

INDEPENDENT AUDITORS' REPORT

The Members of
MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED.

Report on the Financial Statements

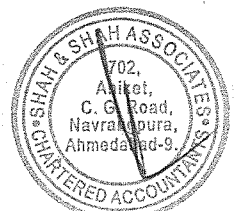
We have audited the accompanying financial statements of **MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these (standalone) financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



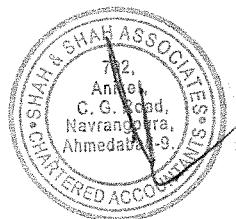
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (standalone) financial statements.

Opinion

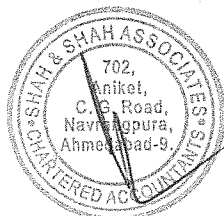
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2016;
- (ii) in the case of the statement of profit and loss, of the Loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

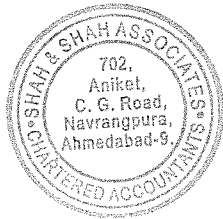
1. As required by 'the Companies (Auditors' Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B".



SHAH & SHAH ASSOCIATES
CHARTERED ACCOUNTANTS

702, ANIKET,
Nr. MUNICIPAL MARKET,
C.G. ROAD, NAVRANGPURA,
AHMEDABAD - 380 009.
PHONE: 26465433
FAX : 079 - 26406983
Email: ca@shahandshah.co.in

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have pending litigations which would impact its financial position.
 - ii) The Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place : Ahmedabad.
Date : 28th April, 2016

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W

N. S. Tanna

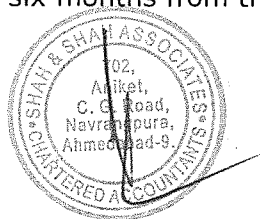
VASANT C. TANNA
PARTNER

Membership Number: 100422

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016):

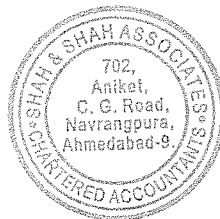
1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
c) The title deeds of immovable properties are held in the name of the company.
2. The company is engaged in the business of rendering of services by way of Lease/ sub lease of land, Factory Buildings and infrastructure usage facilities and does not maintain any type of inventories. Therefore, the provisions of clause (ii) of the paragraph 3 are not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
6. In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (I) of section 148 of the Companies Act.
7. a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.



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- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute:
8. The company has not borrowed from any financial institution or bank or by way of issue of debentures.
 9. The company has not raised money by way of initial public offer or further public offer including debt instruments and term loans.
 10. There has been neither any fraud by the company nor any fraud on the company by its officers or employees has been noticed or reported during the year.
 11. The provision of clause (xi) of the order is not applicable to the company.
 12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
 13. All transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 and the details have been disclosed in the financial statements.
 14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
 15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
 16. This provision of clause (xvi) of the order is not applicable to the company.



Place : Ahmedabad.
Date : 28th April, 2016

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN: 113742W

N. C. Tanna

VASANT C. TANNA
PARTNER

Membership Number: 100422

“Annexure B” to the Independent Auditors’ Report
(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

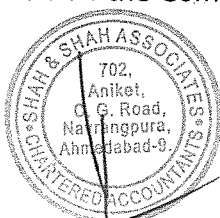
The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

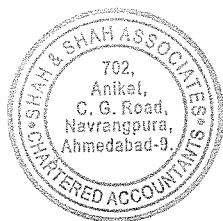
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place : Ahmedabad.
Date : 28th April, 2016



For **SHAH & SHAH ASSOCIATES**
Chartered Accountants

FRN: 113742W

N. C. Tanna

VASANT C. TANNA
PARTNER

Membership Number: 100422

MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Lac)

PARTICULARS	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	476.56	476.56
Reserves and Surplus	4	839.66	1,654.11
Sub Total		1,316.22	2,130.67
NON-CURRENT LIABILITIES			
Long Term Borrowing	5	2,899.00	2,459.00
Other Long Term liabilities	6	2,819.79	3,009.44
Long Term Provisions	7	1.41	1.09
Sub Total		5,720.20	5,469.53
CURRENT LIABILITIES			
Trade Payables	8		
a) Dues of Micro and Small Enterprises			
b) Dues of Creditors other than Micro and Small Enterprises		6.39	6.02
Other Current Liabilities	9	303.80	588.25
Short Term Provisions	10	0.15	0.13
Sub Total		310.34	594.40
Total		7,346.76	8,194.60
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11	7,300.67	7,969.02
Long-Term Loans and Advances	12	13.64	11.67
Sub Total		7,314.31	7,980.69
CURRENT ASSETS			
Inventory		0.46	0.46
Trade Receivables	13	26.90	203.42
Cash and Bank Balances	14	2.87	8.44
Short Term Loans and Advances	12	0.98	0.11
Other Current Asset	15	1.24	1.48
Sub Total		32.45	213.91
Total		7,346.76	8,194.60
Summary of significant accounting policies.	2.1		

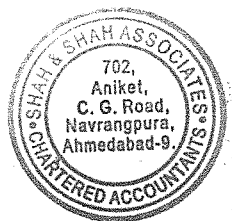
The accompanying notes are an integral part of the financial statements

For SHAH and SHAH ASSOCIATES
Firm Registration No.: 113742W
Chartered Accountants

V. C. Tanna

VASANT C. TANNA
Partner
Membership No. 100422

Place : Ahmedabad
Date : April 28, 2016



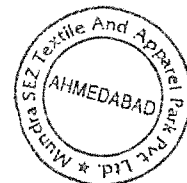
For and on behalf of the Board of Directors

MUKESH SAXENA
Director
DIN : 07337179

Place : Ahmedabad
Date : April 28, 2016

Ravi Iyer

RAVI IYER
Director
DIN : 02609800



MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lac)

PARTICULARS	Notes	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Revenue from Operation	16	381.98	434.78
Other Income	17	96.71	0.70
Total Revenue		478.69	435.48
Expenses			
Operating Expenses	18	259.14	259.14
Employee Benefits Expense	19	5.45	5.27
Other Expenses	20	112.18	15.39
Depreciation and Amortization Expenses	11	670.63	670.48
Finance Costs	21	245.73	246.42
Total Expenses		1,293.13	1,196.70
(Loss) for the year before tax		(814.44)	(761.22)
(Less) : Tax expenses		-	-
(Loss) for the year		(814.44)	(761.22)
Earning per Equity Share (in Rs) face value of Rs 10 each - Basic and Diluted	22	(17.09)	(15.97)
Summary of significant accounting policies	2.1		

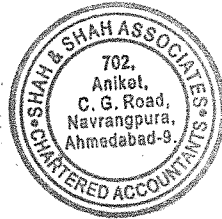
The accompanying notes are an integral part of the financial statements

For SHAH and SHAH ASSOCIATES
Firm Registration No.: 113742W
Chartered Accountants

For and on behalf of the Board of Directors

N. C. Tanna

VASANT C. TANNA
Partner
Membership No. 100422



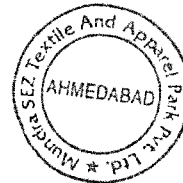
Mukesh Saxena
MUKESH SAXENA
Director
DIN : 07337179

Ravi Iyer

RAVI IYER
Director
DIN : 02609800

Place : Ahmedabad
Date : April 28, 2016

Place : Ahmedabad
Date : April 28, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

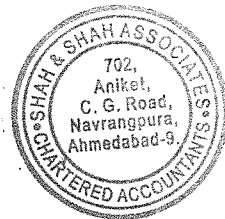
Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
A Cash Flow from Operating Activities		
Net Loss before taxation and extraordinary items	(814.44)	(761.22)
Adjustments for:		
Depreciation	670.63	670.48
Interest paid/(received)	245.38	246.18
Amortization of amounts received under Long-term lease/infrastructure usage agreements	(189.65)	(189.65)
Operating Loss before working capital changes:	(88.08)	(34.21)
Adjustments for:		
Decrease/(Increase) in Debtors	176.52	(39.83)
Decrease/(Increase) in Other Current Assets	0.24	(0.07)
Decrease/(Increase) in Loans & Advances	1.63	0.83
Increase/(Decrease) in Current Liabilities	(114.45)	(640.51)
Increase/(Decrease) in Trade Payables	0.37	(105.80)
Increase/(Decrease) in Provision	0.34	0.12
Cash Flow from / (used in) Operating Activities	(23.43)	(819.47)
Direct Taxes Paid/tax deducted at source (Net)	(4.47)	0.57
Net Cash Flow from / (used in) Operating Activities	(27.90)	(818.90)
B Cash Flow From Investing Activities		
Proceed from sale /Purchase of Fixed Assets	(2.26)	(0.41)
Net Cash Flow from / (used in) Investing Activities	(2.26)	(0.41)
C Cash Flow From Financing Activities		
Increase/(Decrease) in Unsecured Short Term Loan	-	(1,393.00)
Increase/(Decrease) in Unsecured Long Term Loan	440.00	2,459.00
Interest (paid)/received	(415.41)	(246.18)
Net Cash Flow from Financing Activities	24.59	819.82
Net change in Cash or Cash Equivalent(A+B+C)	(5.57)	0.51
Add: Cash and Cash Equivalent at beginning of the year	8.44	7.93
Cash and Cash Equivalent at end of the year	2.87	8.44
Notes:		
Component of Cash and Cash Equivalents:		
Balance with Schedule Banks		
On current Accounts	2.58	8.19
On Deposit Accounts	0.29	0.25
Cash and bank balances as per Note 14	2.87	8.44

For SHAH & SHAH ASSOCIATES
Firm Registration No.: 113742W
Chartered Accountants

N. C. Tanna

VASANT C. TANNA
Partner
Membership No. 100422

Place : Ahmedabad
Date : April 28, 2016

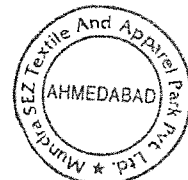


For and on behalf of the Board of Directors

MUKESH SAXENA
Director
DIN :07337179

Place : Ahmedabad
Date : April 28, 2016

RAVI IYER
Director
DIN :02609800



1 Corporate information

The company was promoted by Adani Ports and Special Economic Zone Ltd. The Company is a co-developer and has Set up an Integrated Textile Park under the scheme of Ministry of Textiles, Govt. of India in Special Economic Zone, Mundra, Kutch District of Gujarat.

2 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 section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Summary of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Tangible Fixed Assets

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.

c) Depreciation on tangible fixed assets

- i) Depreciation on fixed asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the useful lives estimated by the management.
- ii) Cost (one time amount) of lease hold land and leasehold improvements are equally amortised over the period of lease.

d) 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" - Grant in the nature of capital subsidy are credited to the Capital Reserves and shown under the head Reserves and Surplus.

e) Impairment

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

f) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Investments

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

h) 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.

i) Revenue Recognition

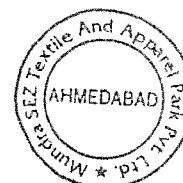
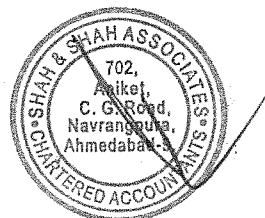
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Income from Sub-Lease of Land, Lease of Building and Long Term Infrastructure Development Use Agreement

The company has entered in to Long Term sub lease of land, Lease of building and infrastructure development use agreements with its member units. The upfront premium received/receivable on such sub-leases, lease and infrastructure usage development is recognised as income pro-rata over the sub-lease period. Annual land sub lease rent receivable under the above agreements and maintenance charges are accounted for as income in accordance with the terms of such agreements.

ii) Interest

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



j) Retirement and Other Employee Benefits
Gratuity and Leave Encashment

i) Provident fund

Retirement benefits in the form of Provident fund are defined contribution schemes and the contributions are charged to the statement of profit and loss account for 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 based on actuarial valuation on projected unit credit method made at the end of each financial year.

iii) Compensated leave benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

k) Earnings per share

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

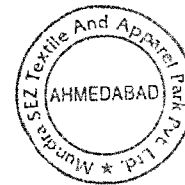
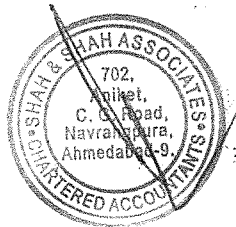
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Provisions

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

m) 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.



MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED
Notes to the Financial Statements for the year ended on March 31, 2016

3 Share capital	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Authorized shares		
50,00,000 (Previous year 50,00,000) Equity Shares of Rs.10/- each	500.00	500.00
Total authorised share capital	500.00	500.00
Issued, subscribed and fully paid-up shares		
47,65,600 (Previous year 47,65,600) Equity Shares of Rs. 10/- each fully paid-up	476.56	476.56
Total issued, subscribed and fully paid-up share capital	476.56	476.56

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2016		31 March 2015	
	No.	(₹ in Lac)	No.	(₹ in Lac)
At the beginning of the year	4,765,600	476.56	4,765,600	476.56
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,765,600	476.56	4,765,600	476.56

b. Shares held by holding company

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Adani Ports And Special Economic Zone Limited		
24,50,000 (Previous year 24,50,000) equity shares of 10 each fully paid	245.00	245.00
	245.00	245.00

c. Details of shareholders holding more than 5% shares in the company

Equity shares	31 March 2016		31 March 2015	
	No.	%	No.	%
Equity shares of Rs.10 each fully paid				
Adani Ports and Special Economic Zone Limited, holding company	2,450,000	51.41%	2,450,000	51.41%
Skaps Industries India Pvt. Ltd	517,300	10.85%	517,300	10.85%
Ahlstrom Fibercomposites India Pvt. Ltd.	388,200	8.15%	388,200	8.15%
Adani Enterprises Ltd.	352,000	7.39%	352,000	7.39%
Anjani Udyog Pvt. Ltd	324,200	6.80%	324,200	6.80%
Terram Geosynthetics Pvt. Ltd.	286,400	6.01%	286,400	6.01%
Adani Logistics Ltd.	265,400	5.57%	265,400	5.57%
	4,583,500	96.18%	4,583,500	96.18%

4 Reserves and surplus

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Capital Reserve		
As per last balance sheet (Government Grant Under Integrated Textile Parks Scheme of Ministry of Textiles, Government of India)	4,000.00	4,000.00
Add: Addition during the year	-	-
Closing Balance	4,000.00	4,000.00
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(2,345.89)	(1,584.67)
Loss for the year	(814.44)	(761.22)
Closing Balance	(3,160.34)	(2,345.89)
Total reserves and surplus	839.66	1,654.11

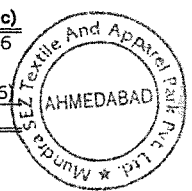
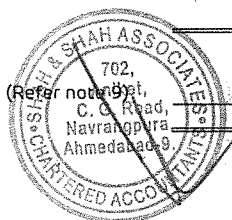
5 Long Term Borrowings

	Non-Current Portion		Current Maturities	
	31 March 2016 Amt. in Rs.	31 March 2015 Amt. in Rs.	31 March 2016 Amt. in Rs.	31 March 2015 Amt. in Rs.
Loan from Holding Company	2,899.00	2,459.00	-	-
	2,899.00	2,459.00	-	-

6 Other long-term liabilities

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Others		
Deferred Infrastructure Usage Income (refer note below)	3,009.95	3,199.60
	3,009.95	3,199.60

	Non-current portion		Current portion	
	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Deferred Infrastructure Usage Income	2,819.79	3,009.44	190.16	190.16
Disclosed under other current liabilities (Refer note below)	-	-	(190.16)	(190.16)
	2,819.79	3,009.44	-	-



7 Long-term provisions

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Provision for employee benefits		
Provision for gratuity	0.87	0.64
Provision for leave benefits	0.54	0.45
	1.41	1.09

8 Trade Payables

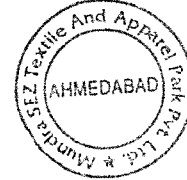
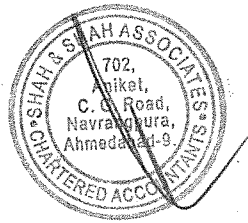
	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Dues of Micro and Small Enterprises	-	-
Dues of Creditors other than Micro and Small Enterprises	6.39	6.02
	6.39	6.02

9 Other current liabilities

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Other liabilities		
Share Application Money	-	14.16
Retention money and other payable	-	12.65
Creditors for Capital Goods	-	32.22
Deferred Infrastructure Usage Income(Refer Note 6)	190.16	190.16
Advance from customers	5.54	56.53
Interest accrued but not due on borrowings	106.03	275.71
Other Liabilities	2.07	6.82
	303.80	588.25
Due to related parties out of above	107.97	276.26

10 Short-term provisions

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Provision for employee benefits		
Provision for gratuity	0.01	0.01
Provision for leave benefits	0.14	0.12
	0.15	0.13

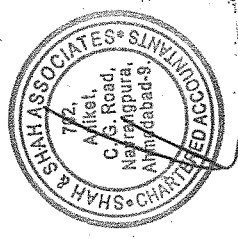


MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED
Notes to the Financial Statements for the year ended on 31st March, 2016

Note 11 : Fixed Assets

(₹ in Lac)

Sr. No.	Particulars	Gross Block (At Cost)			Depreciation / Amortisation			Net Block			
		As at 01-04-2015	Additions	Deductions/ Adjustment	As at 31-03-2016	Up to 01-04-2015	For the year	On Deductions	Up to 31-03-2016	As at 31-03-2016	As at 31-03-2015
	TANGIBLE ASSETS										
1	Lease Hold Land	3,730.26	-	-	3,730.26	1,168.10	154.43	-	1,322.53	2,407.73	2,562.15
2	Building	4,749.93	-	-	4,749.93	1,026.00	302.08	-	1,328.08	3,421.85	3,723.93
3	Plant & Machinery	2,330.14	2.26	-	2,332.40	652.77	213.06	-	865.83	1,466.57	1,677.36
4	Furniture & Fixtures	2.25	-	-	2.25	0.63	0.24	-	0.87	1.38	1.62
5	Vehicle	6.28	-	-	6.28	2.41	0.82	-	3.23	3.05	3.87
6	Office Equipment	0.13	-	-	0.13	0.04	0.00	-	0.04	0.09	0.09
	Total	10,818.99	2.26	-	10,821.25	2,849.95	670.63	-	3,520.58	7,300.67	7,969.02
	Previous Year	10,818.58	0.41	-	10,818.99	2,179.48	670.48	-	2,849.95	7,969.02	8,639.10



12 Loans and advances

	Non-Current		Current	
	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Other loans and advances				
Advance income-tax	12.26	7.79	-	-
Prepaid expenses	-	-	0.01	0.01
Balances with statutory/ government authorities	-	-	0.34	0.10
Advances /recoverable in cash or kind	-	-	0.63	-
Deposit - Others	1.37	1.37	-	-
Capital Advances	0.01	2.51	-	-
	13.64	11.67	0.98	0.11
Deposits with related parties out of above	1.12	1.12	-	-

13 Trade receivables

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	23.86	146.07
Others		
Unsecured, considered good	3.04	57.35
	26.90	203.42
Due from Related party out of above	1.21	-

14 Cash and bank balances

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Cash and cash equivalents		
Balances with banks:		
On current accounts	2.58	8.19
	2.58	8.19
Other bank balances		
Deposits with original maturity for more than 12 months	0.29	0.25
	0.29	0.25
	2.87	8.44

Note: FDR of Rs. 28,798/- under Lien with Government Authorities

15 Other Current Assets

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Accrued service revenue	1.24	1.48
	1.24	1.48

16 Revenue from operations

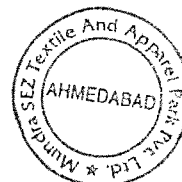
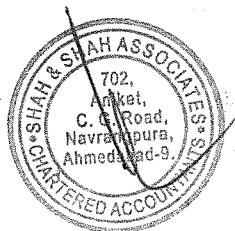
	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Revenue from operations (net)		
Sub Lease, Pro rata annual lease, Infrastructure Income	381.98	434.78
	381.98	434.78

17 Other Income

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Liability no longer required - written back	96.36	0.45
Interest on Income Tax refund	0.35	0.25
	96.71	0.70

18 Operating Expenses

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Lease Rent and Infrastructure Usage charges	259.14	259.14
	259.14	259.14



19 Employee benefit expense

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Salary and Allowances	5.18	4.88
Gratuity	0.23	0.19
Workmen and Staff Welfare Expenses	0.04	0.20
	5.45	5.27

20 Other Expenses

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Power and Fuel	1.18	1.42
Rates and Taxes	1.91	2.03
Insurance	0.13	5.09
Repairs And Maintenance		
Other Repairs and Maintenance	0.24	3.62
Legal and Professional Expenses	0.55	0.73
Payment to auditors (refer below)	1.24	1.14
Bad Debts written off	99.81	-
Miscellaneous Expenses	7.12	1.36
	112.18	15.39

Payment to auditor

As auditor:

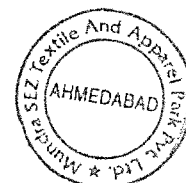
Audit fee	0.70	0.65
Tax audit fee	0.10	0.10
Other services (certification fees)	0.44	0.39
	1.24	1.14

21 Finance costs

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Interest		
Interest on borrowing	245.73	244.87
Interest others	0.00	1.55
	245.73	246.42

22 Earnings per share (EPS)

	31 March 2016 (₹ in Lac)	31 March 2015 (₹ in Lac)
Loss for calculation of basic and diluted EPS	(814.44)	(761.22)
Weighted average number of equity shares in calculating basic and diluted EPS	4,765,600	4,765,600
Basic and Diluted Earnings per Share in Rupees	(17.09)	(15.97)



23 Details of employee benefits

The company has a defined gratuity plan. Under the plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The following tables summarise the component of the net benefits expenses recognized in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet as per the plan.

Profit and Loss Account

a) Net gratuity employee benefit expenses

Particulars	₹ in Lac)	
	31 March 2016	31 March 2015
Current Service cost	0.10	0.65
Interest Cost on benefit obligation	0.05	-
Expected return on plan assets	-	-
Actuarial loss / (gain) recognised in the year	0.08	-
Net benefit expense	0.23	0.65

Balance Sheet

b) Benefit gratuity asset / liability

Particulars	₹ in Lac)	
	31 March 2016	31 March 2015
Present value of defined benefit obligation	0.88	0.65
Fair value of plan assets	-	-
Surplus/(deficit) of funds	(0.88)	(0.65)
Net asset/ (liability)	(0.88)	(0.65)

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

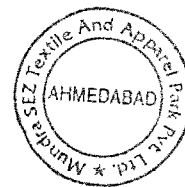
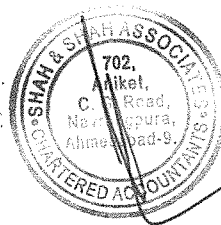
Particulars	₹ in Lac)	
	31 March 2016	31 March 2015
Defined benefit obligation at the beginning of the year	0.65	-
Current Service cost	0.10	0.65
Interest Cost	0.05	-
Actuarial (gain) / loss on obligations	0.08	-
Benefits paid	-	-
Defined benefit obligation at the end of the year	0.88	0.65

d) The principle assumptions used in determining gratuity obligations are as follows:

Particulars	₹ in Lac)	
	As at 31 March 2016	As at 31 March 2015
Discount rate	7.90%	7.96%
Rate of Escalation in Salary (per annum)	9.00%	8.50%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.



24 Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the period ended March 31, 2016 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Criteria	Name of the	
Holding Company	Adani Ports And Special Economic Zone Limited	
Fellow Subsidiary	MPSEZ Utilities Private Limited	
	(₹ in Lac)	
Particulars	Holding Company	Fellow Subsidiary
	Adani Port And Special Economic Zone Limited	MPSEZ Utilities Private Limited
(A) Volume of Transactions		
Loan Obtained		
2015-16	699.00	-
2014-15	1,148.00	-
Loan Repaid		
2015-16	259.00	-
2014-15	82.00	-
Annual Lease Rent and Infrastructure Usages		
2015-16	259.14	-
2014-15	259.14	-
Interest on Unsecured Loan		
2015-16	245.73	-
2014-15	244.87	-
Water Charges		
2015-16	13.02	-
2014-15	9.94	-
Electricity Charges		
2015-16	-	6.78
2014-15	-	7.40
Repair and Maintenance		
2015-16	-	0.24
2014-15	-	1.00
Land Tax		
2015-16	1.62	-
2014-15	1.62	-
Rent Income		
2015-16	-	2.53
2014-15	-	2.17
(B) Balance at the end of the year		
Dues Payable		
2015-16(Unsecured Loan)	2,899.00	-
2014-15(Unsecured Loan)	2,459.00	-
2015-16(Other dues)	107.35	0.62
2014-15(Other dues)	275.71	0.55
Receivable		
2015-16 Deposit - others	-	1.12
2014-15 Deposit - others	-	1.12
2015-16 Trade receivable	-	1.21
2014-15 Trade receivable	-	-

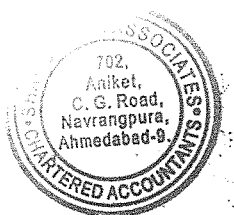
25 The company has entered in to long term agreements granting lease of factory buildings and sub leases out of its leasehold lands and/or rights to infrastructure facilities for the period of the sub leases. The company has received upfront amounts in consideration of grant of the lease of buildings and sub-leases and rights to use its infrastructure facilities. Unamortized amounts received under Long term Lease/sub leases/infrastructure usage agreements at the end of the year amounting to Rs. 30,09,95,447/- (Previous year Rs. 31,99,60,654) has been separately disclosed in the Balance Sheet.

For SHAH and SHAH ASSOCIATES
Firm Registration No.: 113742W
Chartered Accountants

V. C. Tanna

VASANT C. TANNA
Partner
Membership No. 100422

Place : Ahmedabad
Date : April 28, 2016



For and on behalf of the Board of Directors

M. Saxena

MUKESH SAXENA
Director
DIN : 07337179

Place : Ahmedabad
Date : April 28, 2016

Ravi Iyer

RAVI IYER
Director
DIN : 02609800

