Adani, Chairman and Managing Director of Adani Ports and Special Economic Zone Limited hereby declare that as of March 31, 2012, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For Adani Ports and Special Economic Zone Limited

Date: April 27, 2012
Place: Ahmedabad

Gautam S. Adani
Chairman & Managing Director

Certificate on Corporate Governance

To,

The Members of

Adani Ports and Special Economic Zone Limited

We have examined the compliance of Corporate Governance by Adani Ports and Special Economic Zone Limited ("the Company") for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Place: Ahmedabad
Date: July 2, 2012

Certificate of Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2012 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2012 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
   a) There have been no significant changes in internal control system during the year;
   b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Place: Ahmedabad
Date: May 14, 2012

Gautam S. Adani
Chief Executive Officer

B. Ravi
Chief Financial Officer

REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED FINANCIAL STATEMENTS

To
The Board of Directors of
Adani Ports and Special Economic Zone Limited

The accompanying abridged financial statements, which comprise the abridged balance sheet as at March 31, 2012, the abridged statement of profit & loss and abridged cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Adani Ports and Special Economic Zone Limited (formerly known as Mundra Port and Special Economic Zone Limited) ('the Company') as at and for the year ended March 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated May 14, 2012. Those financial statements, and the abridged financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The abridged financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of an abridgement of the audited financial statements in accordance with the basis described in note 2 of the accompanying abridged financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged financial statements derived from the audited financial statements of the Company as at and for the year ended March 31, 2012 are a fair summary of those financial statements, on the basis described in note 2 of the accompanying abridged financial statements.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Arpit K. Patel
Partner
Membership No.: 34032

Place: Ahmedabad
Date: June 25, 2012

Auditors' Report

To
The Members of
Adani Ports and Special Economic Zone Limited

1. We have audited the attached Balance Sheet of Adani Ports and Special Economic Zone Limited (formerly known as Mundra Port and Special Economic Zone Limited) ('the Company') as at March 31, 2012 and also the statement of profit and loss 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 (Auditors' Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   iii. The balance sheet, statement of profit and loss 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 profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
   v. On the basis of the written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
      b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Arpit K. Patel
Partner
Membership No.: 34032

Place: Ahmedabad
Date: May 14, 2012

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

Re: Adani Ports & Special Economic Zone Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable.

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

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

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (a) to (d) of the Companies (Auditors Report) Order, 2003 (as amended), are not applicable to the Company and hence not commented upon.

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

(iv) Part of the Company's purchases of fixed assets and sale of services are stated to be of unique and specialized nature, and hence, in such cases, the comparison of prices with the market rates or with purchases from/sales to other parties cannot be made. Read with the above, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v)(b) of the Companies (Auditors Report) Order, 2003 (as amended), are not applicable to the Company and hence not commented upon.

(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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the processing activity pertaining to harboring, berthing, docking, elevating, towing, handling and warehousing products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

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

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

(c) According to the records of the Company, the dues outstanding of service tax, customs duty and excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty in relation to import of Crude Petroleum Oil	26.60	November, 2004	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty in relation to import of Acrylonitrile	14.20	July, 2003	Assistant Commissioner of Customs, Mundra
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty, fine and penalty on the import of a tug and bunkers	207.15	March, 2005	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Customs Act, 1962	Demand Notice from Deputy Commissioner of Customs directing to pay education cess against import of Steel Sole Plates	4.62	2005-06	Deputy Commissioner of Customs, Mundra
Customs Act, 1962	Demand Notice from Deputy Commissioner of Customs directing to pay duty by holding that Company wrongly availed duty benefit under DFCEC Scheme on import of equipment	25.03	August, 2007	Deputy Commissioner of Customs, Mundra
Customs Act, 1962	Demand Notice from Assistant Commissioner of Customs directing to pay duty by holding that Company wrongly availed duty benefit on import of equipment components	1.28	January, 2008	Commissioner of Customs (Appeals), Mumbai
Customs Act, 1962	Demand Notice from Commissioner of Customs for recovery of penalty in connection with import of aircraft, owned by Karnavati Aviation Private Limited – Subsidiary of the Company.	200.00	June, 2008	Commissioner of Customs & Central Excise, Ahmedabad
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of penalty in relation to import of gas oil (HSD)	5.00	May, 2010	Commissioner of Customs (Appeals), Kandla
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on steel and cement etc. (Net of deposit Rs. 450 lacs)	671.57	December, 2004 to March, 2006	High Court of Gujarat
Finance Act, 1994	Show Cause Notice from Commissioner of Customs and Central Excise disallowing and recovering duty, interest and penalty holding that Company wrongly availed Service Tax Credit/ Cenvat Credit and Education Cess on steel and cement etc.	4,608.83 797.90 80.79 114.14	April, 2006 to March, 2009 April, 2009 to March, 2010 October, 2009 to March, 2010 April, 2010 tp September, 2010	Commissioner ofCustoms and Central Excise, Rajkot Commissioner of Service Tax, Ahmedabad. Commissioner of Service Tax, Ahmedabad. Commissioner of Service Tax, Ahmedabad.

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company.	672.46	April, 2004 to August, 2009	High Court of Gujarat
		15.48	April, 2009 to March, 2010	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
		1.78	2010-11	Commissioner of Service Tax, Ahmedabad

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

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

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

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

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

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

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

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

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

(xix) The Company has created security or charge in respect of debentures issued in earlier years and outstanding at the year end.

(xx) The Company has not raised any money through a public issue during the year.

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

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Arpit K. Patel
Partner
Membership No.: 34032

Place: Ahmedabad
Date: May 14, 2012

Abridged Balance Sheet as at March 31, 2012

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

PARTICULARS	As at March 31, 2012 ₹ In Lacs	As at March 31, 2011 ₹ In Lacs
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
PAID-UP SHARE CAPITAL		
Equity	40,067.88	40,067.88
Preference	281.10	281.10
	40,348.98	**40,348.98**
RESERVES AND SURPLUS		
Capital Reserves	11,244.16	9,838.64
Securities Premium Account	1,83,432.54	1,84,824.00
Debenture Redumption Reserve	11,782.53	19,878.39
Revenue Reserves	49,986.91	25,419.25
Surplus	2,27,053.80	1,49,097.73
	4,83,499.94	**3,89,058.01**
NON-CURRENT LIABILITIES		
Long-Term Borrowings	4,13,280.72	94,767.45
Deferred Tax Liabilities (Net)	42,974.53	34,957.94
Other Long Term Liabilities	60,351.27	63,257.87
Long-Term Provisions	-	17.85
	5,16,606.52	**1,93,001.11**
CURRENT LIABILITIES		
Short Term Borrowings	1,00,488.96	65,041.26
Trade Payables	16,912.95	12,775.27
Other Current Liabilities	1,35,802.05	1,39,300.09
Short Term Provisions	25,698.60	11,393.34
	2,78,902.56	**2,28,509.96**
	13,19,358.00	**8,50,918.06**
ASSETS		
NON CURRENT ASSETS		
Fixed assets		
Tangible Assets (Original cost less Depreciation)	5,74,289.10	5,24,023.52
Intangible Assets (Original cost less Depreciation/Amortisation)	6,218.34	6,540.73
Capital Work-In-Progress	2,18,987.67	1,07,677.61
Fixed asset held for sale	25,712.77	-
	8,25,207.88	**6,38,241.86**
Non-Current Investments	1,83,755.13	71,503.51
Foreign Currency Monetary Item Translation Difference Account	1,429.27	-
Long-Term Loans And Advances	1,76,428.76	69,836.39
Trade Receivable	8,884.11	-
Other Non-Current Assets	18,852.32	11,308.73
	12,14,557.47	**7,90,890.49**
CURRENT ASSETS		
Foreign Currency Monetary Item Translation Difference Account	274.87	-
Inventories	6,252.40	4,115.69
Trade Receivables	18,556.74	26,513.39
Cash & Cash Equivalents	53,591.33	11,503.09
Short-Term Loans & Advances	16,338.38	14,979.96
Other Current Assets	9,786.81	2,915.44
	1,04,800.53	**60,027.57**
	13,19,358.00	**8,50,918.06**

Refer notes forming part of the Abridged Financial Statements

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and Notes thereto prepared as per the requirements of Revised Schedule VI to the Companies Act, 1956 are available at the Company's website at link : www.mundraport.com

Compiled from the Audited Financial Statements of the Company referred to in our Report dated May 14, 2012.

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Abridged Statement Of Profit and Loss for the year ended March 31, 2012

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

PARTICULARS	For the Year ended March 31, 2012 ₹ In Lacs	For the Year ended March 31, 2011 ₹ In Lacs
Income		
Revenue from Services provided	2,37,636.46	1,79,282.17
Other Operational Revenue	10,553.82	9,225.05
Net Revenue from Operations	**2,48,190.28**	**1,88,507.22**
Other Income	4,269.93	12,022.86
Total Income	**2,52,460.21**	**2,00,530.08**
Expenses		
Operating Expenses	53,684.50	41,896.65
Employee Benefits Expense	8,926.06	6,661.80
Other Expenses	14,389.57	8,949.50
Finance Costs	21,151.71	14,547.89
Depreciation and Amortization Expense	27,350.28	20,786.25
Total Expenditure	**1,25,502.12**	**92,842.09**
Profit before tax	**1,26,958.09**	**1,07,687.99**
- Current Tax including MAT	25,433.00	2,234.74
- MAT Credit Entitlement	(24,217.46)	-
- Deferred Tax	8,016.60	6,837.25
Profit for the year	**1,17,725.95**	**98,616.00**
Basic and Diluted Earnings per Equity Share (in ₹) face value of ₹ 2 each	5.88	4.92

Refer notes forming part of the Abridged Financial Statements

Compiled from the Audited Financial Statements of the Company referred to in our Report dated May 14, 2012.

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Abridged Cash Flow Statement for the year ended March 31, 2012

		For the year ended March 31, 2012 ₹ In Lacs	For the year ended March 31, 2011 ₹ In Lacs
A.	**Cash Flow from Operating Activities**	**1,28,742.14**	**1,25,916.28**
B.	**Cash Flow from/(used in) Investing Activities**	**(3,81,924.66)**	**(48,367.50)**
C.	**Cash Flow from/(used in) Financing Activities**	**2,68,059.41**	**(91,442.12)**
D.	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**14,876.89**	**(13,893.34)**
E.	**Cash and Cash Equivalents at Beginning of the year**	**6,476.97**	**20,370.31**
F.	**Cash and Cash Equivalents at End of the year**	**21,353.86**	**6,476.97**
	Components of Cash & Cash Equivalents		
	Cash and Cheques on Hand	3.66	3.53
	Balances with Scheduled Banks		
	- On Current Accounts	21,226.62	5,592.08
	- On Current Accounts Earmarked for unpaid dividend and share application refund money	123.58	81.36
	- On Fixed Deposit Accounts	-	800.00
	Cash and Cash Equivalents at close of the year	**21,353.86**	**6,476.97**

Compiled from the Audited Financial Statements of the Company referred to in our Report dated May 14, 2012.

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Notes to Abridged Financial Statements for the year ended March 31, 2012

1 Corporate information

Adani Ports and Special Economic Zone Limited ('the Company', 'APSEZL') (formerly known as Mundra Port and Special Economic Zone Limited) is in the business of development, operations and maintenance of multi product SEZ and related infrastructure. The initial port infrastructure facilities including expansion thereof through development of additional berths and south port infrastructure facilities are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years effective from February 17, 2001. The Company is doing expansion of port infrastructure facilities through proposed supplementary concession agreement, which will be effective till 2040, for coal terminal at Wandh, Mundra with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. The said agreement is in the process of getting signed with GoG and GMB as at the year end although the part of the coal terminal at Wandh is recognized as commercially operational w.e.f. February 1, 2011.

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

The Company is developer of Multi Product Special Economic Zone at Mundra and surrounding areas as per approval of Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 as amended from time to time till date.

2 The abridged financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 as per Notification F.No. 17/51/2012-CL-V, dated May 31, 2012 and are based on the annual accounts for the year ended March 31, 2012 approved by the Board of Directors at the meeting held on May 14, 2012.

3 (Note No. 2 of Notes to Financial Statements)

Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the 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.

Summary of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible Fixed Assets

i) Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

iii) From accounting periods commencing on or after December 7, 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining useful life of the asset.

iv) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

c) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the statement of profit and loss.

d) Depreciation on tangible fixed assets

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

ii)

Assets	**Estimated Useful Life**
Leasehold Land Development, Marine Structure and Dredged Channel	Over the balance period of Concession Agreement or Supplementary Concession Agreement with Gujarat Maritime Board.
Dredging Pipes - Plant and Machinery	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Machinery	4 Years and 10 Years respectively
Inner Floating Hose String of Single Point Mooring - Plant and Machinery	5 Years
Fender, Buoy, Capstan installed at Jetty - Marine Structures	10 - 15 Years

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

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

e) Intangible assets

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

Intangible Assets	Estimated Useful Life
Leasehold Land – Right to Use	Over the balance period of Concession Agreement or Supplementary Concession Agreement with Gujarat Maritime Board.
Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 Years.
Softwares	3 Years

f) Impairment of tangible and intangible assets

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

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

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

h) Leases

Where the Company is the lessee

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

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

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

Where the Company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease including lease / sub-lease of land are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the Internal Rate of Return method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

i) Investments

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

j) Inventories

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

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

k) 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. The following specific recognition criteria must also be met before revenue is recognised:

i) Port Operation Services

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

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

ii) Income from Long Term Leases

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

iii) **Contract Revenue**

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

iv) **Interest**

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

v) Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

l) Foreign Currency Translation

i) **Initial Recognition**

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

ii) **Conversion**

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

iii) **Exchange Differences**

Exchange differences, in respect of accounting periods commencing on or after December 7, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the company's financial statements and amortized over the remaining life of the concerned monetary item but not beyond accounting period ending on March 31, 2020.

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

iv) **Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contracts and recognised is amortized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

v) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

m) Retirement and Other Employee Benefits

i) Provident fund and superannuation fund

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

ii) Gratuity

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

iii) Leave Benefits

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer it's settlement for twelve month after the reporting date.

iv) Actuarial Gains/ Losses

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

n) Income Taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. In view of Company availing tax deduction under Section 80IAB of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which originates during the tax holiday period but reverse after the tax holiday period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) 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.

p) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

q) Segment Reporting Policies

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk and return profile of individual business unit, the organisational structure and internal reporting system of the Company. The analysis of geographical segments is not required as the Company's operations are within single geographical segment i.e. India.

r) Cash and Cash equivalents

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

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liabilities but discloses it's existence in the financial statement.

4. (Note No. 8 of Notes to Financial Statements)
Provisions

	Long Term		Short Term	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Provision for employee benefits				
Provision for gratuity	-	17.85	89.85	49.19
Provision for compensated absences	-	-	516.55	441.15
	-	**17.85**	**606.40**	**490.34**
Other provisions				
Proposed equity dividend (previous year's amount represents interim dividend declared on April 28, 2011)	-	-	14,023.76	8,013.58
Provision for tax on proposed equity dividend	-	-	2,275.00	-
Proposed preference dividend	-	-	0.03	0.03
Provision for tax on proposed preference dividend	-	-	*-	-
Provision for Income Tax (Net of advance tax)	-	-	2,157.81	1,721.76
Provision for Derivatives (Mark to market)	-	-	5,448.34	-
Provision for Operational Claims (Refer note below)	-	-	1,187.26	1,167.63
	-	**-**	**25,092.20**	**10,903.00**
	-	**17.85**	**25,698.60**	**11,393.34**

* Figures being nullified on conversion to ₹ in lacs.

(₹ in lacs)

Description	Opening Balance	Additions during the year	Utilization during the year	Closing Balance
Operational Claims	**1,167.63**	**75.09**	**55.46**	**1,187.26**
	(943.67)	(497.09)	(273.13)	(1,167.63)

Previous year figures are in bracket

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

5. (Note No. 19 of Notes to Financial Statements)
Revenue from operations (net)

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
a) Income from Port Operations (Including related Infrastructure)	2,20,116.20	1,63,822.13
b) Land Lease, Upfront Premium and Deferred Infrastructure income (includes Annual Discounting Income of ₹ 726.86 lacs (Previous Year ₹ 682.36 lacs in respect of land lease))	17,520.26	15,460.04
c) Other operating income including construction and related income	10,553.82	9,225.05
	2,48,190.28	**1,88,507.22**

6. (Note No. 20 of Notes to Financial Statements)
Other Income

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	2,893.57	7,046.49
Dividend income on		
Current investments	-	20.88
Long-term investments	200.00	600.00
Scrap sales	175.47	151.24
Net gain on sale of current investments	-	20.30
Profit on Sale of Fixed Asset (net)	95.43	3,290.98
Gain on Foreign Exchange Variation (net)	-	241.40
Unclaimed Liabilities / Excess Provision written back	-	521.68
Miscellaneous Income	905.46	129.89
	4,269.93	**12,022.86**

7. Operating Expenses includes Handling and Storage Expenses of ₹ 17,595.63 lacs (Previous Year ₹ 16,489.97 lacs).

8. (Note No. 26 of Notes to Financial Statements)
Details of employee benefits

1. The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 355.94 lacs (Previous Year ₹ 274.26 lacs) as expenses under the following defined contribution plan.

(₹ In Lacs)

Contribution to	2011-12	2010-11
Provident Fund	329.21	247.05
Superannuation Fund	26.73	27.21
Total	**355.94**	**274.26**

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

   The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of Profit and Loss

a) Net Employee benefit expense (recognised in Employee Cost) (₹ In Lacs)

Particulars	Gratuity (Funded) March 31, 2012	Gratuity (Funded) March 31, 2011
Current Service cost	98.69	90.89
Interest Cost on benefit obligation	34.59	26.28
Expected return on plan assets	(29.06)	(20.17)
Actuarial loss / (gain) recognised in the year	9.62	5.31
Net benefit expense	**113.84**	**102.31**

Note: Actual return on plan assets ₹ 35.60 lacs (Previous Year ₹ 30.26 lacs)

Balance Sheet

b) Details of Provision for gratuity (₹ In Lacs)

Particulars	**Gratuity (Funded) March 31, 2012**	**Gratuity (Funded) March 31, 2011**
Present value of defined benefit obligation	539.15	419.25
Fair value of plan assets	449.30	352.21
Surplus/(deficit) of funds	(89.85)	(67.04)
Net asset/ (liability)	(89.85)	(67.04)

c) Changes in Present Value of the defined benefit obligation are as follows: (₹ In Lacs)

Particulars	**Gratuity (Funded) March 31, 2012**	**Gratuity (Funded) March 31, 2011**
Defined benefit obligation at the beginning of the period	419.25	318.60
Current Service cost	98.69	90.89
Interest Cost	34.59	26.28
Actuarial (gain) / loss on obligations	16.16	15.39
Benefits paid	(29.54)	(31.91)
Defined benefit obligation at the end of the period	539.15	419.25

d) Changes in Fair Value of Plan Assets are as follows: (₹ In Lacs)

Particulars	**Gratuity (Funded) March 31, 2012**	**Gratuity (Funded) March 31, 2011**
Opening fair value of plan assets	352.21	244.52
Expected return	29.06	20.17
Contributions by employer	91.03	109.35
Benefits Paid	(29.54)	(31.91)
Actuarial gains / (losses)	6.54	10.08
Closing fair value of plan assets	449.30	352.21

Note:

1.) The present value of the plan assets represents the balance available with the LIC as at the end of the period. The total value of plan assets amounting to ₹ 449.30 lacs (Previous Year ₹ 352.21 lacs) is as certified by the LIC.

2.) The Company's expected contribution to the fund in the next financial year is ₹ 124.88 lacs (Previous Year ₹49.19 lacs).

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

Benefit Contribution to	**2011-12 (%)**	**2010-11 (%)**
Investments with insurers	100.00	100.00

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

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

Particulars	Gratuity (Funded) March 31, 2012	Gratuity (Funded) March 31, 2011
Discount rate	8.50%	8.25%
Expected rate of return on plan assets	8.50%	8.25%
Rate of Escalation in Salary (per annum)	8.50%	8.50%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Attrition rate	1% at each age + 10% service related	1% at each age + 10% service related

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

g) Amounts for the current and previous four periods are as follows: (₹ In Lacs)

Gratuity	March, 2012	March, 2011	March, 2010	March, 2009	March, 2008
Defined benefit obligation	(539.15)	(419.25)	(318.60)	(195.22)	(144.08)
Plan Assets	449.30	352.21	244.52	244.87	168.40
Surplus / (deficit)	(89.85)	(67.04)	(74.08)	49.65	24.32
Experience adjustments on plan liabilities	33.85	15.39	95.28	(6.06)	97.16
Experience adjustments on plan assets	(6.54)	(10.08)	(3.59)	3.13	4.57

9. (Note No. 27 of Notes to Financial Statements) Segment Information

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

10. (Note No. 28 of Notes to Financial Statements) Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2012 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Holding Company	Adani Enterprises Ltd.
Subsidiary Companies	Mundra SEZ Textile and Apparel Park Pvt. Ltd. MPSEZ Utilities Pvt. Ltd. Rajasthan SEZ Pvt. Ltd. Adani Logistics Ltd. Karnavati Aviation Pvt. Ltd. Adani Murmugao Port Terminal Pvt. Ltd. Mundra International Airport Pvt. Ltd. Adani Hazira Port Pvt. Ltd. Adani Petronet (Dahej) Port Pvt. Ltd. Adani Vizag Coal Terminal Pvt. Ltd. [w.e.f. April 15, 2011]*

	Adani International Container Terminal Pvt. Ltd. [w.e.f. April 24, 2011]* Adani Kandla Bulk Terminal Pvt. Ltd.[w.e.f. March 7, 2012]* Mundra Port Pty Ltd.[w.e.f. April 18, 2011]* Mundra Port Holdings Pty Ltd.[Incorporated on April 19, 2011]* [Upto March 5, 2012] Adani Abbot Point Terminal Holdings Pty Ltd. [w.e.f. March 15, 2012]
Entity held through Controlling Interest	Adinath Polyfills Pvt. Ltd.
Associate	Dholera Infrastructure Pvt. Ltd.
Step down Subsidiary	Hazira Infrastructure Pvt. Ltd. Hazira Road Infrastructure Pvt. Ltd. Mundra Port Holdings Trust (trust entity) [w.e.f. April 19, 2011] Mundra Port Holdings Pty Ltd.[w.e.f. March 6, 2012] Adani Abbot Point Terminal Holdings Pty Ltd. [Incorporated on December 6, 2011]*[Upto March 14,2012] Adani Abbot Point Terminal Pty Ltd. [w.e.f. June 1, 2011]
Fellow Subsidiary	Adani Power Ltd. Adani Agri Logistics Ltd. Adani Power Dahej Ltd. Adani Gas Ltd. Adani Mining Pvt. Ltd. Adani Global Pte Ltd. Adani Global F.Z.E. Adani Infra (India) Ltd. Adani Power Rajasthan Ltd. Adani Welspun Exploration Ltd. Kutchh Power Generation Ltd. Adani Mundra SEZ Infrastructure Pvt. Ltd.
Key Management Personnel	Gautam S. Adani, Chairman and Managing Director Rajeeva Ranjan Sinha, Whole time Director Malay R. Mahadevia, Whole time Director
Relative of Key Management Personnel	Rajesh S. Adani, Director
Entities over which Key Management Personnel, Directors and their relatives are able to exercise Significant Influence	Gujarat Adani Institute of Medical Science Shantikrupa Estates Pvt. Ltd. Adani Wilmar Ltd. Adani Properties Pvt. Ltd. Chemoil Adani Pvt. Ltd. Ezy Global Shanti Builders Adani Foundation Ignite Foundation

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

Sub Notes:

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

2 Pass through charges relating to railway freight and other charges payable to third parties have not been considered for the purpose of related party disclosure.

3 For the purpose of comparison, the previous year's transactions have been re-classified in the current year.

Detail of Related Party Transactions for the year ended March 31, 2012 (₹ In Lacs)

Category	Name of Related Party	FY 2011-12	FY 2010-11
Rendering of Services (Gross)	Adani Enterprises Ltd.	10,045.61	16,080.64
	Adani Hazira Port Pvt.Ltd.	4,043.48	3,229.03
	Adani Logistics Ltd.	659.37	756.58
	Adani Petronet (Dahej) Port Pvt. Ltd.	11.03	-
	MPSEZ Utilities Pvt Ltd.	10.83	-
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	8.48	8.02
	Adani Global F.Z.E	1.82	1.21
	Adani Global Pte Ltd.	2.02	-
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	16.57	10.31
	Adani Power Dahej Ltd.	417.50	205.16
	Adani Power Ltd.	21,959.30	15,173.65
	Adani Power Rajasthan Ltd.	99.25	68.67
	Chemoil Adani Pvt. Ltd.	2,729.18	3,186.34
	Adani Infra (India) Ltd.	515.02	471.59
	Adani Foundation	2.93	3.54
	Adani Wilmar Ltd.	2,401.35	4,305.48
Lease & Infrastructure Usage Charges / Upfront Premium	MPSEZ Utilities Pvt. Ltd.	170.69	782.26
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	246.68	225.81
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	3,087.95	65.77
	Adani Power Ltd.	144.82	154.39
	Chemoil Adani Pvt. Ltd.	7.52	-
	Adani Wilmar Ltd.	641.66	51.08
Purchase of Materials, Service & facilities	Adani Enterprises Ltd.	24.53	11.90
	Adani Logistics Ltd.	4.15	-
	Karnavati Aviation Pvt. Ltd.	368.27	716.51
	MPSEZ Utilities Pvt. Ltd.	2,883.35	602.83
	Adani Gas Ltd.	0.64	5.76
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	83.13	129.30
	Adani Power Ltd.	61.77	39.70

Category	Name of Related Party	FY 2011-12	FY 2010-11
	Chemoil Adani Pvt. Ltd.	18,184.38	21,314.48
	Adani Agri Logistics Ltd.	6.71	-
	Adani Mining Pvt. Ltd.	-	0.27
	Adani Global F.Z.E	-	12.76
	Adani Properties Pvt. Ltd.	5.86	6.37
	Adani Wilmar Ltd.	11.70	11.60
	Ezy Global	-	12.22
Purchase/ (Sale) of Assets (Including Advance)	Adani Enterprises Ltd.	174.30	5.49
	Adani Hazira Port Pvt. Ltd.	250.00	-
	Adani Petronet (Dahej) Port Pvt. Ltd.	133.21	(5,379.24)
	MPSEZ Utilities Pvt. Ltd.	(257.03)	(4,995.73)
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	(570.53)	-
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	469.72	(5.40)
	Adani Power Ltd.	17.48	49.64
	Shanti Builders	132.14	5.84
Sale of Material (Gross)	MPSEZ Utilities Pvt. Ltd.	85.75	-
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	8.58	18.09
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	31.29	16.56
	Adani Power Ltd.	2.08	32.41
	Adani Wilmar Ltd.	18.51	-
	Shanti Krupa Estates Pvt. Ltd.	-	11.00
Equity / Preference Share Money Invested (Including application money)	Adani Abbot Point Terminal Pty Ltd.	68,737.97	-
	Adani Hazira Port Pvt. Ltd.	20,505.00	16,360.00
	Adani International Container Terminal Pvt. Ltd.	4,215.00	-
	Adani Kandla Bulk Terminal Pvt. Ltd.	2.55	-
	Adani Murmugao Port Terminal Pvt. Ltd.	5,411.10	3,046.40
	Adani Petronet (Dahej) Port Pvt. Ltd.	742.63	4,000.00
	Adani Vizag Coal Terminal Pvt. Ltd.	480.00	-
	Mundra Port Pty Ltd.	24,510.47	-
	MPSEZ Utilities Pvt. Ltd.	-	5,250.00
	Karnavati Aviation Pvt. Ltd.	-	400.00
Equity / Pref. Share Application Money Refund	Dholera Infrastructure Pvt. Ltd.	0.50	-
Interest Income	Adani Enterprises Ltd.	-	910.96
	Adani Petronet (Dahej) Port Pvt. Ltd.	116.60	548.34
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	37.32	2.03
	Adani Power Ltd.	-	464.79
Interest Expenses	Adani Enterprises Ltd.	548.16	33.72
Balance Written Back	Adani Global F.Z.E	-	149.57
Loan Taken	Adani Enterprises Ltd.	76,550.00	15,000.00
Loan Refund	Adani Enterprises Ltd.	76,550.00	15,000.00

Category	Name of Related Party	FY 2011-12	FY 2010-11
ICD/Loan Given	Adani Enterprises Ltd.	-	25,000.00
	Adani Hazira Port Pvt. Ltd.	30,820.02	-
	Adani International Container Terminal Pvt. Ltd.	550.00	-
	Adani Logistics Ltd.	4,194.97	3,660.00
	Adani Murmugao Port Terminal Pvt. Ltd.	1,834.50	941.10
	Adani Petronet (Dahej) Port Pvt. Ltd.	3,825.00	24,315.00
	Karnavati Aviation Pvt. Ltd.	8,015.00	3,060.00
	MPSEZ Utilities Pvt. Ltd.	2,768.00	377.59
	Mundra International Airport Pvt. Ltd.	152.00	645.00
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	278.00	450.00
	Adani Power Ltd.	-	46,500.00
ICD/Loan Received back	Adani Enterprises Ltd.	-	25,000.00
	Adani Hazira Port Pvt.Ltd.	3,859.02	-
	Adani Logistics Ltd.	2,505.27	-
	Adani Petronet (Dahej) Port Pvt. Ltd.	1,783.75	24,315.00
	Karnavati Aviation Pvt. Ltd.	1,050.00	1,825.00
	MPSEZ Utilities Pvt. Ltd.	2,598.00	377.59
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	200.00	-
	Adani Mormugao Port Terminal Pvt. Ltd.	-	941.10
	Adani Power Ltd.	-	46,500.00
Expenses Reimbursement (Net)	Adani Enterprises Ltd.	9.43	0.94
	Mundra Port Pty Ltd.	241.09	-
	Adani Hazira Port Pvt. Ltd.	(3.30)	-
	Adani Kandla Bulk Terminal Pvt. Ltd.	0.22	-
	Adani Logistics Ltd.	0.26	1.11
	Adani Petronet (Dahej) Port Pvt. Ltd.	10.58	3.28
	Adani Vizag Coal Terminal Pvt. Ltd.	13.51	-
	MPSEZ Utilities Pvt. Ltd.	114.03	41.70
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	-	(0.90)
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	63.99	35.64
	Adani Power Ltd.	101.56	96.94
	Chemoil Adani Pvt. Ltd.	4.04	0.70
	Adani Foundation	3.70	4.55
	Adani Wilmar Ltd.	1.44	1.53
	Shanti Krupa Estates Pvt. Ltd.	-	0.51
Remuneration	Gautam S. Adani	120.00	120.00
	Malay Mahadevia	237.00	182.96
	Rajeeva R. Sinha	181.10	161.70
Commission to Director	Gautam S. Adani	100.00	100.00
Sitting Fees	Rajesh S. Adani	6.30	2.30
Donation	Adani Foundation	520.06	370.35
	Gujarat Adani Institute of Medical Science	700.00	2,000.00
	Ignite Foundation	-	500.00
Sale of Investments	Adani Enterprises Ltd.	2.45	-
	Mundra Port Pty Ltd.	0.47	-

Category	Name of Related Party	FY 2011-12	FY 2010-11
Closing Balance			
Deposit Received	Adani Enterprises Ltd.	100.00	100.00
	Chemoil Adani Pvt. Ltd.	25.00	25.00
	Adani Wilmar Ltd.	50.00	50.00
		175.00	**175.00**
Advances from Customers	Adani Enterprises Ltd.	198.90	81.46
	Adani Logistics Ltd.	5.08	-
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	-	95.00
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	4.85	-
	Adani Power Ltd.	211.85	191.06
	Chemoil Adani Pvt. Ltd.	231.76	252.77
	Kutchh Power Generation Ltd.	320.52	320.52
	Adani Foundation	0.47	-
	Adani Wilmar Ltd.	1.18	-
		974.61	**940.81**
Trade Payables	Adani Enterprises Ltd.	18.03	0.97
	Adani Hazira Port Pvt. Ltd.	249.94	-
	Adani Logistics Ltd.	0.38	3.12
	Karnavati Aviation Pvt. Ltd.	29.43	8.36
	MPSEZ Utilities Pvt Ltd.	105.98	97.03
	Adani Gas Ltd.	0.01	-
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	99.98	-
	Adani Power Ltd.	22.41	18.47
	Chemoil Adani Pvt. Ltd.	86.86	4,581.74
	Shanti Builders	38.20	-
	Adani Wilmar Ltd.	-	1.40
	Adani Properties Pvt. Ltd.	-	1.53
		651.22	**4,712.62**
Receivables	Adani Enterprises Ltd.	685.73	3,683.06
	Adani Hazira Port Pvt. Ltd.	224.23	482.92
	Adani Logistics Ltd.	62.75	161.27
	Adani Petronet (Dahej) Port Pvt. Ltd.	20.82	9.29
	MPSEZ Utilities Pvt. Ltd.	131.31	321.41
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	980.31	9.93
	Adani Global F.Z.E	3.03	1.21
	Adani Global Pte Ltd.	2.02	-
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	61.16	11.16
	Adani Power Ltd.	2,943.89	5,808.63
	Adani Power Rajasthan Ltd.	5.13	20.16
	Chemoil Adani Pvt. Ltd.	47.98	154.44
	Adani Power Dahej Ltd.	-	205.16
	Adani Infra (India) Ltd.	58.13	162.14
	Adani Foundation	1.89	1.36
	Adani Wilmar Ltd.	185.00	470.38
		5,413.38	**11,502.52**

Category	Name of Related Party	FY 2011-12	FY 2010-11
Loan & Advances (Including Capital Advances)	Mundra Port Pty Ltd.	241.56	-
	Adani Hazira Port Pvt. Ltd.	26,961.01	-
	Adani International Container Terminal Pvt. Ltd.	550.00	-
	Adani Kandla Bulk Terminal Pvt. Ltd.	0.22	-
	Adani Logistics Ltd.	20,336.20	18,646.50
	Adani Murmugao Port Terminal Pvt. Ltd.	1,834.50	-
	Adani Petronet (Dahej) Port Pvt. Ltd.	2,041.25	5.99
	Adani Vizag Coal Terminal Pvt. Ltd.	13.24	-
	Karnavati Aviation Pvt. Ltd.	11,200.00	4,235.00
	MPSEZ Utilities Pvt. Ltd.	170.00	-
	Mundra International Airport Pvt. Ltd.	797.00	645.00
	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	528.00	450.00
	Dholera Infrastructure Pvt. Ltd.	876.41	876.41
	Adani Mundra SEZ Infrastructure Pvt. Ltd.	2,487.86	1,088.36
	Chemoil Adani Pvt. Ltd.	0.57	-
	Shanti Builders	115.87	25.25
		68,153.69	**25,972.51**
Share Application Money Outstanding	Adani Hazira Port Pvt. Ltd.	20,505.00	14,010.00
	Adani International Container Terminal Pvt. Ltd.	4,165.00	-
	Adani Murmugao Port Terminal Pvt. Ltd	5,295.08	31.98
	Adani Vizag Coal Terminal Pvt. Ltd.	430.00	-
	Adani Petronet (Dahej) Port Pvt Ltd.	-	4,000.00
	Dholera Infrastructure Pvt. Ltd.	-	0.50
		30,395.08	**18,042.48**
Deposit Given	MPSEZ Utilities Pvt. Ltd.	399.89	-
	Adani Properties Pvt. Ltd.	100.00	100.00
		499.89	**100.00**
Corporate Guarantee	Mundra Port Pty Ltd.	USD 8,000.00	-
	Mundra Port Pty Ltd.	AUD 517.52	-
	Adani Murmugao Port Terminal Pvt. Ltd.	2,409.10	1,260.00
	Karnavati Aviation Pvt. Ltd.	11,232.00	17,115.00
	Adani Logistics Ltd.	1,995.62	1,974.00
	Adani Hazira Port Pvt. Ltd.	-	2,335.00
	Adani Petronet (Dahej) Port Pvt. Ltd.	-	2,338.00
	Adani Vizag Coal Terminal Pvt. Ltd.	1,615.90	-
	Adani International Container Terminal Pvt. Ltd.	USD 650.00	-
	Gujarat Adani Institute of Medical Science	1,350.00	1,350.00

11. (Note No. 29 of Notes to Financial Statements)

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

Nature	Particulars of Derivatives		Purpose
	As at March 31, 2012 (Amount in Million)	As at March 31, 2011 (Amount in Million)	
Currency Swap	USD 4.00	USD 4.00	Hedging of loan and interest liability ₹ 42,709.65 lacs (previous year ₹45,020.15 lacs)
Principal Only Swap	USD 91.00	USD 96.00	
Forward Contract	JPY 1,817.38	Nil	Hedging of loan and interest liability ₹ 12,123.77 lacs (previous year ₹ Nil)

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

Nature	As at March 31, 2012		As at March 31, 2011	
	Amount (₹ In Lacs)	Foreign Currency (in Million)	Amount (₹ In Lacs)	Foreign Currency (in Million)
Foreign Currency Loan	356,741.00	USD 697.35	33,947.26	USD 76.03
	50,656.51	EUR 74.12	9,967.54	EUR 15.76
	20,614.87	JPY 3,302.08	10,327.62	JPY 1,911.81
Buyer's Credit	45,415.28	USD 88.78	66,052.39	USD 147.93
	5,356.57	EUR 7.84	2,378.47	EUR 3.76
	153.73	GBP 0.19	-	-
Trade Payables	2,110.11	USD 4.13	5,619.19	USD 12.59
	2,461.24	EUR 3.60	-	-
	7.94	AUD 0.02	-	-
	20.60	GBP 0.03	-	-

Closing rates as at March 31:

	2012	2011
INR / USD =	51.16	44.65
INR / EUR =	68.34	63.24
INR / GBP =	81.80	71.92
INR / JPY =	0.62	0.54
INR / AUD =	52.92	46.05

12. (Note No. 30 of Notes to Financial Statements)

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2012. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ In Lacs)

S.No.	Particulars	Year ended March 31, 2012	Year ended March 31, 2011
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	10.50	12.75
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil
	Total	**10.50**	**12.75**

13. (Note No. 31 of Notes to Financial Statements)

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

The Company has been availing benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income. In view of the amendment in Income Tax Act, 1961 w.e.f. April 1, 2011 by Finance Act 2011, the Company is liable to pay Minimum Alternate Tax (MAT) on income from the financial year 2011-12. Based on the amendment, the Company has made provision of ₹ 25,433.00 lacs for current taxation based on its book profit for the financial year 2011-12 and considered credit for MAT of ₹ 24,217.46 lacs as the management believes, it has convincing evidence in the nature of strategic volumes of cargo available with the Company and higher depreciation charge for accounting purposes than the depreciation for income tax purposes in the future period, thereby, the MAT credit will be utilized post tax holiday period.

14. (Note No. 32 of Notes to Financial Statements)

During the year, the Company has entered into arrangement for proposed joint venture with strategic investor for the development and operation of container terminal (CT-3) at Mundra Port. As per the terms of the arrangement, both APSEZL and strategic investor will hold stake of 50% each in Adani International Container Terminal Private Limited (AICTPL). Pursuant to the terms of the arrangement, APSEZL has identified fixed assets viz. 810 metres jetty and back up yard at south port worth ₹ 25,712.77 lacs (under construction) to be transferred to AICTPL and has accordingly accounted as "Assets held for sale".

15. (Note No. 33 of Notes to Financial Statements)

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

(₹ In Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. Project Expenditure	**1,77,296.95**	**77,457.40**
B. Capital Inventory	**25,316.86**	**30,125.33**
C. Expenditure during Construction Period :		
Personnel Expenses		
Salaries, Wages & Bonus	551.07	428.12
Contribution to Provident Fund	21.63	12.15
Sub Total	**572.70**	**440.27**
Other Expenses		
Legal and Professional Expenses	25.00	98.01
Travelling and Conveyance	250.00	60.76
Vehicle Hire Charges	-	81.71
Security Charges	34.73	34.07
Other Expenses	-	27.42
Sub Total	**309.73**	**301.97**
Financial Expenses		
Interest on Borrowings	6,138.99	2,571.78
Bank Charges	1,011.04	1,013.81
Ancillary Cost of Borrowings	5,487.55	-
Sub Total	**12,637.58**	**3,585.59**
Interest Income on Bank Deposits	(2,716.25)	-
Depreciation	6,156.57	6,258.34
Total Expenditure	**16,960.33**	**10,586.17**
Brought Forward from Previous Year	94.88	-
Total	**17,055.21**	**10,586.17**
Capitalized during the year	681.35	10,491.29
Balance Carried Forward Pending Allocation/Capitalization	16,373.86	94.88
Total Capital Work In Progress (A + B + C)	**2,18,987.67**	**1,07,677.61**

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

16. (Note No. 34 of Notes to Financial Statements)

Capital Commitments (₹ In Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	66,102.06	1,15,106.60

Other Commitments

a) The port projects of subsidiary companies viz. Adani Hazira Port Private Limited, Adani Petronet (Dahej) Port Private Limited and Adani Murmugao Port Terminal Private Limited has been funded through various facility agreements from banks and financial institutions. Against the said facilities availed by the subsidiary companies from the banks & financial institutions, the Company has executed a Sponsor Undertaking and Pledge Agreement whereby 51% of the holding would be retained by the Company at all points of time of which 30% holding is pledged and for the balance 21% holding, the Company has given a non-disposal undertaking to the lenders of respective subsidiary companies.

b) As per terms of sanction of US$ 800 million facility by State Bank of India (SBI) to Mundra Port Pty Limited (MPPL), a wholly owned subsidiary, the Company is committed to pledge its holding in MPPL and Adani Abbot Point Terminal Holding Pty Limited (AAPTHPL), subsidiary of the Company, in favour of SBI. The execution of pledge documents is pending as at March 31, 2012.

c) During the year, the Company has entered into an "Equity Subscription Agreement" to contribute equity in Mundra Port Pty Limited (MPPL), a wholly owned subsidiary for meeting capital expenditure requirements of Abbot Point transaction as and when required. In order to ensure timely subscription to equity, the bankers to the subsidiary had required a stand by letter of credit facility. Accordingly, APSEZL procured stand by letter of credit from Standard Chartered Bank, which in-turn is backed by a corporate guarantee issued by the Company in favor of Standard Chartered Bank amounting to AUD 51.75 Millions. As at March 31, 2012, no financing facility has been disbursed against the said credit facility and the same needs to be availed in case the Company does not bring the committed equity contribution in MPPL.

17. (Note No. 35 of Notes to Financial Statements)

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

A)

(₹ In Lacs)

Particulars	**As at March 31, 2012**	**As at March 31, 2011**
a) Contract revenue recognized during the year	5,752.70	2,604.39
b) Aggregate amount of contract costs incurred during the year	1,364.66	702.86
c) Customer advances outstanding for contracts in progress	547.50	98.13
d) Retention money due from customers for contracts in progress	513.45	791.25
e) Amount due from customers	82.60	2,503.52

B)

Contract revenue accrued in excess of billing amounting ₹ 816.92 lacs (Previous Year ₹ 593.30 lacs) has been reflected under the head "Other Assets" and billing in excess of contract revenue amounting to ₹ Nil (Previous Year ₹ 1,044.00 lacs) has been reflected under the head "Other Current Liabilities".

18. (Note No. 36 of Notes to Financial Statements)

Contingent Liabilities not provided for

Particulars	**As at March 31, 2012**	**As at March 31, 2011**
Corporate Guarantees given to Banks and financial institutions against credit facilities availed by the subsidiaries and entities over which Key Management Personnel, Directors and their relatives are able to exercise significant influence - Amount outstanding there against ₹ 4,14,898.97 Lacs (Previous Year ₹ 16,411.14 Lacs)	4,73,324.15	26,372.00
Total Amount of other Contingent Liabilities not provided for	8,648.33	9,455.46

19. (Note No. 38 of Notes to Financial Statements)

a) During the year, the Company acquired assets of Abbot Point Coal Terminal in Australia from North Queensland Bulk Ports Corporation Limited, Australia at total consideration of AUD 1,829 million. The terminal asset are held through subsidiaries including step down subsidiaries formed during the year.

b) During the year, the Company was awarded Concession for development of Port Infrastructure facilities by Vizag Port Trust and Kandla Port Trust.

20. (Note No. 39 of Notes to Financial Statements)

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

(₹ In Lacs)

Name of Entities	Outstanding amount as at		Maximum amount outstanding during the year	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Mundra International Airport Pvt. Ltd.	797.00	645.00	797.00	645.00
Mundra SEZ Textile and Apparel Park Pvt. Ltd.	528.00	450.00	528.00	450.00
Adani Logistics Limited	20,336.20	18,646.50	20,965.20	18,646.50
Karnavati Aviation Pvt. Ltd.	11,200.00	4,235.00	11,650.00	4,560.00
Adani Murmugao Port Terminal Pvt. Ltd.	1,834.50	Nil	1,834.50	941.10
Adani Petronet (Dahej) Port Pvt. Ltd.	2,041.25	Nil	2,875.00	22,915.00
MPSEZ Utilities Pvt. Ltd.	170.00	Nil	805.00	18,646.50
Dholera Infrastructure Pvt. Ltd.	876.41	876.41	876.41	876.41
Adani Enterprises Limited	Nil	Nil	Nil	25,000.00
Adani Power Limited	Nil	Nil	Nil	25,000.00
Adani Hazira Port Pvt. Ltd.	26,961.01	Nil	29,743.02	Nil
Adani International Container Terminal Pvt. Ltd.	550.00	Nil	550.00	Nil

Note :

1. All loans are given on interest free basis except loan to Adani Petronet (Dahej) Port Private Limited and Mundra SEZ Textiles and Apparel Park Private Limited.

2. All the above loans are repayable as per the terms of the agreement entered into and are in the nature of long term loans.

21. (Note No. 40 of Notes to Financial Statements)

Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year's figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Statement pursuant to Approval U/S 212(1)(e) of the Companies Act, 1956

(₹ In Lacs)

Sr. No.	Name of the Subsidiaries	Reporting Currency	Financial Year of subsidiary ended on	Shares of the Subsidiary Company held on the balance sheet date and the extent of holding		Net aggregate amount of profit/ (loss) of the subsidiary for the financial year so far as they concern members of Adani Ports and Special Economic Zone Limited		Net aggregate amount of profit/ (loss) of the subsidiary for the previous financial year so far as they concern members of Adani Ports and Special Economic Zone Limited	
				Number of Shares	Extent of holding	Dealt with the accounts of Adani Ports and Special Economic Zone Limited	Not dealt with the accounts of Adani Ports and Special Economic Zone Limited	Dealt with the accounts of Adani Ports and Special Economic Zone Limited	Not dealt with the accounts of Adani Ports and Special Economic Zone Limited
1	Mundra SEZ Textile and Apparel Park Private Limited	INR	March 31, 2012	27,15,400	56.98%	(160.90)	Nil	(127.54)	Nil
2	MPSEZ Utilities Private Limited	INR	March 31, 2012	1,31,35,000	100%	(51.48)	Nil	(26.53)	Nil
3	Rajasthan SEZ Private Limited	INR	March 31, 2012	10,000	100%	(0.69)	Nil	Nil	Nil
4	Adani Logistics Limited	INR	March 31, 2012	31,17,90,000	100%	(650.92)	Nil	(486.73)	Nil
5	Karnavati Aviation Private Limited	INR	March 31, 2012	50,00,000	100%	(704.61)	Nil	(578.43)	Nil
6	Adani Petronet (Dahej) Port Private Limited	INR	March 31, 2012	25,61,53,846	74%	(2,305.06)	Nil	(238.97)	Nil
7	Adani Murmugao Port Terminal Private Limited	INR	March 31, 2012	3,28,19,000	74%	(21.97)	Nil	(17.66)	Nil
8	Mundra International Airport Private Limited	INR	March 31, 2012	5,00,000	100%	(0.48)	Nil	(0.11)	Nil
9	Adani Hazira Port Port Private Limited	INR	March 31, 2012	16,41,00,000	100%	(175.43)	Nil	(21.10)	Nil
10	Hazira Infrastructure Private Limited	INR	March 31, 2012	2,50,000	100%	(18.37)	Nil	Nil	Nil
11	Hazira Road Infrastructure Private Limited	INR	March 31, 2012	50,000	100%	(0.47)	Nil	Nil	Nil
12	Adani Vizag Coal Terminal Private Limited	INR	March 31, 2012	5,00,000	100%	(1.70)	Nil	Nil	Nil
13	Adani International Container Terminal Private Limited	INR	March 31, 2012	5,00,000	100%	(1.74)	Nil	Nil	Nil
14	Adani Kandla Bulk Teminal Private Limited	INR	March 31, 2012	25,500	51%	(0.27)	Nil	Nil	Nil
15	Mundra Port Pty Ltd., Australia	AUD	March 31, 2012	1,000	100%	(40,632.81)	Nil	Nil	Nil
16	Mundra Port Holdings Pty Ltd., Australia	AUD	March 31, 2012	1,000	100%	-	Nil	Nil	Nil
17	Adani Abbot Point Terminal Pty Ltd.,Australia	AUD	March 31, 2012	44,62,44,885	100%	(174.11)	Nil	Nil	Nil
18	Adani Abbot Point Terminal Holdings Pty Ltd., Australia	AUD	March 31, 2012	13,06,45,885	100%	(1.27)	Nil	Nil	Nil

REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Adani Ports and Special Economic Zone Limited

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at March 31, 2012, the abridged consolidated statement of profit & loss and abridged consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Adani Ports and Special Economic Zone Limited (formerly known as Mundra Port and Special Economic Zone Limited) ('the Company') and its subsidiaries (together referred to as 'the Group') as at and for the year ended March 31, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 14, 2012. Those consolidated financial statements, and the abridged consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The abridged consolidated financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of an abridgement of the audited consolidated financial statements in accordance with the basis described in note 2 of the accompanying abridged consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited consolidated financial statements of the Group as at and for the year ended March 31, 2012 are a fair summary of those financial statements, on the basis described in note 2 of the accompanying abridged consolidated financial statements.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Arpit K. Patel
Partner
Membership No.: 34032

Place: Ahmedabad
Date: June 25, 2012

Auditors' Report on Consolidated Financial Statements

To
The Board of Directors,
Adani Ports and Special Economic Zone Limited

1. We have audited the attached consolidated balance sheet of Adani Ports and Special Economic Limited (formerly known as Mundra Port and Special Economic Zone Limited) ('the Company') and its subsidiaries (together referred to as 'the Group'), as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and of an associate (interest in which have been incorporated in the consolidated financial statements), whose financial statements reflect total assets of ₹ 2,332,165.89 lacs as at March 31, 2012, the total revenue of ₹ 127,867.87 lacs and cash inflows amounting to ₹ 4,357.85 lacs (on a standalone entity basis) for the year then ended. These financial statements and other financial information, prepared under generally accepted accounting principles of the respective countries, have been audited by other auditors, who have submitted their audit opinions to the shareholders / Board of Directors of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management, examined by us on a test basis.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard AS 21, Consolidated Financial Statements and AS 23, Accounting for Investments in Associates in Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
    a. in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;
    b. in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
    c. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Arpit K. Patel
Partner
Membership No.: 34032

Place : Ahmedabad
Date : May 14, 2012

Abridged Consolidated Balance Sheet as at March 31, 2012

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

PARTICULARS	As at March 31, 2012 ₹ In Lacs	As at March 31, 2011 ₹ In Lacs
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Paid-up Share Capital		
Equity	40,067.88	40,067.88
Preference	281.10	281.10
	40,348.98	**40,348.98**
Reserves and Surplus		
Capital Reserves	14,340.48	11,893.77
Securities Premium Account	1,83,432.59	1,84,824.05
Debenture Redemption Reserve	11,782.53	19,878.39
Revenue Reserves	49,989.57	25,421.91
Foriegn Currency Translation Reserve	(13,140.36)	-
Hedge Accounting Reserve	(9,963.76)	-
Surplus	2,07,057.46	1,36,620.34
	4,43,498.51	**3,78,638.46**
Minority Interest	13,488.12	9,870.52
NON-CURRENT LIABILITIES		
Long-Term Borrowings	15,44,623.95	1,71,685.47
Deferred Tax Liabilities (Net)	1,52,032.02	35,015.38
Other Long Term Liabilities	61,872.67	65,248.69
Long-Term Provisions	13,611.59	26.90
	17,72,140.23	**2,71,976.44**
CURRENT LIABILITIES		
Short Term Borrowings	1,00,520.48	71,132.15
Trade Payables	38,530.61	13,160.07
Other Current Liabilities	1,59,406.68	1,56,594.35
Short-Term Provisions	25,991.96	10,471.85
	3,24,449.73	**2,51,358.42**
	25,93,925.57	**9,52,192.82**
ASSETS		
NON CURRENT ASSETS		
Fixed assets		
Tangible assets (Original Cost less Depreciation)	17,03,928.24	6,24,137.19
Intangible assets (Original Cost less Depreciation/Amortisation)	27,611.80	10,947.65
Capital work-in-progress	3,63,770.79	1,71,668.73
	20,95,310.83	**8,06,753.57**
Goodwill on consolidation	1,11,251.92	4,035.14
Non-current investments	6,974.61	6,661.98
Foreign Currency Monetary Item Translation Difference Account	1,429.27	-
Deferred Tax Assets (net)	240.59	339.40
Long-Term Loans and Advances	1,21,276.19	44,919.41
Trade Receivables	8,884.11	-
Other Non-Current Assets	48,104.63	11,263.67
	23,93,472.15	**8,73,973.17**
CURRENT ASSETS		
Foreign Currency Monetary Item Translation Difference Account	274.87	-
Inventories	6,909.83	4,233.51
Trade Receivables	24,506.39	28,126.25
Cash & Cash Equivalents	1,11,841.44	22,832.45
Short-Term Loans and Advances	19,769.70	19,598.76
Other Current Assets	37,151.19	3,428.68
	2,00,453.42	**78,219.65**
	25,93,925.57	**9,52,192.82**

Refer notes forming part of the Abridged Consolidated Financial Statements

Note : Complete Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Other Statements and Notes thereto prepared as per the requirements of Revised Schedule VI to the Companies Act, 1956 are available at the Company's website at link : www.mundraport.com

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated May 14, 2012.

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

per Arpit K. Patel
Partner
Membership No. 34032
Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2012

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

PARTICULARS	For the Year ended March 31, 2012 ₹ In Lacs	For the Year ended March 31, 2011 ₹ In Lacs
Income		
Revenue from Services provided	3,20,938.47	1,93,717.05
Other Operational Revenue	6,142.01	6,294.05
Net Revenue from Operations	**3,27,080.48**	**2,00,011.10**
Other Income	5,964.49	11,003.44
Total Income	**3,33,044.97**	**2,11,014.54**
Expenditure		
Operating Expenses	90,153.25	53,210.75
Employee Benefits Expense	12,432.57	7,975.59
Other Expenses	17,969.22	8,884.32
Depreciation and Amortization Expense	46,303.41	23,875.81
Finance Costs	47,962.53	16,710.17
Total Expenditure	**2,14,820.98**	**1,10,656.64**
Profit before tax	**1,18,223.99**	**1,00,357.90**
- Current Tax including MAT	25,668.87	2,234.00
- MAT Credit Entitlement	(24,217.46)	-
- Deferred Tax	7,504.94	6,506.67
	1,09,267.64	**91,617.23**
Add : Share of minority shareholders in loss of subsidiaries	939.35	197.42
Net Profit	**1,10,206.99**	**91,814.65**
Basic and Diluted Earnings per Equity Share (in ₹) face value of ₹ 2 each	5.50	4.58

Refer notes forming part of the Abridged Consolidated Financial Statements

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated May 14, 2012

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Abridged Consolidated Cash Flow Statement for the year ended March 31, 2012

		For the year ended 31st March, 2012 ₹ In Lacs	For the year ended 31st March, 2011 ₹ In Lacs
A.	**Cash Flow from Operating Activities**	**1,19,969.69**	**1,20,927.99**
B.	**Cash Flow from/(used in) Investing Activities**	**(13,87,603.40)**	**(97,038.91)**
C.	**Cash Flow from/(used in) Financing Activities**	**12,97,629.79**	**(52,793.31)**
D	**Net Increase in Cash and Cash Equivalents (A+B+C)**	**29,996.08**	**(28,904.23)**
E	**Cash and Cash Equivalents at start of the year**	**7,477.34**	**36,381.57**
F	**Cash and Cash Equivalents on acquisition of subsidiary**	**-**	**1.70**
G	**Cash and Cash Equivalents at close of the year**	**37,473.42**	**7,477.34**
	Components of Cash & Cash Equivalents		
	Cash and Cheques on Hand	7.63	7.61
	Balances with Scheduled Banks		
	- On Current Accounts	31,842.21	6,588.37
	- On Current Accounts Earmarked for unpaid dividend and share application refund money	123.58	81.36
	- On Fixed Deposit Accounts	5,500.00	800.00
	Cash and Cash Equivalents at close of the year	**37,473.42**	**7,477.34**

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated May 14, 2012

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2012

1. Corporate information

Adani Ports and Special Economic Zone Limited ('the Company', 'APSEZL') (formerly known as Mundra Port and Special Economic Zone Limited) is in the business of development, operations and maintenance of port infrastructure facilities and multi product SEZ and related infrastructure. The initial port infrastructure facilities developed at Mundra including expansion thereof through development of additional berths and south port infrastructure facilities at Mundra are developed pursuant to the concession agreement with Government of Gujarat (GoG) and Gujarat Maritime Board (GMB) for 30 years effective from February 17, 2001. The Company is doing expansion of port infrastructure facilities through proposed supplementary concession agreement, which will be effective till 2040, for coal terminal at Wandh, Mundra with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. The said agreement is in the process of getting signed with GoG and GMB as at the year end although the part of the coal terminal at Wandh is recognized as commercially operational w.e.f. February 1, 2011

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

The Company is developer of Multi Product Special Economic Zone at Mundra and surrounding areas as per approval of Government of India vide their letter no. F-2/11/2003/EPZ dated April 12, 2006 as amended from time to time till date.

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

I) Adani Logistics Limited (ALL), a 100% subsidiary of APSEZL, has developed multi-modal cargo storage-cum-logistics services through development of inland container depots at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

ii) MPSEZ Utilities Private Limited (MUPL), a 100% subsidiary of APSEZL, has developed infrastructure including operation, development, maintenance, improvement, and extension of utility services of every description at Mundra Special Economic Zone in Kutch district.

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

iv) Mundra SEZ Textile and Apparel Park Private Limited, a 51.41% subsidiary of APSEZL & 5.57% investment held through ALL (a 100% subsidiary of APSEZL), has set up an integrated textile park under the scheme of Ministry of Textiles, Government of India in Special Economic Zone at Mundra, Kutch district.

v) Karnavati Aviation Private Limited (KAPL – erstwhile Gujarat Adani Aviation Private Limited), a 100% subsidiary of APSEZL, is engaged in providing non scheduled (passenger) services through its aircrafts.

vi) Adani Petronet (Dahej) Port Private Limited (APPPL), a 74% subsidiary of APSEZL, has developed port infrastructure facilities of bulk cargo at Dahej, Gujarat. The facilities became fully operational during the year.

vii) Adani Murmugao Port Terminal Private Limited, a 74% subsidiary of APSEZL, is in the process of setting up coal handling terminal at Murmugao, Goa.

viii) Mundra International Airport Private Limited, a 100% subsidiary of APSEZL, has plan to set up air cargo operations at Mundra, district Kutch (Gujarat).

ix) Adani Hazira Port Private Limited, a 100% subsidiary of APSEZL, is developing, constructing, operating and maintaining multi–cargo terminal and related infrastructure at Hazira (Surat).

x) Hazira Infrastructure Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plans to develop and construct rail corridor between Surat and Hazira along with related infrastructure subject to approval by railway board and Government of Gujarat.

xi) Hazira Road Infrastructure Private Limited, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Hazira Port Private Limited has plan to develop and operate road and highway project subject to approved of local authority, state government and national highway authority of India.

xii) The Company has strategically acquired controlling interest in Adinath Polyfills Private Limited.

xiii) Adani Abbot Point Terminal Holdings Pty Ltd, a 100% subsidiary of APSEZL formed to acquire 100% Holding of Adani Abbot Point Terminal Pty Ltd.

xiv) Adani Abbot Point Terminal Pty Ltd, a step down subsidiary of APSEZL, a 100% subsidiary of Adani Abbot Point Terminal Holdings Pty Ltd (earlier a 100% subsidiary of Mundra Port Pty Ltd (MPPL) up to March 5, 2012) is operating X50 coal terminal with 50 Million Tonnes capacity at Queensland, Australia. The name of the company was changed from APCT#1 Pty Ltd pursuant to it's transfer by North Queensland Bulk Ports Corporation Limited to Mundra Port Pty Ltd (MPPL) on June 1, 2011.

xv) Mundra Port Pty Ltd. is a 100% subsidiary of APSEZL. It is the 100% Unit Holder of Mundra Port Holding Trust and also 100% shares in Mundra Port Holding Pty Ltd, the trustee company.

xvi) Mundra Port Holding Pty Ltd is a step down subsidiary of APSEZL and a 100% subsidiary of Mundra Port Pty Ltd. The Company is a trustee to Mundra Port Holding Trust.

xvii) Mundra Port Holding Trust (Trust), held by Mundra Port Pty Ltd. The trust acquired immovable asset of X50 Coal Terminal at Abbot Point.

xviii) Adani Vizag Coal Terminal Pvt. Ltd., a 100% subsidiary of APSEZL. The company is developing East Quay for handling steam coal at Visakhapatnam Port.

xix) Adani International Container Terminal Private Limited, a 100% subsidiary of APSEZL. The Company is formed for developing container terminal and associated facility at Mundra South Zone.

xx) Adani Kandla Bulk Terminal Pvt. Ltd., a 51% subsidiary of APSEZL. The company is developing a Dry Bulk terminal off Tekra near Tuna outside Kandla Cheek at Kandla Port.

2. The abridged Consolidated financial statements have been prepared pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 as per Notification F.No. 17/51/2012-CL-V, dated May 31, 2012 and are based on the annual accounts for the year ended March 31, 2012 approved by the Board of Directors at the meeting held on May 14, 2012.

3. **(Note No. 2 of Notes to Financial Statements)**
Principles of consolidation

The Consolidated financial statements relate to the Adani Ports Group which comprises the financial statements of APSEZL and its subsidiaries as at March 31, 2012. In the preparation of consolidated financial statements, investment in the subsidiaries and associates have been accounted for in accordance with Accounting Standard AS 21 - 'Consolidated Financial Statements' and AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended). Consolidated financial statements have been prepared on the following basis:

i) Subsidiaries are fully consolidated from the date of acquisition and incorporation, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full. Unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.

ii) The excess of the cost to the Company of its investment in subsidiaries over the Company's portion of equity on the acquisition date is recognized in the financial statements as goodwill and is tested for impairment annually. When there is excess of Company's portion of equity of the Subsidiary over the cost of the investment then it is treated as Capital Reserve.

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

iv) Translation of the financial statements of foreign subsidiaries for incorporation in the consoldiated financial statements have been done using the following exchange rates:

(a) Assets and liabilities have been translated by using the rates prevailing as on the date of the balance sheet.

(b) Income and expense items have been translated by using the average rate of exchange prevailing during the year.

(c) Exchange difference arising on translation of financial statements as specified above is recognised in the Foreign Currency Translation Reserve until the disposal of net investment.

v) Financial statements of the subsidiaries are prepared for the same reporting year as the parent company i.e. for the year ended March 31, 2012, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.

vi) In case of associates where the Company directly or indirectly through subsidiaries hold 20% or more of equity shares, investment in associates are accounted for using equity method in accordance with AS 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended). The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates' statement of profit and loss account, based on available information. The difference between the cost of investment in the associates and the share of net assets, at the time of acquisition of shares in the associates, is identified in the financial statements as Goodwill or Capital Reserve, as the case may be.

4. (Note No. 3 of Notes to Financial Statements)

Basis of Preparation

The consolidated financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the 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.

Summary of Significant Accounting Policies

a) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible Fixed Assets

i) Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the consolidated statement of profit and loss for the period during which such expenses are incurred.

iii) From accounting periods commencing on or after December 7, 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

iv) Gains or losses arising from derecognition/ sale proceeds of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

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

c) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the consolidated statement of profit and loss.

d) Depreciation on tangible fixed assets

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

ii)

Assets	Estimated Useful Life
Leasehold Land Development, Marine Structure and Dredged Channel	Over the balance period of Lease Agreements
Dredging Pipes - Plant and Machinery	1.5 Years
Nylon and Steel coated belt on Conveyor - Plant and Machinery	4 Years and 10 Years respectively
Inner Floating Hose String of Single Point Mooring - Plant and Machinery	5 Years
Fender, Buoy, Capstan installed at Jetty - Marine Structures	10 - 15 Years

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

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

v) Depreciation on Fixed Assets, in case of non integral foreign operations, is calculated on SLM basis over the estimated useful life of the assets as follow:

Assets	Estimated Useful Life
Plant and Machinery	5 to 40 Years
Buildings	15 to 20 Years
Marine Assets	20 to 50 Years
Electric Installations	20 to 50 Years
Vehicles	6 Years

e) Intangible assets

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

Intangible Assets	Estimated Useful Life (Years)
Leasehold Land - Right to Use	Over the balance period of Lease Agreements
Goodwill arising on the amalgamation of Adani Port Limited	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 years.
Softwares	3 Years
License Fees paid to Ministry of Railway (MOR) for approval for movement of Container Trains	Over the period of 20 years.
Rights for expansion of existing assets	Over the period of 5 years.
User agreements and customers relationships	Over the period of 5 to 10 years.

The above also includes assets held by non-integral foreign operations.

f) Impairment of tangible and intangible assets

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to consolidated statement of profit and loss.

Borrowing cost includes interest & amortization of ancillary costs incurred in connection with the borrowings.

h) Leases

Where the Company is the lessee

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

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

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

Where the Company is the lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease including lease / sub-lease of land are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the Internal Rate of Return method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss .

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the consolidated consolidated statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss

i) Investments

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

j) Inventories

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

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

k) Government Grant

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

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

l) Initial Contribution for Services

Initial contribution received from consumers against services by the subsidiary company MPSEZ Utilities Private Limited, are treated as capital receipt and accounted as Capital Reserve. During the year, the subsidiary company has received ₹ 835.44 lacs as contribution.

m) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i) Port Operation Services

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

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

ii) Income from Long Term Leases

As a part of its business activity, the Company leases/ sub-leases land on long term basis to its customers. In some cases, the Company enters into cancellable lease / sub-lease transaction, while in other cases, it enters into non-cancellable lease / sub-lease transaction. The Company recognises the income based on the principles of leases as per Accounting Standard – 19, Leases and accordingly in cases where the land lease / sub-lease transaction are cancellable in nature, the income in the nature of upfront premium received / receivable is recognised on operating lease basis i.e. on a straight line basis over the period of lease / sub-lease agreement / date of Memorandum of understanding takes effect over lease period and annual lease rentals are recognised on an accrual basis. In cases where land lease / sub-lease transaction are non-cancellable in nature, the income is recognised on finance lease basis i.e. at the inception of lease / sub-lease agreement / date of Memorandum of understanding takes effect over lease period, the income recognised is equal to the present value of the minimum lease payment over the lease period (including non-refundable upfront premium) which is substantially equal to the fair value of land leased / sub-leased. In respect of land given on finance lease basis, the corresponding cost of the land and development cost incurred are expensed off in the statement of profit and loss. In case of Subsidiary Mundra SEZ Textile and Apparel Park Private Limited (MITAP), the upfront premium received/receivable under Long Term Leases/Infrastructure Usage Agreement is recognized as income pro-rata over the period of sub-lease agreement. (This income pertaining to MITAP in the books of MPSEZL constitutes 4.24% of the total unamortized amount under Long Term Lease/Infrastructure Usage Agreements.)

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

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

iv) Non Scheduled Aircraft Services

Revenue from chartered services is recognized when the service is performed under contractual obligations.

v) Utilities Services

Revenue is recognized as and when the service performed under contractual obligations and the right to receive such income is established. Delayed payment charges are accounted as and when received.

vi) Contract Revenue

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

vii) Interest

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

viii) Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

n) Foreign Currency Translation

i) Initial Recognition

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

ii) Conversion

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

iii) Exchange Differences

Exchange differences, in respect of accounting periods commencing on or after December 7, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the company's financial statements and amortized over the remaining life of the concerned monetary item but not beyond accounting period ending on March 31, 2020.

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

iv) Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts and recognised is amortized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

v) Derivative transactions

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the consolidated statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

In case of non integral foreign subsidiary companies:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of the cash flows of recognised assets and liabilities ("cash flow hedges")

At inception, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting future cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months, it is classified as a current asset of liability when the remaining maturity of the hedged item is less than twelve months.

o) Retirement and Other Employee Benefits

i) Provident fund and superannuation fund

Retirement benefits in the form of Provident Fund and Superannuation Fund Schemes are defined contribution schemes and the contributions are charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and amount paid/payable in respect of the present value of liability for past services is charged to the consolidated statement of profit and loss every year.

iii) Leave Benefits

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer it's settlement for twelve month after the reporting date.

iv) Actuarial Gains/ Losses

Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

p) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The Company is eligible and claims tax deductions available under section 80IAB of the Income Tax Act, 1961, in respect of income attributable to Special Economic Zone activities. Some of the subsidiaries are eligible for tax holiday benefits under section 80IA of the Income Tax Act, 1961.

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

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

q) Earnings per share

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

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

r) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

s) Segment Reporting Policies

i) Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk and return profile of individual business unit, the organisational structure and internal reporting system of the Group. The analysis of geographical segments is based on the geographical location of the customers.

ii) Inter segment transfers:

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

iii) Unallocated Items:

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

t) Cash and Cash equivalents

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

u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liabilities but discloses it's existence in the financial statement.

5. (Note No. 9 of Notes to Financial Statements)
Provisions

	Long Term		Short Term	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Provision for employee benefits				
Provision for gratuity	7.64	26.90	98.00	75.47
Provision for compensated absences	-	-	587.50	511.92
	7.64	**26.90**	**685.50**	**587.39**
Other provisions				
Proposed equity dividend (previous year's amount represents interim dividend declared on April 28, 2011)	-	-	14,023.76	8,013.57
Provision for tax on proposed equity dividend	-	-	2,275.00	-
Proposed preference dividend	-	-	0.03	0.03
Provision for tax on proposed preference dividend	-	-	*-	-
Provision for Income Tax (Net of advance tax)	-	-	2,372.07	703.23
Provision for Derivatives (Mark to market)	13,603.95	-	5,448.34	-
Provision for Operational Claims (Refer note below)	-	-	1,187.26	1,167.63
	13,603.95	**-**	**25,306.46**	**9,884.46**
	13,611.59	**26.90**	**25,991.96**	**10,471.85**

* Figures being nullified on conversion to ₹ in lacs.

(₹ In Lacs)

Description	Opening Balance during the year	Additions during the year	Utilization	Closing Balance
Operational Claims	**1,167.63**	**75.09**	**55.46**	**1,187.26**
	(943.67)	(497.09)	(273.13)	(1,167.63)

Previous year figures are in bracket

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

6. (Note No. 20 of Notes to Financial Statements)
Revenue from operations (net)

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
a) Income from Port Operations (including related infrastructure)	2,94,415.18	1,65,686.60
b) Land Lease, Upfront Premium and Deferred Infrastructure Income (includes Annual Discounting Income of ₹ 726.86 lacs (Previous Year ₹ 682.36 lacs in respect of land lease))	17,080.59	14,469.16
c) Utilities Services	5,099.13	437.78
d) Aircraft Operation	2,090.30	1,257.16
e) Logistic Services	2,253.27	11,866.35
f) Other operating income including construction and related income	6,142.01	6,294.05
	3,27,080.48	**2,00,011.10**

7. (Note No. 21 of Notes to Financial Statements)
Other Income

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Interest income on		
Bank Deposits, Inter Corporate Deposits etc.	4,915.30	7,914.34
Dividend income on		
Current investments	-	20.88
Long-term investments	200.00	600.00
Scrap sales	91.10	151.24
Net gain on sale of current investments	-	20.30
Profit on Sale of Fixed Asset (net)	95.43	23.05
Gain on Foreign Exchange Variation (net)	-	1,305.24
Unclaimed Liabilities / Excess Provision written back	7.51	521.88
Miscellaneous Income	655.15	446.51
	5,964.49	**11,003.44**

8. Operating Expenses includes Handling Expenses to Contractors of ₹ 42,292.89 lacs (Previous Year ₹ 17,021.04 lacs).

9. (Note No. 27 of Notes to Financial Statements)

Details of employee benefits

1. The company has recognised, in the consolidated statement of profit and loss for the current year, an amount of ₹ 461.41 lacs (Previous Year ₹ 347.85 lacs) as expenses under the following defined contribution plan.

(₹ In Lacs)

Contribution to	2011-12	2010-11
Provident Fund	415.24	305.56
Superannuation Fund	46.17	42.29
Total	**461.41**	**347.85**

2. The Company has a defined gratuity plan. Every employee gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in the form of a qualifying insurance policy. Currently, there are no retirement benefit plans applicable in case of subsidiaries in Australia.

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

Consolidated Statement of Profit and Loss

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

(₹ In Lacs)

Particulars	Gratuity (Funded) March 31, 2012	Gratuity (Funded) March 31, 2011
Current Service cost	128.66	146.09
Interest Cost on benefit obligation	38.20	28.13
Expected return on plan assets	(32.12)	(21.73)
Actuarial loss / (gain) recognised in the year	3.65	17.54
Net benefit expense	**138.39**	**170.03**

Note:

a) Actual return on plan assets ₹ 35.71 lacs (Previous Year ₹ 43.69 lacs)

b) Net benefit expense to the extent of ₹ 37.00 lacs (Previous Year ₹ 25.28 lacs) has been capitalized as a part of expenditure during the construction period

Balance Sheet

b) Details of Provision for gratuity

(₹ In Lacs)

Particulars	Gratuity (Funded) March 31, 2012	Gratuity (Funded) March 31, 2011
Present value of defined benefit obligation	609.65	496.88
Fair value of plan assets	504.03	394.51
Surplus/(deficit) of funds	(105.62)	(102.37)
Net asset/ (liability)	(105.62)	(102.37)

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

(₹ In Lacs)

Particulars	**Gratuity (Funded) March 31, 2012**	**Gratuity (Funded) March 31, 2011**
Defined benefit obligation at the beginning of the period	496.88	329.23
Current Service cost	128.66	146.09
Interest Cost	38.20	28.13
Actuarial (gain) / loss on obligations	10.23	27.62
Benefits paid	(47.97)	(34.19)
Excess Provision written back	(16.35)	-
Defined benefit obligation at the end of the period	609.65	496.88

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

(₹ In Lacs)

Particulars	**Gratuity (Funded) March 31, 2012**	**Gratuity (Funded) March 31, 2011**
Opening fair value of plan assets	394.51	263.15
Expected return	32.12	21.73
Contributions by employer	118.79	131.46
Benefits Paid	(47.97)	(31.91)
Actuarial gains / (losses)	6.58	10.08
Closing fair value of plan assets	504.03	394.51

Note:

1. The present value of the plan assets represents the balance available with the LIC as at the end of the period. The total value of Plan Assets amounting to ₹ 504.03 lacs (Previous Year ₹ 394.51 lacs) is as certified by the LIC.
2. The company's expected contribution to the fund in the next financial year is ₹ 135.76 lacs (Previous Year ₹ 61.08 lacs).

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

Benefit Contribution to	**2011-12 %**	**2010-11 %**
Investments with insurers	100.00	100.00

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

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

Particulars	Gratuity (Funded) March 31, 2012	Gratuity (Funded) March 31, 2011
Discount rate	8.50% to 8.75%	8% to 8.25%
Expected rate of return on plan assets	8.50% to 8.75%	7.50% to 8.25%
Rate of Escalation in Salary (per annum)	5% to 8.50%	5% to 8.50%
Mortality Ultimate	LIC (1994-96) Ultimate	LIC (1994-96)
Attrition rate	1% at each age + 10% service related	1% at each age + 10% service related

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

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

(₹ In Lacs)

Gratuity	March, 2012	March, 2011	March, 2010	March, 2009	March, 2008
Defined benefit obligation	(609.65)	(496.88)	(326.23)	(219.85)	(156.11)
Plan Assets	504.03	394.51	263.15	263.48	181.07
Surplus / (deficit)	(105.62)	(102.37)	(63.08)	43.63	24.96
Experience loss (gain) on plan liabilities	10.23	27.62	56.27	1.12	100.70
Experience loss (gain) on plan assets	(6.58)	(10.08)	(4.83)	3.12	4.57

10. (Note No. 28 of Notes to Financial Statements)

Segment Information

Business Segment

The identified reportable Segments are Port and Special Economic Zone activities and others in terms of Accounting Standard-17 on 'Segment Reporting' as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended).

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

The segment information on Consolidated Financial Statement with Segment wise Revenue, Result and Capital Employed for the year ended March 31, 2012 is given below:-

(₹ In Lacs)

Sr. No.	Particulars	Port and SEZ Activites	Others	Eliminations	Total
1	**Revenue** External Sales	**3,10,128.26** *1,86,339.63*	**16,952.22** *13,671.47*	**-** *-*	**3,27,080.48** *2,00,011.10*
	Inter-Segment Sales	**-** *-*	**3,490.08** *1,605.45*	**(3,490.08)** *(1,605.45)*	**-** *-*
	Total Revenue	**3,10,128.26** *1,86,339.63*	**20,442.30** *15,276.92*	**(3,490.08)** *(1,605.45)*	**3,27,080.48** *2,00,011.10*
2	**Results** Segment Results	**1,62,693.30** *1,09,461.03*	**(1,002.58)** *(349.51)*	**-** *-*	**1,61,690.72** *1,09,111.52*
	Unallocated Corporate Income (Net)	**-** *-*	**-** *-*	**-** *-*	**4,495.80** *7,956.54*
	Operating Profit	**-** *-*	**-** *-*	**-** *-*	**1,66,186.52** *1,17,068.06*
	Less: Finance Expense	**-** *-*	**-** *-*	**-** *-*	**47,962.53** *16,710.17*
	Profit before tax	**-** *-*	**-** *-*	**-** *-*	**1,18,223.99** *1,00,357.89*
	Current Taxes (net of MAT credit)	**-** *-*	**-** *-*	**-** *-*	**1,451.41** *2,234.00*
	Deferred Tax	**-** *-*	**-** *-*	**-** *-*	**7,504.94** *6,506.67*
	Total Tax	**-** *-*	**-** *-*	**-** *-*	**8,956.35** *8,740.67*
	Profit after tax	**-** *-*	**-** *-*	**-** *-*	**1,09,267.64** *91,617.22*
	Less: Minority Interest	**-** *-*	**-** *-*	**-** *-*	**(939.35)** *(197.42)*
	Net profit	**-** *-*	**-** *-*	**-** *-*	**1,10,206.99** *91,814.64*
3	**Other Information** Segment Assets	**22,61,259.70** *8,34,946.36*	**96,532.84** *78,884.40*	**-** *-*	**23,57,792.54** *9,13,830.76*
	Unallocated Corporate Assets	**-** *-*	**-** *-*	**-** *-*	**2,36,133.03** *38,362.06*
	Total Assets	**22,61,259.70** *8,34,946.36*	**96,532.84** *78,884.40*	**-** *-*	**25,93,925.57** *9,52,192.82*
	Segment Liabilities	**1,11,995.78** *1,14,757.24*	**34,163.32** *2,657.64*	**-** *-*	**1,46,159.10** *1,17,414.88*
	Unallocated Corporate Liabilities	**-** *-*	**-** *-*	**-** *-*	**19,50,430.86** *4,05,919.98*
	Total liabilities	**1,11,995.78** *1,14,757.24*	**34,163.32** *2,657.64*	**-** *-*	**20,96,589.96** *5,23,334.86*
	Capital Expenditure during the year (including acquisition)	**12,49,078.36** *1,95,091.94*	**7,141.68** *9,551.68*	**-** *-*	**12,56,220.04** *2,04,643.62*
	Segment Depreciation(Expense)	**43,637.28** *21,541.77*	**2,666.13** *2,334.04*	**-** *-*	**46,303.41** *23,875.81*
	Non-Cash Expenses other than Depreciation	**5,034.56** *436.32*	**168.11** *-*	**-** *-*	**5,202.67** *436.32*
	Unallocated Non-Cash Expenses other than Depreciation	**-** *-*	**-** *-*	**-** *-*	**7,504.94** *6506.67*

Geographical Segments

The Company's secondary segments are the geographic distribution of activities. Revenue and Receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue, expenditure and certain asset information regarding the Company's geographical segments:

(₹ In Lacs)

Sr. No.	Particulars	Domestic Operations	Foreign Operations	Total
1	Revenue	**2,69,725.35** *2,00,011.10*	**57,355.13** *-*	**3,27,080.48** *2,00,011.10*
2	Assets	**13,99,132.31** *9,52,192.82*	**11,94,793.26** *-*	**25,93,925.57** *9,52,192.82*
3	Addition to fixed assets	**2,56,966.32** *2,04,643.62*	**9,99,253.73** *-*	**12,56,220.05** *2,04,643.62*

Previous year figures are in italics

11. (Note No. 29 of Notes to Financial Statements)

Adani Ports and Special Economic Zone Limited's share in the voting power of subsidiary companies as at year end is as follows:

Sr No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2012	Proportion of Ownership Interest (%) March 31, 2011
1	Adani Logistics Ltd.	India	100	100
2	Karnavati Aviation Pvt. Ltd.	India	100	100
3	MPSEZ Utilities Pvt. Ltd.	India	100	100
4	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	India	56.98	56.98
5	Rajasthan SEZ Pvt. Ltd.	India	100	100
6	Adani Murmugao Port Terminal Pvt. Ltd.	India	74	74
7	Mundra International Airport Pvt. Ltd.	India	100	100
8	Adani Hazira Port Pvt. Ltd.	India	100	100
9	Adani Petronet (Dahej) Port Pvt. Ltd.	India	74	74
10	Hazira Infrastructure Pvt. Ltd.	India	100	100
11	Hazira Road Infrastructure Pvt. Ltd.	India	100	100
12	Adani Vizag Coal Terminal Pvt. Ltd. [w.e.f. April 15, 2011]#	India	100	-
13	Adani International Container Terminal Pvt. Ltd. [w.e.f. April 24, 2011]#	India	100	-
14	Adani Kandla Bulk Terminal Pvt. Ltd. [w.e.f. March 7, 2012]#	India	51	-
15	Mundra Port Pty Ltd.[w.e.f. April 18, 2011]#	Australia	100	-

Sr No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2012	Proportion of Ownership Interest (%) March 31, 2011
16	Mundra Port Holdings Pty Ltd. [w.e.f. April 19, 2011]#	Australia	100	-
17	Mundra Port Holdings Trust [w.e.f. April 19, 2011]#	Australia	100	-
18	Adani Abbot Point Terminal Holdings Pty Ltd. [w.e.f. December 6, 2011]#	Australia	100	-
19	Adani Abbot Point Terminal Pty Ltd. [w.e.f. June 1, 2011]*	Australia	100	-

* Date from which the controlling interest was acquired.

Date on which the company was incorporated.

Adani Ports and Special Economic Zone Limited's share in the voting power of associate company as at year end is as follows:

Sr. No.	Name of Company	Country of Incorporation	Proportion of Ownership Interest (%) March 31, 2012	Proportion of Ownership Interest (%) March 31, 2011
1	Dholera Infrastructure Pvt. Ltd.	India	49	49

12. (Note No. 30 of Notes to Financial Statements)

. The financial statements of Adinath Polyfills Private Limited for the year ended March 31, 2012 have been considered for consolidation based on the management certified financial statements. The Company has invested in equity of Adinath Polyfills Private Limited as a strategic investor.

13. (Note No. 31 of Notes to Financial Statements)

Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2012 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Holding Company	Adani Enterprises Limited
Associate	Dholera Infrastructure Private Limited
Fellow Subsidiary	Adani Power Limited Adani Agri Logistics Limited Adani Power Dahej Limited Adani Gas Limited Adani Mining Private Limited Adani Global Pte Limited Adani Global F.Z.E. Adani Infra (India) Limited

	Adani Welspun Exploration Limited Adani Power Rajasthan Limited Kutchh Power Generation Limited Adani Mundra SEZ Infrastructure Private Limited
Key Management Personnel	Mr. Gautam S. Adani, Chairman and Managing Director Mr. Rajeeva Ranjan Sinha, Whole time Director Dr. Malay R. Mahadevia, Whole time Director
Relative of Key Management Personnel	Mr. Rajesh S. Adani, Director
Entities over which Key Management Personnel, Directors and their relatives are able to exercise Significant Influence	Shantikrupa Estates Private Limited Adani Wilmar Limited Adani Properties Private Limited Chemoil Adani Private Limited Ezy Global Shanti Builders Adani Foundation Ignite Foundation Gujarat Adani Institute of Medical Science

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

Sub Notes:

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

2 Pass through charges relating to railway freight and other charges payable to third parties have not been considered for the purpose of related party disclosure.

3 For the purpose of comparison, the previous year's transactions have been re-classified in the current year.

Detail of Related Party Transaction for the year ended March 31, 2012

(₹ in Lacs)

Category	Name of Related Party	March, 2012	March, 2011
Rendering of Services	Adani Enterprises Ltd.	15,165.86	17,581.98
	Adani Global F.Z.E	1.82	1.21
	Adani Global Pte Ltd	2.02	-
	Adani Infra (India) Ltd	515.02	471.59
	Adani Mundra SEZ Infrastructure Pvt Ltd.	16.57	10.31
	Adani Power Dahej Ltd.	417.50	205.16
	Adani Power Ltd.	24,229.50	16,183.72
	Adani Power Rajasthan Limited	99.25	68.67
	Chemoil Adani Pvt Ltd.	2,729.53	3,186.34
	Adani Foundation	2.93	3.54
	Adani Wilmar Ltd.	2,780.44	4,330.76
	Adani Welspun Exploration Ltd	-	21.78
Lease & Infrastructure Usage Charges / Upfront Premium	Adani Mundra SEZ Infrastructure Pvt Ltd.	3,087.95	65.77
	Adani Power Ltd.	144.82	154.39
	Chemoil Adani Pvt Ltd.	7.52	-
	Adani Wilmar Ltd.	641.66	51.08
Purchase of Materials, Service & facilities	Adani Enterprises Ltd.	1,961.30	11.90
	Adani Gas Ltd.	0.64	5.76
	Adani Mundra SEZ Infrastructure Pvt Ltd.	83.13	129.30
	Adani Power Ltd.	2,679.24	39.70
	Chemoil Adani Pvt Ltd.	18,184.38	21,314.48
	Adani Agri Logistics Ltd	13.97	-
	Adani Mining Pvt. Ltd.	-	0.27
	Adani Global F.Z.E	-	12.76
	Adani Properties Pvt. Ltd.	6.56	8.52
	Adani Wilmar Ltd.	11.70	11.60
	Ezy Global	-	12.22
Purchase/(Sale) of Assets (Including Advance)	Adani Enterprises Ltd.	194.57	6.84
	Adani Mundra SEZ Infrastructure Pvt Ltd.	469.72	(5.40)
	Adani Power Ltd.	17.48	256.08
	Shanti Builders	132.14	5.84
Sale of Material	Adani Mundra SEZ Infrastructure Pvt Ltd.	31.29	16.56
	Adani Power Ltd.	2.08	32.41
	Adani Power Dahej Ltd.	75.05	-
	Adani Wilmar Ltd.	18.51	-
	Shanti Krupa Estates Pvt Ltd	-	11.00
Equity / Pref. Share Money Invested (Including Application Money)	Adani Enterprises Ltd.	-	1,101.10
	Petronet LNG Ltd	1,666.50	562.00
Equity / Pref. Share Application Money Refund	Dholera Infrastructure Pvt Ltd.	0.50	-
	Petronet LNG Ltd	-	562.00

Category	Name of Related Party	March, 2012	March, 2011
Equity Share Application Money Received, Pending Allotment	Adani Enterprises Ltd.	52.00	-
Interest Income	Adani Enterprises Ltd.	-	910.96
	Adani Power Ltd.	-	464.79
Interest Expenses	Adani Enterprises Ltd.	750.35	33.72
ICD/Loan Given	Adani Enterprises Ltd.	-	25,000.00
	Adani Power Ltd.	-	46,500.00
ICD/Loan Received back	Adani Enterprises Ltd.	-	25,000.00
	Adani Power Ltd.	-	46,500.00
Loan Taken	Adani Enterprises Ltd.	76,650.00	15,000.00
	Adani Power Dahej Ltd.	2,041.25	-
Loan Refund	Adani Enterprises Ltd.	76,650.00	15,000.00
Expenses Reimbursement (Net)	Adani Enterprises Ltd.	17.56	2.04
	Adani Infra (India) Ltd	-	20.56
	Adani Mundra SEZ Infrastructure Pvt Ltd.	63.99	35.64
	Adani Power Ltd.	101.56	96.94
	Chemoil Adani Pvt Ltd.	4.04	0.70
	Adani Foundation	3.70	4.55
	Adani Wilmar Ltd.	1.44	1.53
	Shanti Krupa Estates Pvt Ltd	-	0.51
Remuneration	Gautam S. Adani	120.00	120.00
	Malay Mahadevia	237.00	182.96
	Rajeeva R. Sinha	181.10	161.70
Commission to directors	Gautam S. Adani	100.00	100.00
Sitting Fees	Rajesh S. Adani	6.30	2.30
Balance Written Back	Adani Global F.Z.E	-	149.57
Donation	Adani Foundation	520.06	370.35
	Gujarat Adani Institute of Medical Science	700.00	2,000.00
	Ignite Foundation	-	500.00
Sale of Investments	Adani Enterprises Ltd.	2.45	-
Closing Balance			
Deposit Received	Adani Enterprises Ltd.	100.00	100.00
	Chemoil Adani Pvt Ltd.	25.00	25.00
	Adani Wilmar Ltd.	50.00	50.00
		175.00	**175.00**
Advances from Customers	Adani Enterprises Ltd.	349.65	81.46
	Adani Mundra SEZ Infrastructure Pvt Ltd.	4.85	-
	Adani Power Ltd.	211.85	191.06
	Chemoil Adani Pvt Ltd.	231.76	252.77
	Kutchh Power Generation Ltd.	320.52	320.52
	Adani Foundation	0.47	-
	Adani Wilmar Ltd.	1.18	-
		1,120.28	**845.81**

Category	Name of Related Party	March, 2012	March, 2011
Trade Payables	Adani Enterprises Ltd.	38.30	7.58
	Adani Gas Ltd.	0.01	-
	Adani Mundra SEZ Infrastructure Pvt Ltd.	99.98	-
	Adani Power Ltd.	501.59	74.27
	Chemoil Adani Pvt. Ltd.	86.86	4,581.74
	Mundi Limited	2,663.93	-
	Adani Welspun Exploration Ltd	-	21.34
	Shanti Builders	38.20	-
	Adani Wilmar Ltd.	14.16	1.40
	Adani Properties Pvt Ltd.	-	1.53
		3,443.03	**4,687.86**
Receivables	Adani Enterprises Ltd.	1,044.99	4,661.14
	Adani Global F.Z.E	3.03	1.21
	Adani Global Pte Ltd	2.02	-
	Adani Infra (India) Ltd	78.69	162.14
	Adani Mundra SEZ Infrastructure Pvt Ltd.	61.16	11.16
	Adani Power Ltd.	3,098.38	5,812.37
	Adani Power Rajasthan Limited	5.13	20.16
	Chemoil Adani Pvt Ltd.	47.98	154.44
	Adani Power Dahej Ltd.	-	205.16
	Adani Foundation	1.89	1.36
	Adani Wilmar Ltd.	185.00	470.38
	Adani Properties Pvt. Ltd.	-	0.85
		4,528.27	**11,500.37**
Loan & Advances (Including Capital Advances)	Adani Mundra SEZ Infrastructure Pvt Ltd.	2,487.86	1,088.36
	Chemoil Adani Pvt. Ltd.	0.57	-
	Shanti Builders	115.87	25.25
	Dholera Infrastructure Pvt Ltd.	876.41	876.41
		3,480.71	**1,990.02**
Share Application Money Outstanding	Dholera Infrastructure Pvt Ltd.	-	0.50
		-	**0.50**
Deposit Given	Adani Properties Pvt. Ltd.	100.00	100.00
		100.00	**100.00**
Corporate Guarantee	Gujarat Adani Institute of Medical Science	1,350.00	1,350.00

14. (Note No. 32 of Notes to Financial Statements)

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

Nature	Particulars of Derivatives				Purpose
	As at March 31, 2012 (Amount in Million)		As at March 31, 2011 (Amount in Million)		
Currency Swap	USD	27.79	USD	4.00	Hedging of loan and interest liability ₹ 68,648.40 lacs (previous year ₹ 45,020.15 lacs)
Principal Only Swap	USD	121.88	USD	96.00	
Forward Contract	JPY	1,817.38		Nil	Hedging of loan and interest liability ₹ 12,123.77 lacs (previous year ₹ Nil)
Interest Rate Swap	AUD	891.00		Nil	Hedging of interest rate risk.

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

Nature	As at March 31, 2012			As at March 31, 2011		
	Amount (₹ In Lacs)	Foreign Currency (in Million)		Amount (₹ In Lacs)	Foreign Currency (in Million)	
Foreign Currency Loan	4,10,609.38	USD	802.65	71,727.03	USD	160.64
	50,656.51	EUR	74.12	9,967.54	EUR	15.76
	20,614.87	JPY	3,302.08	10,327.62	JPY	1,911.81
Buyer's Credit	45,415.28	USD	88.78	72,143.28	USD	161.58
	21,694.49	EUR	31.75	12,151.92	EUR	19.22
	153.73	GBP	0.19	-		-
Trade Payables	2,132.62	USD	4.17	5,619.19	USD	12.59
	3,141.91	EUR	4.60	-		-
	7.94	AUD	0.02	-		-
	20.60	GBP	0.03	-		-

Closing rates as at March 31:

		2012	2011
INR / USD	=	51.16	44.65
INR / EUR	=	68.34	63.24
INR / GBP	=	81.80	71.92
INR / JPY	=	0.62	0.54
INR / AUD	=	52.92	46.05

15. (Note No. 33 of Notes to Financial Statements)

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

The Company has been availing benefit u/s 80IAB of the Income Tax Act, 1961 on the taxable income. In view of the amendment in Income Tax Act, 1961 w.e.f. April 1,2011 by Finance Act 2011, the Company is liable to pay Minimum Alternate Tax (MAT) on income from the financial year 2011-12. Based on the amendment, the Company has made provision of ₹ 25,433.00 lacs for current taxation based on its book profit for the financial year 2011-12 and considered credit for MAT of ₹ 24,217.46 lacs as the management believes, it has convincing evidence in the nature of strategic volumes of cargo available with the Company and higher depreciation charge for accounting purposes than the depreciation for income tax purposes in the future period, thereby, the MAT credit will be utilized post tax holiday period.

16. (Note No. 34 of Notes to Financial Statements)

During the year, the Company has entered into arrangement for proposed joint venture with strategic investor for the development and operation of container terminal (CT-3) at South Zone in Mundra. As per the terms of the arrangement, both APSEZL and strategic investor will hold stake of 50% each in Adani International Container Terminal Private Limited (AICTPL).

17. (Note No. 35 of Notes to Financial Statements)

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

(₹ In Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. Project Expenditure	**3,04,772.57**	**1,33,872.79**
B. Capital Inventory	**36,820.22**	**35,190.10**
C. Expenditure during Construction Period :		
Personnel Expenses		
Salaries, Wages & Bonus	847.38	593.94
Contribution to Provident Fund	53.22	18.44
Workmen and Staff Welfare Expense	59.67	8.52
Sub Total	**960.27**	**620.90**
Other Expenses		
Power & Fuel	24.29	111.78
Insurance	20.03	8.83
Other Repairs and Maintenance	6.61	0.68
Legal and Professional Expenses	169.60	131.62
Travelling and Conveyance	1,027.22	441.79
Rent	380.15	293.70
Security Charges	87.52	42.79
Store and Consumables	32.19	-
Other Expenses	330.83	143.30
Sub Total	**2,078.44**	**1,174.49**

(₹ In Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Financial Expenses		
Interest on Borrowings	9,704.10	4,535.95
Bank Charges	1,525.94	1,410.24
Ancillary Cost of Borrowings	8,579.83	-
Sub Total	**19,809.87**	**5,946.19**
Interest Income on Bank Deposits	(2,967.69)	-
Depreciation	7,403.33	6,903.29
Total Expenditure (A)	**27,284.22**	**14,644.87**
Miscellaneous Income	-	(116.36)
Scrap Sales	(796.30)	-
Total Income (B)	**(796.30)**	**(116.36)**
Net (A) + (B)	**26,487.92**	**14,528.51**
Brought Forward from Previous Year	**2,605.84**	**2,223.82**
Total	**29,093.76**	**16,752.33**
Amount capitalized during the year	(6,915.76)	(14,146.49)
Balance Carried Forward Pending Allocation/Capitalisation	22,178.00	2,605.84
Total Capital Work In Progress (A + B + C)	**3,63,770.79**	**1,71,668.73**

Note:

The above expenditure excludes operational expenditure related to project assets, such as fuel and stores & spares consumption, which has been directly allocated as project expenditure.

18. (Note No. 36 of Notes to Financial Statements)
Capital Commitments

(₹ In Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	**2,01,293.33**	**1,77,100.94**

19. (Note No. 37 of Notes to Financial Statements)

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

A) (₹ In Lacs)

Particulars	As at March 31, 2012	As at March 31,2011
a) Contract revenue recognized during the year	5,752.70	2,604.39
b) Aggregate amount of contract costs incurred during the year	1,364.66	702.86
c) Customer advances outstanding for contracts in progress	547.50	98.13
d) Retention money due from customers for contracts in progress	513.45	791.25
e) Amount due from customers	82.60	2,503.52

B) Contract revenue accrued in excess of billing amounting ₹ 816.92 lacs (Previous Year ₹ 593.30 lacs) has been reflected under the head "Other Assets" and billing in excess of contract revenue amounting to ₹ Nil (Previous Year ₹ 1,044.00 lacs) has been reflected under the head "Other Current Liabilities".

20. (Note No. 39 of Notes to Financial Statements)

Contingent Liabilities not provided for

(₹ In Lacs)

Sr. No.	Particulars	As at March 31, 2012	As at March 31, 2011
a	Bank Guarantees given	9,818.54	8,256.04
b	Total amount of other Contingent Liabilities not provided for	17,820.21	17,174.50

21. (Note No. 39 of Notes to Financial Statements)

During the year the Company has acquired operations of Abbot Point Terminal, w.e.f June 1, 2011 from North Queensland Bulk Ports Corporation Limited, Australia. The operations of Abbot Point Terminal is held through non-integral foreign subsidiaries and the financial position and results of these subsidiaries, after elimination of inter company transactions and balances, as included in the Consolidated Financial Statements for the year ended March 31, 2012 are given below:

(₹ In Lacs)

Particulars	As at March 31, 2012
Non-Current Liabilities	
Deferred Tax Liabilit	109,057.40
Interest Bearing Liability	9,89,075.67
Derivative Liability	9,963.76
Total Non-Current Liabilities	**11,08,096.83**
Current Liabilities	
Trade and other payables	17,581.68
Provision for income tax	499.79
Total Current Liabilities	**18,081.47**
ASSETS	
NON CURRENT ASSETS	
Fixed assets	9,99,253.73
Total Non Current Assets	**9,99,253.73**
CURRENT ASSETS	
Cash and Bank Balances	29,562.90
Other Receivables	58,759.86
Total Current Assets	**88,322.76**
Total Revenue	**61,193.81**
Total Expenses	**63,041.28**
Loss Before Tax	**(1,847.47)**
Income Tax Benefit	318.23
Loss for the period	**(1,529.24)**

22. (Note No. 40 of Notes to Financial Statements)

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

23. (Note No. 41 of Notes to Financial Statements)

Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year's figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : June 25, 2012

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman & Managing Director

Rajesh S. Adani
Director

Dr. Malay R. Mahadevia
Wholetime Director

B Ravi
Chief Financial Officer

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : June 25, 2012

Statement pursuant to Approval U/S 212(8) of the Companies Act, 1956 (Refer note 22)

(₹ In Lacs)

Sr. No	Name of the Subsidiaries	Reporting Currency	Exchange Rate	Capital (Paid Up)	Reserves	Total Assets	Total Liabilities	Investment *	Turnover/ Total Income	Profit/ (Loss)before taxation	Provision for taxation(Net)	Profit/ (Loss)after taxation	Proposed Dividend
1	Mundra SEZ Textile and Apparel Park Pvt. Ltd.	INR	1.00	476.56	3,309.87	9,678.11	5,891.68	-	382.38	(282.38)	-	(282.38)	-
2	MPSEZ Utilities Pvt. Ltd.	INR	1.00	1,313.50	5,004.93	8,336.78	2,018.35	-	5,099.18	(66.12)	14.64	(51.48)	-
3	Rajasthan SEZ Pvt. Ltd.	INR	1.00	1.00	(0.69)	0.36	0.05	-	-	(0.69)	-	(0.69)	-
4	Adani Logistics Limited	INR	1.00	31,179.00	(6,085.93)	68,750.30	43,657.23	1,986.43	13,448.88	(650.92)	-	(650.92)	-
5	Karnavati Aviation Pvt. Ltd.	INR	1.00	500.00	(1,505.88)	18,443.24	19,449.12	0.60	2,966.66	(591.17)	(113.44)	(704.61)	-
6	Adani Petronet (Dahej) Port Pvt. Ltd.	INR	1.00	34,615.38	(3,686.99)	1,04,711.31	73,782.92	1,000.00	9,162.00	(3,170.39)	55.44	(3,114.95)	-
7	Adani Murmugao Port Terminal Pvt. Ltd.	INR	1.00	4,435.00	(59.93)	23,283.63	18,908.56	-	-	(29.69)	-	(29.69)	-
8	Mundra International Airport Pvt. Ltd.	INR	1.00	50.00	(2.00)	945.58	897.58	0.38	-	(0.48)	-	(0.48)	-
9	Adani Hazira Port Pvt. Ltd.	INR	1.00	16,410.00	(202.81)	1,19,495.84	103,288.65	0.25	-	(175.43)	-	(175.43)	-
10	Hazira Infrastructure Pvt. Ltd.	INR	1.00	25.00	(19.36)	3,240.74	3,235.10	-	-	(18.37)	-	(18.37)	-
11	Hazira Road Infrastructure Pvt. Ltd.	INR	1.00	5.00	(0.89)	4.37	0.26	-	-	(0.47)	-	(0.47)	-
12	Adani Vizag Coal Terminal Pvt. Ltd.	INR	1.00	50.00	(1.70)	513.52	465.22	-	-	(1.70)	-	(1.70)	-
13	Adani International Container Terminal Pvt. Ltd.	INR	1.00	50.00	(1.74)	8,602.69	8,554.43	-	-	(1.74)	-	(1.74)	-
14	Adani Kandla Bulk Teminal Pvt. Ltd.	INR	1.00	5.00	(0.53)	5.00	0.53	-	-	(0.53)	-	(0.53)	-
15	Mundra Port Pty Ltd., Australia	AUD	52.92	16,636.64	(42,359.65)	3,72,407.26	3,98,130.27	-	19,155.62	(40,632.81)	-	(40,632.81)	-
16	Mundra Port Holdings Pty Ltd., Australia	AUD	52.92	0.53	-	0.53	-	-	-	-		-	-
17	Adani Abbot Point Terminal Pty Ltd.,Australia	AUD	52.92	2,36,142.53	(10,145.41)	8,52,298.06	6,26,300.94	-	58,046.27	(248.93)	74.62	(174.11)	-
18	Adani Abbot Point Terminal Holdings Pty Ltd., Australia	AUD	52.92	69,134.86	(1.32)	236,142.59	1,67,009.05	-	-	(1.27)	-	(1.27)	-

* Investments except in case of Investment in Subsidiaries

GREEN INITIATIVE

Dear Shareholder,

RE: Green Initiative in Corporate Governance: Go Paperless

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

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

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

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

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

Best Regards,

Adani Ports and Special Economic Zone Limited

Adani Ports and Special Economic Zone Limited
Adani House, Nr. Mithakhali Six Roads
Navrangpura, Ahmedabad,
Gujarat, India