8th ANNUAL REPORT 2006-2007

IMPACT» STRUCTURE

BEYOND INFRASTRUCTURE

ADANI

MUNDRA PORT AND SPECIAL ECONOMIC ZONE LIMITED

IMPACT»STRUCTURE

Impact Structure is the enabler for the infrastructure of industries to grow in quantum leaps. Impact Structure is an advanced concept of infrastructure brought to you by Adani. With its investments in Ports, SEZ and Logistics, Adani is offering new opportunities and opening new doors to a host of industries. Adani is pioneering Impact Structure to add value and vitalize infrastructure.

8th Annual Report 2006- 2007

BOARD OF DIRECTORS

Shri Gautam S. Adani, *Chairman & Managing Director*
Shri H.K. Dash, IAS,
Shri Ameet H. Desai, *Executive Director*
Shri Rajesh S. Adani
Shri Sanjay Gupta
Shri S. Venkiteswaran
Shri S.K.Tuteja, IAS (Retd.)
Shri Arun Duggal
Shri K.N. Venkatasubramanian

COMPANY SECRETARY

Smt. Dipti Shah

AUDITORS

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

BANKS AND FINANCIAL INSTITUTIONS

Allahabad Bank	IFCI Ltd.	Syndicate Bank
Canara Bank	LIC of India	UTI Bank Ltd.
Exim Bank of India	Oriental Bank of commerce	State Bank of Hyderabad
HDFC Bank	State Bank of India	Corporation Bank
ICICI Bank Ltd.	State Bank of Saurashtra	
IDFC Ltd.	State Bank of Travancore	

REGISTERED OFFICE

'Adani House'
Mithakhali Six Roads,
Navrangpura,
Ahmedabad - 380 009.

SITE

Post Bag No. 1
Munda - 370 421
Kutch.

CONTENTS

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Eighth Annual Report on the business and operations of the company and the financial Accounts for the financial year ended 31st March, 2007.

(Rs. in Million)

Particulars	For the year ended 31/03/2007	For the year ended 31/03/2006
Income from operations	5797.43	3845.38
Other Income	163.82	158.13
Total Income	**5961.25**	**4003.51**
Operating & Administrative Expenses	2709.86	1689.78
Operating Profit before Interest, Depreciation and Tax	3251.39	2313.73
Interest and Financial Charges	679.21	551.17
Depreciation	806.99	614.17
Profit Before Tax and Prior Period Adjustment	1765.19	1148.39
Prior Period Adjustments (Net)	15.47	(13.19)
Provision for tax (including deferred tax)	(124.64)	489.19
Profit after tax	**1874.36**	**672.39**
Surplus brought forward from previous year	876.20	670.13
Pre-Operative and Miscellaneous Expenditure (to the extent not written- off)	(36.09)	-
Balance available for appropriations	**2714.47**	**1342.52**
Appropriations :		
Transfer to Debenture Redemption Reserve	20.13	3.50
Transfer to Capital Redemption Reserve	1.41	1.41
Transfer to General Reserve	-	50.43
Transfer for issue of Bonus Shares	1382.14	-
Dividend on Preference Shares	0.00*	0.00*
Dividend on Equity Shares	360.43	360.43
Tax on Dividend	-	50.55
Balance carried to Balance Sheet	**950.36**	**876.20**
(*figures being nullified on conversion to Rs. in Million)		

Dividend:

In view of the Company's continuing consistent good and profitable performance, your directors have declared interim dividend of 10% on Equity shares (including Bonus Shares) of the company (Re. 1/- per share of Rs.10/- fully paid up) and 0.01% on Non Cumulative Redeemable Preference Shares of Rs. 10/- each for the financial year 2006-07 to the shareholders whose names appeared on the Register of Members as on 9th February, 2007 resulting into total outflow of Rs. 360.43 Millions.

Merger:

The Scheme of Amalgamation/ Merger under sections 391 to 394 of the Companies Act, 1956 among the Company, Mundra Special Economic Zone Limited (MSEZL) engaged in the business of developing, operating and maintaining a Special Economic Zone at Mundra and Adani Chemicals Limited (ACL), developing Salt work project with effect from the Appointed date i.e. 1st April, 2006 was approved by the Hon'ble High court at Ahmedabad, vide its order dated 24th November, 2006. The Company has filed the Order of the Hon'ble High Court with the Registrar of Companies, Gujarat on 19th December, 2006.

Pursuant to the Scheme, the business of MSEZL and ACL has been transferred to the Company on the going concern basis. Accordingly, all the assets, liabilities, rights, licenses, benefits, obligations etc. of MSEZL and ACL, as on 1st April, 2006 are transferred to and vested in the Company.

MSEZL and ACL being wholly owned subsidiaries of the Company, as per the scheme, the entire share capital of ACL and MSEZL stood cancelled and extinguished and no shares of the Company have been issued in exchange of these shares. The Net Assets taken over against the cancellation of Share Capital of the Transferor companies is Rs.1,131.82 million of MSEZL and Rs. 5.00 million of ACL.

Business Results:

Global Scenario

Global Economic growth is encouraging. World trade grew by 6.5 per cent in 2005 while in 2006 it grew by 8 per cent. Ports handle approximately 90 per cent of the world trade. There are more than 2,000 ports around the world and the amount of trade and cargo moving through the Ports is increasing. With increasing reliance on Ports, these have evolved from simple modal gateways to critical nodes in international supply chain networks. They have become active modal links driving the trade competitiveness of maritime nations.

The speed and size of cargo-carrying vessels is increasing. As a result, Ports need deeper channels and draughts. With time becoming a competitive edge, ships expect quicker turnaround and streamlined service and operations at Ports.

In the year 2006, world's top 30 container ports handled an estimated 242.1 million TEUs. Though this was slightly up on the share of the market they held in 2005, the actual year on year raise was to almost 12%.

Ports in China continued to exert more influence over the top 30 league. India will also see its share of global container handling activity rise, as a higher proportion of the nation's general cargo imports and exports are containerized. Colombo port has also entered the list of top 30 ports for the first time. Seventy three percent of Colombo's total throughput of 3.08 million TEUs was transshipment cargo.

Indian Scenario

India is emerging as a modern economy. Over the period of 1993-2003, Indian economy grew at a CAGR of 6.2%, with above 8.0% growth subsequently. The strong economic growth driven by liberalization policies has led to India's trade in goods increasing at a five-year CAGR of 20.4% to US$ 241 billion in fiscal 2006. While exports have increased at a five-year CAGR of 17.7%, imports have increased at a five-year CAGR of 22.6%. There has been sustained rise in volume of exports with revival of growth in the manufacturing sector and improved export competitiveness.

The significant increase in India's international trade during the recent years has resulted in traffic handled at Indian ports increasing at a five-year CAGR of 9.4% to approximately 573 million tones in fiscal 2006. The strong growth in India's port traffic is expected to be sustained, with growth of approximately 12% to 15% per year expected during the next two to three years. Growth is expected to be driven by high growth in exports (driven by a buoyant world economy), and higher oil imports. The Government of India has fixed an ambitious target of US$ 150 billion for exports by fiscal 2009 to double India's share in world exports from approximately 0.8% to 1.5%. To meet this target, this would require exports to grow at a CAGR of at least 15% over the next two to three years.

Total cargo traffic carried by both major and minor ports in fiscal 2006 was approximately 573 million tones, of which approximately 423 million tones, or approximately 75%, passed through Major Ports and the remaining 150 million tones passed through the Minor Ports. Over the last seven years, cargo traffic at Major Ports has grown at a CAGR of 7.6%. In comparison cargo traffic at Minor Ports has grown at a CAGR of 15.4%. As a result the share of minor ports in total volume has increased from 18.9% in fiscal 2000 to 26.2% in fiscal 2006.

Gujarat Scenario

Gujarat leads amongst the non-major ports. It has 42 of the 185 minor and intermediate ports, and accounts for around three-fourths of the traffic at non-major ports. The state has developed several successful non-major ports with private sector participation.

Gujarat carries 70.6 per cent of non-major port traffic, with Andhra Pradesh a distant second at 10.9 per cent.

State	Million Tons	Per Cent
Gujarat	97.10	70.60
Andhra Pradesh	15.00	10.90
Maharashtra	12.10	8.81
Goa	8.40	6.10
Others	4.90	3.59
Total	**137.50**	**100.00**

For the fiscal year ended 2006, Gujarat ports handled around 20% of the cargo throughput of the country. By 2015, the throughput for the country is estimated to be around 1027 million tones. At the same time, the Gujarat ports will handle 400 million tones taking the share of the state to 39% of the country. The western region ports in Maharashtra and Gujarat serve northern hinterland market. As per the assessment of the PODEG study conducted by the Netherland Experts, 38% of the general cargo and 42% of the container throughput of Mumbai ports is from the northern hinterland. Also 30% of the cargo throughput of the Gujarat ports is for the northern hinterland. Adding up the above, the present share of Gujarat ports of the cargo generated from the northern hinterland is around 30%. This is expected to increase to 100% by 2015.

Operations:

Port Related

During the year under review, Mundra Port handled 1,138 vessels as against 1038 vessels handled during the corresponding financial year 2005-06. The Mundra Port handled 19.79 mmt of cargo in the year under review consisting of 9.18 mmt Dry cargo, 4.36 mmt Liquid cargo and 6.25 mmt container cargo of MICT against total cargo of 11.73 mmt consisting of 6.96 mmt of Dry cargo, 1.17 mmt of Liquid cargo and 3.60 mmt of Container cargo of MICT during the corresponding financial year 2005-06.

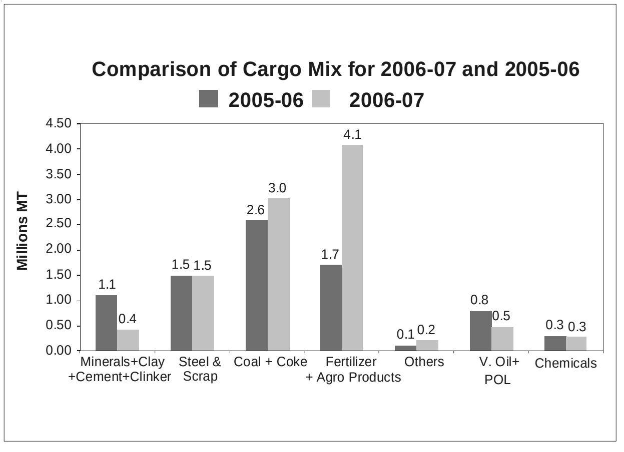
The port has emerged as the preferred "Port of Call" for bulk products like Coal, Steel, and Fertilizers. Dry cargo hasincreased by 31.90 % compared to the previous year.

In terms of the agreement with Indian Oil Corporation Limited, your Company has started commercial operation of Single Point Mooring (SPM) facility and handled 21 vessels during the year 2006-07.

The comparative analysis of cargo handled during the current year and previous year and the cargo mix with respect to cargo handled by the port is depicted as follows:

(In Million MT)

Cargo handled	2006-07	2005-06	Growth	
			In tons	In%
Dry	9.18	6.96	2.22	31.90
Liquid	4.36	1.17	3.19	272.65
MICT	6.25	3.60	2.65	73.61
Total	19.79	11.73	8.06	68.71



Note: Excluding container cargo & crude oil cargo.

The railway line during the year has handled 3,144 rail rakes, transporting 6.81 mmt cargo against 2,329 rail rakes transporting 4.28 mmt cargo during the corresponding year.

The Milestones achieved during the year under review are as follows:

Sr. No.	Particulars	UOM	Qty.	Month/ Date
1	Highest Cargo handled in a month	MTs	1244667	Jan-07
2	Highest No. of Vessels in a month (MPT)	Nos.	58	Jan-07
3	Highest No. of Rakes in a month (MPT+MICT)	Nos.	346	Jan-07
4	Highest No. of Liquid tankers loaded in a month	Nos.	3 808	Apr-06
5	Highest No. of Liquid tankers loaded in a day	Nos.	200	15 May 06

Special Economic Zone: Leveraging expertise

Mundra Port and Special Economic Zone Ltd. is the result of the integration of two of Adani Group's infrastructure projects to leverage the vast expertise acquired in logistics management; Gujarat Adani Port Ltd. and Mundra Special Economic Zone Ltd. The integration is in sync with Adani Group's mission of "creating value for stakeholders by synergizing competencies".

Mundra Port and Special Economic Zone Ltd., the new entity is developing and managing the largest privately developed port in the country and a multi-sector Special Economic Zone (SEZ) which is spread over 100 Sq. km in Kutch.

The port has been operational since 1998 and cargo volumes are anticipated to touch fifty million tones by 2010.

The SEZ is envisaged as a multi sector, multi modal SEZ and is benchmarked with the best in the world. Its logistic advantage is the unparalleled rail, road, sea and air connectivity and the operational convenience due to the combination of Port and SEZ.

As indicated in our last report, the Company had received letter of approval dated 12th April, 2006 from Government of India for establishing a multi-product SEZ over an area of 2406.8 Hectares of land in its possession. Pursuant to the same, Government of India also issued a notification dated 23rd June, 2006 declaring 2406.7592 Hectares area as SEZ. With the above the Mundra SEZ has become an operational SEZ.

Consequent to merger of Mundra Special Economic Zone Ltd. and Adani Chemicals Ltd. with the Company, the entire land area under possession of above entities also came under the purview of your Company. Accordingly, the Company has already sought approval of Government of India for increasing the SEZ notified area in the land parcels which are contiguous to the already notified area.

CPG Consultant India Pvt. Ltd., a part of CPG Corporation Pte Ltd., Singapore has been appointed as consultant for development planning and urban designing. The Company has entered into arrangements with implementation partners for infrastructure services i.e. Veolia and Gujarat Water Infrastructure Ltd. for waste water and water supply arrangements, with Bharti Airtel for information and communication solutions, Apollo Hospitals and Sterling Add life India Ltd. for healthcare facilities and Maharashtra Institute of Technology for setting up School and Engg. College. The Company has also entered into understanding with some parties for setting up Hotels and recreational facilities in the SEZ.

Mundra SEZ Textile and Apparel Park Pvt. Ltd. was approved by Government of India as a Co-developer of Mundra SEZ for setting up an Integrated Textile Park in Mundra SEZ area. The Co-developer is in the process of starting its project implementation activities.

During the year the Company entered into Co-developer arrangement with Adicorp Mundra SEZ Infrastructure Pvt. Ltd. (ADICORP) for providing social infrastructure in the Mundra SEZ. ADICORP has since received approval from Central Government as a Co-developer of Mundra SEZ has already started construction of residential houses.

Your Company has planned to undertake land development and construction of basic infrastructure facilities such as roads, drainage, sewerage, water supply, fencing etc. in phases to attract business and industries to the SEZ.

During the year 2006-07, the Development Commissioner of the SEZ issued letter of approval to One Unit for setting up its operations in Mundra SEZ. Some more Companies have already applied to the Development Commissioner for approval to set up their Units in the SEZ.

Capital Restructuring:

Increase in Authorised Share Capital

In order to broad base the capital structure of the company, the authorized share capital of the company was increased from Rs. 2100 Million to Rs. 10000 Million comprising of 99,50,00,000 Equity Shares of Rs.10/- each and 50,00,000 Preference Shares of Rs.10/- each.

Consolidation of Face Value of Shares from Rs. 2/- to Rs. 10/- each

In order to comply with SEBI (Disclosure and Investor Protection Guidelines), 2000 as amended from time to time ("DIP Guidelines") for proposed IPO of the company, the face value of the equity shares of the company has been consolidated from Rs.2/- to Rs.10/- each vide Extra Ordinary General Meeting held on 31st January, 2007. Accordingly effective from 9th February, 2007 being record date, the company's equity shares of Rs. 2/- each has been consolidated into equity shares of face value of Rs. 10/- each.

Issue of Bonus Shares

Pursuant to the resolution passed by the members at Extra Ordinary General Meeting held on 31st January, 2007 approving the issue and allotment of Bonus Shares in the ratio 1:1 by capitalizing part of the company's Profit & Loss Account and part of the Share Premium Account, allotment of 18,02,14,410 equity shares of Rs. 10/- each of the company was made on 10th February, 2007 ranking pari pasu with the existing share capital of the company. This resulted in the paid-up capital of the company increasing from 18,02,14,410 to 36,04,28,820 equity shares of Rs.10/- each.

Initial Public Offering:

In order to augment the funds for expansion of company's activities, consolidation of business activities at group level, future expansion, diversification programs to be undertaken by the company and with a view to strengthen the financial base, your company proposes to raise resource through Initial Public Offer (IPO). Your company proposes to allot upto 5,00,00,000 Equity Shares to the various categories of investors in the initial public offer by way of book building method under the SEBI (Disclosure and Investor Protection Guidelines), 2000 as amended from time to time ("DIP Guidelines").

The Company has filed Draft Red Herring Prospectus (DRHP) with Stock Exchange of India on 6th March, 2007.

Your company has made initial in-principle listing application for the equity shares with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Objects of the Issue:

The objects of the Issue are:

- Construction and development of basic infrastructure and the allied facilities in the proposed SEZ at Mundra;
- Construction and development of a south basin terminal for coal and other cargo at Mundra Port;
- Contribution towards investment in Adani Petronet (Dahej) Port Private Limited;
- Contribution towards investment in Adani Logistics Limited;
- Contribution towards investment in Inland Conware Private Limited; and
- General Corporate Purposes

Constitution / Re-constitution of Committees

In compliance with the provisions of Corporate Governance as required by Clause 49 of the Listing Agreement with the Stock Exchanges the Board has constituted/reconstituted following Committees:

Audit Committee:

(a) Mr. K. N. Venkatasubramanian, Chairman
(b) Mr. S. Venkiteswaran, Member
(c) Mr. S. K. Tuteja, Member
(d) Mr. Rajesh S. Adani, Member

Remuneration Committee:

(a) Mr. S. Venkiteswaran, Chairman
(b) Mr. K. N. Venkatasubramanian, Member
(c) Mr. Rajesh S. Adani, Member

Share Transfer Committee:

(a) Mr. Rajesh S. Adani, Chairman
(b) Mr. Ameet H. Desai, Member
(c) Mr. K. N. Venkatasubramanian, Member

Shareholders/ Investor Grievances Committee:

(a) Mr. K. N. Venkatasubramanian, Chairman
(b) Mr. S. K. Tuteja, Member
(c) Mr. Rajesh S. Adani, Member

Dematerialization of Securities with CDSL:

Your Company has entered into an Agreement with the Central Depository Services (India) Ltd. for dematerialization of equity shares in accordance with the provisions of the Depositories Act, 1996.

Directors:

In order to strengthen the Board, Mr. S.K. Tuteja, IAS (Retd.) and Mr. Arun Duggal were appointed as Additional and Independent Directors. Pursuant to the provisions of Section 260 of Companies Act, 1956 and Articles of Association of the Company both these Directors hold office upto the date of ensuing Annual General Meeting. The company has received notice in writing from the members signifying candidature for the office of the director for both these directors. Board welcomes them and looks forward to their valued contribution in meeting the long-term objectives of your company.

As per Section 256 of the Companies Act, 1956 and Article 152 of Articles of Association of the Company, Mr. Rajesh S. Adani and Mr. Ameet H. Desai will retire by rotation at the ensuing Annual General Meeting but being eligible offer themselves for reappointment.

Mr. Arvind Agrawal, IAS who was nominated by Government of Gujarat, Port and Fisheries Dept. ceased be the director with effect from 27th December, 2006 and Mr. Biswajit Choudhuri, who was Nominee Director representing UTI ceased to be Nominee Director with effect from 11th January, 2007. Mr. Sanjay Gupta has resigned from the Board of Directors of the Company with effect from 19th June, 2007. The Board places on record its appreciation for the valuable guidance extended by them during their association with the company.

Future Prospects:

Industry Structure and developments

India is on the verge of witnessing a sustained investment phase in infrastructure buildup. With a slew of announcements in the power sector, road, port and airport development and hydrocarbons, India is seemingly on a path of sustained higher economic growth on the back of improvement in infrastructure in the country.

The government, in its mid-term appraisal of the tenth five-year plan (2002-07), has revised upwards its infrastructure investment target from Rs.10,890 bn to around Rs. 11,100 bn.

The greatest challenge for the country is to create and develop projects which are profitable for all stakeholders, and to do so increasingly through viable public private partnerships, your company believes that there are considerable growth opportunities and for that it is necessary to constantly adapt changing market conditions and business models.

Traffic is expected to grow at a CAGR of 7.69 per cent. This means total port traffic of 616 mt in 2007-08; 464 met at major ports and 152 at minor ports. By 2011-12, total port traffic is expected to reach 829 mt.

Port	2007-08	2011-12	2013-14
Major	464	624	706
Non-major	152	205	256
Total	**616**	**829**	**962**

Mundra Port will enter new era by setting up the Special Economic Zone and the new name Mundra Port and Special Economic Zone Limited reflects the direction which we will take to meet the future challenges.

The Government of India has vide, its letter dated 12th April, 2006 granted approval to the Company's proposal for development, operation and maintenance of a Multi-product Special Economic Zone over an area of 2,658 hectares of the Company's land at Mundra, Gujarat. Already functioning in-zone logistics i.e. Multi-purpose Port, International Container Terminal, Railway corridor and rail/road linkages to vast hinterland area are considered as strengths of the SEZ and are expected to act as driving force for the SEZ. With the development of export/ import driven industries and services in the SEZ, the port stands to benefit from the incremental captive traffic at the port.

Over the past four years, coal demand in the country has consistently outstripped supply. While production has grown at 2% annually, demand has grown up at 8 % a year in the last two years. The shortfall has been felt most acutely by the country's power sector, which account for 78 % of the demand. The sector, which depends on coal for more than half of its production, lost 2000 MW of generation last year due to the shortage of coal. The demand is going to rise sharply six years from now. According to the plans already sanctioned by 2011, the country is going to add fresh capacities of 30,000 MW in power and 20 million tones in Steel, which will boost the demand of imported coal.

Keeping this in mind, your Company is in the process of enhancing and augmenting the mechanized coal handling system to enhance the productivity and provide cost effective cargo handling to port users in a pollution free environment.

The Company in its endeavor for providing safe navigation to the vessels berthing at the port is augmenting marine equipments which include deployment of additional tugs.

In order to carry on the development of Multi product SEZ at Mundra, your company has altered the main object of Memorandum of Association by an approval in the Extra Ordinary General Meeting of Shareholder held on 23rd June, 2006.

Other than SEZ activities, the future development plans setting up of new multi purpose and cargo specific berths, construction of a basin having additional berths both for container and other cargo, railway and road linkages which now need to be augmented to meet the growing traffic demands and prevent congestion. Your company is setting up 2 additional railway stations which will double the track capacity, four laning of the roads and putting up a flyover over the existing railway crossing line to prevent the traffic disruption due to increased movement of railway traffic.

With the privatization of rail operation and whereby Adani Logistics limited got the license to operate container trains, your company will able to synergize the whole logistics activities, which will ensure better services to the port users. Indian railways have started double stack container trains and Mundra port is one of the ports to receive such trains. With the movement in double stack container, the cost of logistic will improve drastically for the northern hinterland, which we believe will boost the demand of your port.

Subsidiary Companies:

Mundra Special Economic Zone Limited (MSEZL) and Adani Chemicals Limited (ACL) had ceased to be subsidiaries of your Company on merger. Mundra SEZ Textile And Apparel Park Pvt. Ltd. being subsidiary of MSEZL has become the subsidiary of your company on merger of MSEZL with the company. A statement u/s 212 of the Companies Act, 1956 is attached for Financial Year ended 31st March, 2007.

By virtue of the investment made by the Company in 'Mundra Aviation Limited' (MAL) incorporated at Cayman Islands, (U.K. Out Territory); MAL has become wholly owned Subsidiary Company of the Company.

Fixed Deposits:

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

Directors' Responsibility Statement:

The Directors confirm that in the preparation of the accounts for the period ended March 31, 2007:

- The applicable accounting standards have been followed and that no material departures have been made from the same.
- Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year.
- 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.
- The annual accounts have been prepared on a going concern basis.

Foreign Exchange Earnings & Outgo:

A statement containing the information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 as amended from time to time is appended herewith.

Insurance:

Assets of your Company are adequately insured against various perils.

Personnel:

The statement of employees who are in receipt of remuneration in excess of limits specified by Section 217(2A) of the Companies Act, 1956, is appended as annexure.

Human Resource Development:

Your Company is on a fast growth trajectory and strives to innovate in all spheres of its business. The growth is driven by the competence and the commitment of the Human Capital which has driven its endeavors to reach new geographies, broaden the cargo mix and establish new benchmarks of efficiency and productivity.

Your Company has taken several measures to improve organizational capabilities. It under ways to implement 'SAP' and 'Balance Score Card'. These initiatives integrate the teams and reduce the ambiguity to bring a coherent picture of organizational performance. Your Company is continuously enhancing the people capabilities and maintains a talent pool within the organization to meet future needs. Leadership Talent mapping initiative with PI (Predictive Index) mapped 110 positions and all managers in the Company and development plans are underway. This shall augment Leadership development initiatives.

The Adani Knowledge Center initiative launched at Group level has spread its wings to Mundra and Gurgaon. The earlier 12 months apprenticeship program has been reworked to 4 months, without hampering the quality of input. This has helped to infuse talent early into the business. The Company had 80 participants, which includes 32 Management Graduates, 44 Graduate Engineers and 4 Chartered Accountants.

Your Company also undertook the initiative of a new Performance Management System to further align the goals and reward of its employees with that of the organization. The system is also designed to help the employees identify their enablers at work, to enhance performance and the individual development plans are provided to each employee.

The company enjoys excellent industrial relations with its workers. There has been no unrest in industrial relations in the last 5 years.

Social Welfare:

To accommodate the growing number of employees the

construction of Housing colony under SEZ is on in full swing. New Hostel Block has also been started to accommodate the growing number of employees and Trainees. The facilities of shopping complex have started which shall add spice to the lives of Shantivan residents. The opening of employee's club with facilities viz: Badminton, Volley Ball etc. has added more zeal to the employees and their families.

Health & Well Being

The Art of Living program conducted for the employees and their families received a huge response. The Apollo Mundra SEZ Health Centre has added new visiting Doctors to its operations in Mundra. The same will provide the best of health services to the people of Mundra.

Education

An Education Assistance scheme "VIDYA SAHAY" for children of Employees of Adani Group was initiated by the Adani Foundation. This would help the needy associates of company to encourage quality education upto school stage (10+2) for their children.

Environment

Mechanized Sprinkler Irrigation system has been installed at locations which has reduced usage of water to 80% and thus contribute to cost savings & water conservation. A record has been created by innovative and successful Mangroves afforestation (plantations) on Sandy base at Loni with technical assistance of Gujarat institute of Desert Ecology, Bhuj. This innovative method is being replicated at Jachou in 100 hectares. Similarly underground drip irrigation to root zone to avoid water loss and evaporation has been carried out. Several Green Zones have been developed with this innovative method.

Safety:

At Mundra Port, Safety, Health and Environmental (SHE) responsibilities are integral to the way we do business. Successfully managing SHE issues is an essential component of our business strategy.

Your Company believes that Safety, Health and Environment at work place are extremely essential for all individuals engaged at work. We believe that such an environment will lead to overall improvement in quality and growth of the organization. In order to attain and maintain high standards of safety, health and environment at work, SHE is embedded as a core value in our mindset.

To emphasize our continuing commitment to SHE issues, we adhere to safety, health and environmental principles. These principles being the cornerstone of our SHE culture will address issues such as accountability, training, communication, resources, engineering design, performance measurement, and sustainable development.

We will further seek continual improvement in performance, in the years to come in all of our activities through active participation of employees and the stakeholders.

Auditors:

The Company's Auditors' M/s. S. R. Batliboi & Associates, Chartered Accountants, New Delhi, will retire on the conclusion of forthcoming Annual General Meeting and being eligible, have expressed their willingness for reappointment.

Auditors' Report:

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

I. T. System:

To cater to the fast growing IT Infrastructural requirements of the Port, the following technological solutions/systems have been implemented.

- Lotus Domino – collaborative messaging solution implementation in clustered environment.
- 20+ km campus network on Optical Fiber Cable with wireless network redundancy at certain places
- Strengthened network security at gateway & desktop levels
- High availability Server & Storage Architecture
- IP based Video Surveillance Systems by inducting sophisticated CCTV network to monitor all the activities within entire port premises system
- Smart card based labour/worker access/monitoring system
- Software & Application services through
    - Integrated Port Management System (IPMS),
    - Computerised Maintenance Management & Asset management System (Maximo)

In order to enhance the existing IT Infrastructure for competitive advantage; the following IT initiatives have been undertaken:

- SAP implementation & application services to support Decision Support System and extended support for customers & partners.
- Working towards creating a world class Data Center Infrastructure at Mundra Corporate Office
- Planned for enterprise class EPABX to strengthen telecommunication infrastructure
- Planning to provide 99% network uptime to all operationally critical locations by providing redundant network paths

Acknowledgement:

In consonance with established maxim that the company is only as good as its people, your company has put together a team of highly qualified and experienced professionals.

The success achieved by your Company and the progress made by it are due to co-operation, efforts and commitment of all concerned with its affairs, including the Government of India, Government of Gujarat, Gujarat Maritime Board, Financial Institutions, Banks, shareholders, directors, executives, officers and other employees of your Company. The management expresses gratitude to all for their co-operation especially to the employees for their dedicated services without which the good results would not have been possible.

For & on Behalf of the Board of Directors

Date : 27.06.2007 | **Gautam S. Adani**
Place : Ahmedabad | **Chairman**

ANNEXURE "A" TO THE DIRECTORS' REPORT

(Additional information given in terms of notification issued by the Department of Company Affairs)

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 substations 3 and 4 also for the electricity supply to the conveyor lighting.
2. Installation of Narmada water supply system to the port (1000KL/ day) eliminates requirement for road tankers delivery. This has resulted in reduction in fuel consumption and air pollution.
3. Construction of new road grid in the port complex has improved transport efficiency and reduced fuel consumption and air pollution.
4. Backup Power Supply: Full upgrade of backup power generation will allow more efficient operation, redundancy and fuel consumption.

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

1. Energy efficient panels will be installed in the in sub-stations 2, 3 and 4.
2. Existing lights on towers and godowns will be replaced with energy efficient lights in a phased manner.
3. Replacement of chokes of tube lights with electronic ballasts will be done in a phased manner in continuation with the replacement initiated in the year 2004-05 and reflected in the last year's report.

c) 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:

- The Company has not entered into any Joint Venture for import/transfer of technology. However, the Company has installed latest available technology to handle the port operations efficiently.
- World renowned SAP system is under the designing stage and shall be made 'live' from 1st September 2007.
- Tank Automation System and tank farm management system for Encl-9 at Liquid terminal under progress.
- Installed upgraded bagging machines with screw feeder.
- More than a dozen portable belt conveyors have been provided for increasing the throughput from the bagging machines besides facilitating the loading of bagged cargo directly into the trucks from bagging machines and minimizing / reducing the dependability on the labours.
- Have deployed manual as well as hydraulically operated hoppers for fast unloading of bulk material from vessels.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Details of Foreign Exchange Earnings and outgo are set out in Note 19 of Schedule 22 of the Accounts.

Annexure to Directors' Report

A. **Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975**

Sl No.	Name	Age (yrs)	Designation	Gross Remuneration (Rs. in Lacs)	Qualification	Date of joining	Previous Employment
1.	Mr. Gautam S. Adani	45	Managing Director	* 484.90	S.Y. B.Com	01.09.98	Business
2.	Mr. Ameet H Desai	44	Executive Director	66.80	M.B.A.	01.09.05	Ranbaxy Laboratories Ltd.
3.	Mr. M.K. Padia	42	Sr. Vice President (Management Services)	29.16	FCA, ACS	26.04.00	Grasim Industries Ltd.
4.	Mr. K. Venugopal	40	Vice President (Finance)	25.00	M.B.A.	15.03.00	Sanghi Industries Ltd.

*Including commission Rs. 364.90 Lacs

B. **Employed for a part of the financial year and were in receipt of remuneration for any part of the financial year at a rate which in aggregate was not less than Rs. 2,00,000/- per month.**

Sl No.	Name	Age (yrs)	Designation	Gross Remuneration (Rs. in Lacs)	Qualification	Date of joining	Previous Employment
1.	Capt. Sandeep Mehta	46	CEO (Operations)	5.72	Master Mariner	01.03.07	P&O Nedlloyd (India) Pvt. Ltd.
2.	Mr. Bhavin Shah	37	Vice President (Marketing)	9.61	M.B.A.	24.11.06	Atlas Dyechem Pvt. Ltd.
3.	Mr. Surendra Sadhnani	46	Sr. Vice President (Finance)	32.08	FCA, ACS	01.06.06	Dr. Batra's Positive Health Clinic

Note: Remuneration as above includes salary, contribution to Provident and other funds and other perquisites

AUDITORS REPORT

To the Members of
Mundra Port & Special Economic Zone Limited:

1. We have audited the attached Balance Sheet of Mundra Port & Special Economic Zone Limited ('the Company') as at March 31, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended)(" the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we draw attention to Note No. 9 in Schedule 22 to the financial statements in respect of eligibility for income tax holiday as per provisions of Section 80-IAB of the Income Tax Act, 1961 and non-provision for Minimum Alternate Tax (MAT) under Section 115JB (2) of the Income-Tax Act, 1961.

5. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   v. On the basis of the written representations received from the directors as on March 31, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 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, 2007;

      b) in the case of the profit and loss account, of the profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Ahmedabad
Date : 27.06.2007

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

Re: [Mundra Port & Special Economic Zone Limited]

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

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

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

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

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c) and (d) of the Companies (Auditors Report) Order, 2003 (as amended), are not applicable to the Company.

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

(iv) Part of the Company's purchases of fixed assets and sale of services are stated to be of unique and specialized nature, and hence, in such cases, the comparison of prices with the market rates or with purchases from/sales to other parties can not 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 services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The Company does not sell any goods due the nature of its business.

(v) According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities. The provisions relating to investor education and protection fund are not applicable to the Company.

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

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

Name of the statute	Nature of dues	Amount (Rs. in Million)	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	2.66	December 2005	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	1.42	June 2005 to November 2005	Assistant Commissioner of Customs, Mundra
Customs Act, 1962	Show cause notice from the Custom Authorities for recovery of custom duty and penalty on the import of a tug and bunkers	20.71	February 2005	The Commissioner of Customs (Preventive), Jamnagar
Customs Act, 1962	Order from Joint Commissioner Customs directing to pay differential duty and penalty for short delivery of imported goods of various customers	0.76	March 2002	Joint Commissioner Customs, Mundra
Customs Act, 1962	Order from Joint Commissioner Customs directing to pay differential duty and penalty for short delivery of imported goods of various customers	0.26	Februay 2007	Joint Commissioner Customs, Mundra
Customs Act, 1962	Demand Notice from Deputy Commissioner of Customs directing to pay education cess against import of Steel Sole Plates	0.44	April 2006	Deputy Commissioner of Customs, Gujarat

(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, bank 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 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

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

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

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

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

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures The Company has created security or charge in respect of debentures issued in earlier years.

(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, which have been relied upon by us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Associates
Chartered Accountants

Place : Ahmedabad
Date : 27.06.2007

Partner
Membership No.: 82028

Balance Sheet as at 31st March, 2007

	Schedules	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	3,632.40	1,830.25
Reserves and Surplus	2	3,831.07	4,155.37
		7,463.47	5,985.62
Loan Funds			
Secured Loans	3	12,813.45	8,919.20
Unsecured Loans	4	9.03	699.02
		12,822.48	9,618.22
Amounts Received under Long Term Infrastructure Usage Agreements	5	7,414.84	4,634.45
Deferred Tax Liability (Net)	6	471.06	604.27
Total		**28,171.85**	20,842.56
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		22,344.00	16,457.64
Less : Accumulated Depreciation/Amortisation		2,509.18	1,608.09
Net Block		**19,834.82**	14,849.55
Capital Work- in- Progress		4,179.38	4,121.70
	7	**24,014.20**	18,971.25
Investments	8	789.86	1,228.20
Current Assets, Loans and Advances			
Inventories	9	104.38	46.05
Sundry Debtors	10	3,456.37	783.80
Cash and Bank Balances	11	569.02	956.48
Other Current Assets	12	118.18	100.83
Loans and Advances	13	1,310.16	809.61
		5,558.11	2,696.77
Less : Current Liabilities and Provisions			
Liabilities	14	2,021.07	1,464.45
Provisions	15	227.72	589.21
		2,248.79	2,053.66
Net Current Assets		**3,309.32**	643.11
Miscellaneous Expenditure (to the extent not written-off) (Share Issue Expenses)		58.47	-
Total		**28,171.85**	20,842.56
Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the balance sheet

As per our attached Report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Raj Agrawal
Partner
Membership No. 82028

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : 27.06.2007

For and on behalf of the Board

Gautam S. Adani **Chairman and Managing Director**

Rajesh S. Adani **Director**

Ameet H. Desai **Executive Director**

Place : Ahmedabad
Date : 27.06.2007

Profit and Loss Account for the year ended 31st March, 2007

	Schedules	For the year ended 31st March, 2007 Rs. in Million	For the year ended 31st March, 2006 Rs. in Million
INCOME			
Income from Operations		5,797.43	3,845.38
Other Income	16	163.82	158.13
		5,961.25	4,003.51
EXPENDITURE			
Operating Expenses	17	1,951.17	1,072.29
Personnel Expenses	18	147.92	88.24
Administrative and Other Expenses	19	610.77	529.25
Financial Expenses	20	679.21	551.17
Depreciation/Amortisation		806.99	614.17
		4,196.06	2,855.12
Profit before Tax and Prior Period Items		1,765.19	1,148.39
Prior Period Income/(Expenses) (Refer Note 8 of Schedule 22)		(15.47)	13.19
Profit before Tax after Prior Period Items		**1,749.72**	1,161.58
Provision For Tax			
- Current Tax (Refer Note 9 of Schedule 22)		50.00	97.75
- Deferred Tax (Credit)/Charge (Refer Note 9 of Schedule 22)		(133.21)	389.09
- Fringe Benefit Tax		8.57	2.35
- MAT Credit Utilised (Refer Note 10 of Schedule 22)		(50.00)	-
Profit after tax and after Prior Period Items		**1,874.36**	672.39
Balance brought forward from Previous Year		876.20	670.13
Less: Pre-Operative Expenditure and Miscellaneous Expenditure (to the extent not written-off) adjusted in accordance with the Scheme of Amalgamation (Refer Note 11 of Schedule 22)		(36.09)	-
Amount available for Appropriation		**2,714.47**	1,342.52
Less : - Appropriations :			
Transfer to Debenture Redemption Reserve		20.13	3.50
Transfer to Capital Redemption Reserve		1.41	1.41
Transfer to General Reserve		-	50.43
Transfer for Issue of Bonus Equity Shares		1,382.14	-
Dividend on Preference Shares		0.00	0.00
Dividend on Equity Shares		360.43	360.43
Tax on Dividend		-	50.55
Balance Carried to Balance Sheet		**950.36**	876.20
* Figures being nullified on conversion to Rs. In Million			
Basic and Diluted Earnings per Share	21	5.20	1.87
Nominal Value of each share Rs. 10 (Previous Year Rs. 10)			
Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the profit and loss account.

As per our report of even date

As per our attached Report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Raj Agrawal
Partner
Membership No. 82028

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : 27.06.2007

For and on behalf of the Board

Gautam S. Adani **Chairman and Managing Director**

Rajesh S. Adani **Director**

Ameet H. Desai **Executive Director**

Place : Ahmedabad
Date : 27.06.2007

Cash flow Statement as at 31st March, 2007

	For the year ended 31st March, 2007 Rs. in Million	For the year ended 31st March, 2006 Rs. in Million
A. Cash Flow from Operating Activities		
Profit before Tax	1,749.72	1,161.58
Adjustments for :		
Depreciation	806.99	614.17
Sundry Balances written off (Net)	64.53	1.14
Miscellaneous Expenditure written off	-	113.72
Provision written back	(43.88)	-
Project Expenditure Written Off	5.08	-
Provision for Doubtful Debts and Advances	18.82	-
Amortisation of Amounts Received under Long Term Infrastructure Usage Agreements	(219.39)	(183.52)
Interest Expense	667.58	505.66
Interest Income	(89.00)	(110.45)
Profit on Sale of Current Investments	(0.40)	-
Loss on Sale of Fixed Assets	1.09	2.26
Operating Profit before Working Capital Changes	**2,961.14**	2,104.56
Adjustments for :		
(Increase) in Debtors	(2,715.00)	(362.15)
(Increase) in Inventories	(58.32)	(15.52)
Decrease/ (Increase) in Loans and Advances	695.84	(409.17)
(Increase) in Other Current Assets	(82.20)	(23.28)
Increase in Unamortized balance of Amounts Received under Long Term Infrastructure Usage Agreements	2,999.78	235.18
Increase in Current Liablities & Provisions	744.24	608.44
Cash Generated from Operations	4,545.48	2,138.06
Direct Taxes paid (Net)	(62.87)	(130.50)
Net Cash from Operating Activities	**4,482.61**	2,007.56
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,711.13)	(4,087.43)
Project Expenditure Written Off (Refer Note 5 below)	36.09	-
Purchase of Investments	(215.36)	(912.96)
Sale of Investments	283.42	375.75
Purchase of Investment of Transferor companies (Refer Note 3 below)	(588.47)	588.47
Share Application Money paid	(591.28)	(191.96)
Sale of Fixed Assets	0.26	2.20
Interest Received	153.46	54.36
Net Cash used in Investing Activities	**(6,633.01)**	(4,171.57)
C. Cash Flow from Financing Activities		
Procurement of Long Term Borrowings	4,885.36	4,337.76
Repayment of Long Term Borrowings	(1,078.06)	(1,360.68)
Repayment of Short Term Borrowings	(571.30)	371.31
Interest & Finance Charges Paid	(662.47)	(514.36)
Miscellaneous Expenditure	(58.47)	-
Payment of Dividend Distribution Tax	(771.41)	(0.00)
Net Cash Flow from Financing Activities	**1,743.65**	2,834.03

	For the year ended 31st March, 2007 Rs. in Million	For the year ended 31st March, 2006 Rs. in Million
D. Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	**(406.75)**	670.02
E. Cash and Cash Equivalents at start of the period	956.48	305.75
Add: Acquired under the Scheme of Amalgamation	19.29	-
Cash and Cash Equivalents at start of the period	**975.77**	305.75
F. Cash and Cash Equivalents at close of the period	**569.02**	975.77
Components of Cash & Cash Equivalents		
Cash and Cheques on Hand	0.37	0.86
Balances with Scheduled Banks		
- On Current Accounts	91.64	151.24
- On Dividend Accounts	0.01	0.01
- On Margin Money Account	261.10	28.45
- On Fixed Deposit Accounts	215.90	795.22

Notes:

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in brackets.
3. The Company made investment of Rs. 583.47 Million and Rs. 5 Million during the period, to take its holding to 100% in Mundra Special Economic Zone Limited ('Transferor company) and Adani Chemicals Limited ('Transferor company') respectively (Refer Note 11 of Schedule 22).
4. The amalgamation of Mundra Special Economic Zone Limited and Adani Chemicals Limited with Mundra Port and Special Economic Zone Limited (Refer Note 11 of Schedule 22) is a non cash transaction and hence, has no impact on the Company's cash flows for the period.
5. Pre-operative expenditure aggregating to Rs 30.41 Million which was not attributable to the projects/assets and Miscellaneous expenditure (to the extent not written off) of Rs 5.68 Million relating to Transferor companies have been adjusted against the brought forward balance of profit & loss account in the books of the Company. (Refer Note 11 of Schedule 22)

As per our attached Report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Raj Agrawal
Partner
Membership No. 82028

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : 27.06.2007

For and on behalf of the Board

Gautam S. Adani **Chairman and Managing Director**

Rajesh S. Adani **Director**

Ameet H. Desai **Executive Director**

Place : Ahmedabad
Date : 27.06.2007

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Schedule - 1 : Share Capital		
Authorised		
5,000,000 (Previous Year 5,000,000 Preference Shares of Rs 10 each) 0.01% Non Cumulative Redeemable Preference Shares of Rs.10 each	50.00	50.00
995,000,000 Equity Shares of Rs. 10 each (Previous Year 205,000,000 Equity Shares of Rs. 10 each)	9,950.00	2,050.00
	10,000.00	2,100.00
Issued, Subscribed and Paid - up		
Preference Share Capital		
2,811,037 0.01% Non-Cumulative Redeemable Preference Shares of Rs.10 each fully paid up (Redeemable at a premium of Rs. 990 per Share on 28/03/2024) (Previous Year 2,811,037 Preference Shares of Rs 10 each)	28.11	28.11
Equity Share Capital		
360,428,820 fully paid up Equity Shares of Rs.10 each (Previous Year 180,214,410 Equity Shares of Rs. 10 each)	3,604.29	1,802.14
	3,632.40	1,830.25

Notes:

1. Of the above:(a) 40,216,410 Equity Shares of Rs. 10 each (Previous Year 40,216,410 Equity Shares of Rs. 10 each) were allotted to the shareholders of Adani Port Limited, as fully paid up pursuant to the Scheme of Amalgamation, for consideration other than cash.
   (b) 180,214,410 Equity Shares of Rs. 10 each alloted as fully paid up Bonus Shares by capitalisation of Securities Premium Account amounting to Rs. 420.00 Million and Profit & Loss Account balance amounting to Rs. 1,382.14 Million.
2. During the year, the Company has sub-divided nominal value of its equity shares from Rs. 10 each to Rs. 2 each on July 10, 2006. However, subsequently the Company has consolidated five equity shares of the face value of Rs. 2 each into one equity share of the face value of Rs.10 each, with the approval of the shareholders in an Extra Ordinary General Meeting dated 31st January, 2007.

Schedule - 2 : Reserves and Surplus		
Capital Redemption reserve		
Balance as per last Account	2.81	1.40
Add: Transferred from Profit and Loss Account	1.41	1.41
	4.22	2.81
Preference Share Capital Redemption Reserve (Refer Note 2 (b) (ii) of Schedule 22)		
Balance as per last Account	-	-
Add: Transferred from Securities Premium Account	417.44	-
	417.44	-

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Securities Premium Account		
(Refer Note 2 (b) (ii) of Schedule 22)		
Balance as per last Account	3,202.93	3,202.93
Less: Transferred to Preference Share Capital Redemption Reserve	(417.44)	-
Less: Utilised for issuance of Bonus Shares	(420.00)	-
	2,365.49	3,202.93
Debenture Redemption Reserve		
Balance as per last Account	3.50	9.75
Add: Transferred from Profit and Loss Account	20.13	3.50
Less: Transferred to General Reserve	(5.25)	(9.75)
	18.38	3.50
General Reserve		
Balance as per last Account	69.93	9.75
Add: Transferred from Profit & Loss Account	-	50.43
Add: Transferred from Debenture Redemption Reserve	5.25	9.75
	75.18	69.93
Balance in Profit and Loss Account	950.36	876.20
	3,831.07	4,155.37

Schedule - 3 : Secured Loans

	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Debentures		
1,400,000 (Previous Year-1,400,000) 15% Secured Non-Convertible Redeemable Debentures of Rs.100 each (Redeemable at par in 40 equal quarterly installments commencing from August, 2002 39 installments paid till March 31, 2007)	73.50	87.50
Term Loans from Banks		
Rupee Loans	8,014.30	4,043.42
Foreign Currency Loans	425.18	503.22
Suppliers and Contractors Bills accepted under Letters of Credit issued against Secured Term Loans sanctioned by Banks	868.10	543.37
	9,307.58	5,090.01
Term Loans from Financial Institutions		
Rupee Loans	2,889.37	3,022.01
Foreign Currency Loans	542.25	665.93
	3,431.62	3,687.94
Deferred Payment Credits from the Supplier of Tugs		
(Secured by hypothecation of the respective Tugs)	-	52.21
Vehicle Loans from a Bank		
(Secured by hypothecation of the respective Vehicles)	0.75	1.54
	12,813.45	8,919.20

Notes:

1. Secured Term Loans from Banks include:

   Term Loan amounting to Rs. 366.02 Million (Previous Year Rs. 374.59 Million) from State Bank of India for the purchase of Tugs, secured by exclusive charge on the Tugs; and second charge on the entire fixed assets of the Company, except immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project.

   Foreign Currency Loan amounting to Rs.180.89 Million (Previous Year Rs. 218.78 Million) from Hypo Vereins Bank,Germany, for the purchase of Cranes, is secured by exclusive charge on the Cranes.

2. Secured Term Loans from Financial Institutions include Term Loan aggregating to Rs. 2,799.37 Million (Previous Year Rs. 2,917.01 Million) from Infrastructure Development Finance Company Limited, secured by first mortgage and charge on all the immovable assets of the Company pertaining to its Single Point Mooring (SPM) Project and

SCHEDULES FORMING PART OF THE ACCOUNTS

the fixed charges receivables pertaining to that project receivable from Indian Oil Corporation Limited and further secured by a second mortgage and charge on the Company's other immovable and movable assets (including receivables), both present and future, over which the first charge is created in respect of the Loans referred to at Note 5 below.

3. Secured Term Loans from Banks include Term Loans aggregating to Rs. 2205.51 Million (Previous Year Rs. Nil) secured by first mortgage and charge on all the immovable and movable assets of proposed Container Terminal - II Project and further by a second mortgage and charge on the Company's other immovable and movable assets, both present and future, on pari passu basis, over which the first charge is created in respect of the loans referred to at Note 5 below.
4. Secured Term Loans from Banks include Term Loans aggregating to Rs. 4170.24 Million (Previous Year Rs. 3392.08 Million) secured by first mortgage and charge on all the immovable and movable assets of proposed Terminal - II Assets and its extension and further by a second mortgage and charge on the Company's other immovable and movable assets, both present and future, on pari-pasu basis, over which the first charge is created in respect of the loans referred to at Note 5 below.
5. Debentures amounting to Rs. 73.50 Million (Previous Year Rs. 87.50 Million), Secured Term Loans from Banks aggregating to Rs. 2384.92 Million (Previous Year Rs. 1104.56 Million) and from Financial Institutions aggregating to Rs. 632.25 Million (Previous Year Rs. 770.93 Million) are secured by first mortgage and charge on all the immovable and movable assets of the Company (save & except assets on which exclusive charge is created as stated elsewhere), both present and future, on pari-passu basis, subject to prior charges of Banks on specified movable assets which may be created in their favour by way of security for working capital facilities and further secured by a second charge on the immovable and movable assets (including receivables) pertaining to the SPM Project and also secured by a second charge on the immovable and movable assets pertaining to Container Terminal-II and Terminal - II Assets, referred toin Note Nos. 2, 3 & 4 above.
6. Debentures; Term Loans from Banks and Financial Institutions; Deferred Payment Credits from Supplier of Tugs and Vehicle Loans from a Bank include amounts repayable within one year aggregating to Rs. 607.16 Million (Previous year Rs. 653.81Million).

	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Schedule - 4 : Unsecured Loans		
Term Loans from Banks		
Short Term Rupee Loan from Bank	-	571.30
Other Term Loans from Banks		
Rupee Loan	-	100.00
Foreign Currency Loan	9.03	27.72
	9.03	699.02
Note :		
Term Loan from Banks include Amounts repayable within one year aggregating to Rs. 9.03 Million (Previous Year Rs. 690.08 Million).		
Schedule - 5 : Amounts received under Long Term Infrastructure Usage Agreements		
Balance as per last account	4,634.45	4,586.83
Add: Received during the period	2,999.78	231.13
Less: Transferred to Income from Operations	(219.39)	(183.51)
	7,414.84	4,634.45
Schedule - 6 : Deferred Tax Liability (Net)		
Deferred Tax Liabilities		
Differences in amortisation of intangible assets as per tax books and financial books.	0.60	1.03
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	525.16	923.14
Gross Deferred Tax Liabilities	525.76	924.17
Deferred Tax Assets		
Brought forward unabsorbed depreciation	-	286.26
Effect of expenditure debited to profit & loss account in the current year but allowable for tax purpose in following year	25.17	33.64
Provision for doubtful debts and advances	6.38	-
Provision for demurrage	23.15	-
Gross Deferred Tax Assets	54.70	319.90
Net Deferred Tax Liability	**471.06**	604.27

SCHEDULE: 7 FIXED ASSETS

Rupees in Million.

Particulars	Gross Block					Depreciation					Net Block	
	As at 01-04-2006	Transferred under the scheme of Amalgamation	Additions	Deductions	As at 31-03-2006	Upto 01-04-2006	Transferred under the scheme of Amalgamation	For the year	Deductions	Upto 31-03-2007	As at 31-03-20007	As at 31-03-2006
INTANGIBLE ASSETS												
Goodwill	785.95	-	-	-	785.95	84.21	-	28.07	-	112.28	673.67	701.74
Softwares	25.28	-	2.07	-	27.35	20.58	-	3.20	-	23.79	3.56	4.69
TANGIBLE ASSETS												
Leasehold Land	-	0.04	-	0.04	-	-	-	0.03	0.03	-	-	-
Leasehold Land Development	552.19	-	-	-	552.19	24.44	-	21.24	-	45.68	506.51	527.75
Freehold Land	453.54	348.42	325.67	-	1,127.63	-	-	-	-	-	1,127.63	453.54
Buildings	2,402.39	2.12	873.56	2.09	3,275.97	102.81	0.42	46.16	-	149.39	3,126.58	2,299.58
Marine Structures	2,038.47	-	1,978.73	2.15	4,015.05	304.98	-	104.35	-	409.33	3,605.72	1,733.48
Dredged Channels	1,933.30	-	1,117.17	5.19	3,045.27	166.55	-	86.26	-	252.81	2,792.46	1,766.75
Tugs & Boats	952.15	-	6.17	7.04	951.28	115.06	-	64.73	-	179.79	771.49	837.09
Railway Tracks	1,246.78	-	-	-	1,246.78	199.43	-	59.39	-	258.81	987.97	1,047.35
Plant and Machinery	5,926.36	79.41	1,082.36	4.40	7,083.72	559.66	6.65	442.50	0.01	1,008.80	6,074.92	5,366.70
Office Equipment, Furniture & Fixtures	71.64	9.38	46.70	4.01	123.72	13.56	4.12	19.33	3.03	33.97	89.75	58.09
Computers	39.19	4.15	21.41	0.11	64.63	12.00	1.00	9.83	0.05	22.79	41.84	27.19
Vehicles	30.40	1.85	12.72	0.51	44.46	4.81	0.22	6.91	0.22	11.73	32.74	25.59
	16,457.64	445.36	5,466.55	25.54	22,344.01	1,608.09	12.42	892.01	3.33	2,509.17	19,834.83	14,849.55
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-	3,488.84	2,895.30
Capital Advances	-	-	-	-	-	-	-	-	-	-	690.53	1,226.40
TOTAL	-	-	-	-	-	-	-	-	-	-	4,179.38	4,121.70
Previous Year	12,211.86	-	4,252.48	6.70	16,457.64	948.89	-	661.46	2.25	1,608.10	14,849.55	11,262.98

* Figures being nullified on conversion to Rs. In Million

Notes:

i) Plant & Machinery includes Electrical Installations of Rs. 132.70 Million (Accumulated depreciation Rs. 21.55 Million) and Tools of Rs. 4.96 Million (Accumulated depreciation Rs.1.28 Million).

ii) Foreign Exchange Fluctuation:
Capital Work-in-Progress includes Rs.12 Million (Previous year Rs.(10.83) Million on account of foreign exchange fluctuations during the year.
Addition/ (Deletions) to Buildings, Marine Structures, Dredged Channel, Tugs and Plant & Machinery during the year include Rs.(2.09) Million (Previous year Rs. 2.64 Million), Rs.(2.15) Million (Previous year Rs. 2.94 Million), Rs.(5.19) Million (Previous year Rs. 6.10 Million), Rs.(7.04) Million (Previous year Rs.(6.39) Million), and Rs.(4.40) Million (Previous year Rs. 9.02 Million) respectively, on account of foreign exchange fluctuations.

iii) Depreciation of Rs. 84.81 Million (Previous Year Rs. 46.95 Million) has been transferred to Expenditure During Construction Period.

iv) Depreciation for the period is net of excess depreciation provided in earlier years amounting to Rs. 8.78 Million

v) Freehold Land includes land development cost of Rs. 102.04 Million (Previous Year Rs. 2.47 Million)

vi) Plant and Machinery includes cost of Water Pipeline amounting to Rs. 38.98 Million (Previous year 15.27 Million), which is laid on land not owned by the Company.

vii) Capital Work-in-Progress includes:
(a) Expenditure During Construction Period of Rs 1013.34 Million (Previous year Rs 365.45 Million) and Capital Inventory of Rs. 75.77 Million (Previous Year 185.26 Million), details of which have been given in Note 14 of Schedule 22.
(b) Cost of developing the Land amounting to Rs.10.36 Million (Previous Year Rs. Nil), which has been incurred on the Leasehold Land of the Company.

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Schedule - 8 : Investments		
Long Term Investments (At Cost)		
Trade, Unquoted		
25,000,000 (Previous Year - 25,000,000) fully paid Equity Shares of Rs. 10 each of Adani Logistics Limited	250.00	250.00
40,000,000 (Previous Year - 40,000,000) fully paid Equity Shares of Rs. 10 each fully paid up of Kutch Railway Company Limited	400.00	400.00
Nil (Previous Year - 1,200,000) fully paid 6% Redeemable Cumulative Preference Shares of Rs 100 each of Sealord Containers Limited		
Nil (Previous Year - 4,849,750) fully paid Equity Shares of Rs. 10 each of Adani Agri Logistics Limited	-	48.50
10,000 (Previous Year - Nil) fully paid Equity Shares of Rs. 10 each of Adicorp Mundra SEZ Infrastructure Private Limited	0.10	-
3,400 (Previous Year - Nil) fully paid Equity Shares of Rs. 100 each of Adinath Polyfills Private Limited	115.26	-
Nil (Previous Year - 40,970,000) fully paid Equity Shares of Rs. 10 each of Mundra Special Economic Zone Limited	-	409.70
In Subsidiary Company		
Unquoted		
2,450,000 (Previous Year - Nil) fully paid Equity Shares of Rs. 10 each of Mundra SEZ Textile and Apparel Park Private Limited	24.50	-
	789.86	1,228.20

Notes:

1. 3,400 Shares of Rs.100 each of Adinath Polyfills Private Limited are not held by the Company in its own name as on the balance sheet date and these are in the process of being transferred in the name of the Company.
2. The following investment was purchased and sold during the year : 9,980,537.951 units of Birla Cash plus Mutual fund Investment Plan - purchased for Rs. 100.00 Million and

	As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Schedule - 9: Inventories		
Stores and Spares	104.38	46.05
	104.38	46.05
Schedule- 10: Sundry Debtors (Unsecured)		
Debts Outstanding for a period more than six months		
- Considered good	44.33	245.29
- Considered doubtful	10.77	-
Other Debts		
- Considered good	3,412.04	538.51
	3,467.14	783.80
Less: Provision for doubtful debts	(10.77)	-
	3,456.37	783.80

SCHEDULES FORMING PART OF THE ACCOUNTS

		As at 31st March, 2007 Rs. in Million	As at 31st March, 2006 Rs. in Million
Schedule-11: Cash and Bank Balances			
Cash and Cheques on Hand		0.37	0.32
Balances with Scheduled Banks:			
- On Current Accounts		91.64	132.48
- On Dividend Accounts		0.01	0.01
- On Margin Money Accounts		261.10	253.35
- On Fixed Deposit Accounts		215.90	570.32
		569.02	956.48
Schedule-12: Other Current Assets			
Interest Accrued on Deposits and Loans		5.39	69.85
Accrued Services Revenue		103.38	30.59
Other Receivables		9.41	0.39
		118.18	100.83
Schedule-13: Loans and Advances			
(Unsecured, Considered Good except to the extent stated)			
Advances and Loans to Subsidiary		0.30	1.23
Inter Corporate Deposits		43.60	103.00
Advances Recoverable in Cash or in Kind or for Value to be Received (Includes Rs 8.05 Million ; Previous year Rs. Nil, considered doubtful)		79.59	75.61
Balance with Excise & Custom Authorities		89.93	56.65
Payment of Income Tax / Tax Deducted at source		216.35	186.70
MAT Credit Entitlement	50.00	-	-
Less: Utilisation during the year	(50.00)	-	-
Share Application Money (Pending for allotment)		813.23	360.60
Deposits - Others		75.21	25.82
		1,318.21	809.61
Less: Provision for Doubtful Advances		(8.05)	-
		1,310.16	809.61
Schedule-14: Current Liabilities			
Sundry Creditors (Refer Note 7 in Schedule 22)		942.77	555.19
Advances From Customers		212.37	155.57
Deposits from Customers / Contractors		687.77	612.29
Interest Accrued but not Due on Loans		25.67	20.56
Unearned Income		11.13	19.18
Other Liabilities		141.36	101.66
		2,021.07	1,464.45
Schedule -15 : Provisions			
Income Tax		147.75	172.46
Fringe Benefit Tax (Net of Advance Tax)		2.07	-
Wealth Tax		-	0.06
Proposed Dividend on Equity Shares		-	360.43
Proposed Dividend on Preference Shares		-*	0.00
Tax on Dividend		-	50.55
Leave Encashment		9.31	5.71
Gratuity		0.49	-
Provision for Demurrage			
Opening Balance	-		-
Add: Addition during the year	68.10		-
Less: Utilisation during the year	-		-
Less: Reversal during the year	-		-
Closing Balance		68.10	-
		227.72	589.21

* Figures being nullified on conversion to Rs. In Million

SCHEDULES FORMING PART OF THE ACCOUNTS

Schedule -16 : Other Income

	For the year ended 31st March, 2007 Rs. in Million	For the year ended 31st March, 2006 Rs. in Million
Interest		
- Bank Deposits (TDS Rs. 4.64 Million ; Previous Year Rs. 14.25 Million)	25.97	51.80
- Inter Corporate Deposits (TDS Rs. 20.14 Million; Previous Year Rs.Nil Million)	57.98	58.65
- On Others (TDS Rs. 1.13 Million ; Previous Year Rs. Nil Million)	5.05	-
	89.00	110.45
Rent	16.97	4.69
Export Incentives	-	0.55
Insurance Claims	-	34.66
Profit on Sale of Current Investments	0.40	0.01
Sale of Scrap	13.00	6.10
Provision written back	43.88	0.59
Miscellaneous Income	0.57	1.08
	163.82	158.13

Schedule - 17 : Operating Expenses

Handling and Storage Expenses (Including Provision for demurrage Rs. 68.10 Million; Previous Year Rs. Nil)	1,203.88	600.53
Railway Operating Expenses	160.27	121.97
Tug and Pilotage Charges	33.50	30.38
Maintenance Dredging	8.51	22.43
Other Marine Expenses	13.26	15.97
Repairs to Buildings	29.68	25.36
Repairs to Plant & Machinery	136.85	80.55
Power & Fuel	**278.28**	129.30
Royalty to Gujarat Maritime Board	86.94	45.80
	1,951.17	1,072.29

Schedule - 18 : Personnel Expenses

Salaries,Wages, and Bonus	122.00	77.35
Leave Encashment Expenses	4.71	2.76
Contribution to Provident Fund	9.50	4.94
Contribution to Gratuity Fund	0.29	0.98
Contribution to Superannuation & Other Fund	3.21	0.12
Workmen and Staff Welfare Expenses	8.21	2.09
	147.92	88.24

SCHEDULES FORMING PART OF THE ACCOUNTS

	For the year ended 31st March, 2007 Rs. in Million	For the year ended 31st March, 2006 Rs. in Million
Schedule - 19 : Administrative and Other Expenses		
Rent	19.24	11.50
Rates and Taxes	35.12	14.08
Insurance	57.67	40.10
Advertisement and Publicity	32.03	46.16
Other Repairs and Maintenance	22.67	14.06
Legal and Professional Expenses	40.26	117.49
Travelling and Conveyance	53.36	35.61
Payment to Auditors	1.99	2.20
Director Sitting Fee	0.04	0.02
Commission to Directors	36.49	21.40
Charity & Donations (Other than Political Party)	26.94	6.08
Other Expenses	154.65	81.24
Loss on Sale of Fixed Assets (Net)	1.09	2.26
Exchange Differences (Net)	40.79	22.20
Project Expenditure Written Off	5.08	-
Sundry Balances Written Off (Net)	64.53	1.14
Provision for Doubtful Debts and Advances	18.82	-
Miscellaneous Expenditure written off	-	113.71
	610.77	529.25
Schedule - 20 : Financial Expenses		
Interest on Debentures	11.99	17.61
Interest on other Fixed Loans	644.29	488.05
Interest to others	11.30	-
Bank and Other Finance Charges	11.63	4.90
Loan Prepayment Premium	-	40.61
	679.21	551.17
Schedule 21 : Earnings Per Share (EPS)		
Net profit as per Profit and Loss Account	1,874.36	672.39
Less: Dividend on Preference Shares (including Corporate Dividend Tax)	0.00*	0.00
Net Profit available for Equity Shareholders	**1,874.36**	672.39
Opening number of Equity Shares for calculating Basic and Diluted EPS (taking into consideration issue of bonus shares in terms of para 24 of AS-20)	360.43	360.43
Closing number of Equity Shares for Calculating Basic and Diluted EPS (taking into consideration issue of bonus shares in terms of para 24 of AS-20)	360.43	360.43
Number of Equity Shares considered for Calculating Basic and Diluted EPS	360.43	360.43
Basic and Diluted Earnings per Share in Rupees	5.20	1.87

Schedule 22 : Notes to Accounts

1. Nature of operations

The name of the Company has been changed from Gujarat Adani Port Limited to Mundra Port and Special Economic Zone Limited with effect from July 7, 2006.

Mundra Port and Special Economic Zone Limited (MPSEZL) (erstwhile Gujarat Adani Port Limited) has developed Mundra Port under a concession agreement with Government of Gujarat (GOG) and Gujarat Maritime Board for 30 Yrs effective from February 17, 2001 with the right and authority to develop, design, finance, construct, operate and maintain the port and related infrastructure. This port is a deep water direct berthing port with natural draft of 17mtrs.

Under the sub concession agreement between Adani Port Limited (APL) and Mundra Port and Special Economic Zone Limited (MPSEZL) (erstwhile Gujrat Adani Port Limited) entered into on February 23, 2001, MPSEZL had given rights to APL to handle bulk cargo for a period of 30 years. With effect from April 1, 2003, Adani Port Limited (the transferor company), was amalgamated with Gujarat Adani Port Limited (Now Mundra Port & Special Economic Zone Limited)(the transferee company) and due to this, the sub-concession agreement became infructous.

Under sub-concession agreement between Mundra International Container Terminal Limited (MICTL) (erstwhile Adani Container Terminal Limited) and MPSEZL entered into on January 7, 2003, MPSEZL has given rights to MICTL to handle the container cargo for a period of 30 years.

Consequent to the induction of Special Economic Zone Act, 2005, the Company has received the approval of Government of India vide their letter dated April 12, 2006 for setting up a Multi Purpose Special Economic Zone at Mundra. Keeping in view the synergy of its Port Business and SEZ business, it was decided to merge Mundra Special Economic Zone Limited (MSEZL) and Adani Chemical Limited (ACL) with the Company since MSEZL and ACL were holding clusters of land for the development of Special Economic Zone. The merger of MSEZL and ACL with the Company was approved by the Hon'able High Court of Gujarat w.e.f. April 1, 2006.

2. Statement of Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except for the following items which are accounted for on acceptance basis since the exact quantum in respect thereof cannot be ascertained with reasonable accuracy:

i) Income on account of claims lodged with insurance company but not settled, and

ii) Pending claims receivable from customers.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except to the extent stated in note no. 2 (b) below.

b) Changes in Accounting Policies

i) **Adoption of Accounting Standard AS15 (Revised 2005) Employee Benefits**

In the current year, the Company has gone for an early adoption of Accounting Standard 15 (Revised 2005) which is mandatory for accounting periods starting on or after December 7, 2006 as against the hitherto followed practice of accounting the same on the basis of Accounting Standard 15 – Accounting for Retirement Benefits in the Financial Statements. Accordingly, the Company has provided for short term leave benefits on estimate basis as against the hitherto followed practice of providing the same on actuarial valuation. This change does not have a material impact on the profit for the current period or on the leave encashment liability as at March 31, 2006.

ii) **Transfer of funds from Securities Premium account to Preference Share Capital Redemption Reserve Account**

Securities Premium Account as at April 1, 2006, includes Rs. 2,782.93 Million on account of premium @ Rs.990 per share received on the issue of 28,11,037 0.01% Non-Cumulative Redeemable Preference Shares of Rs.10 each which are redeemable at a premium of Rs. 990 per share on March 28, 2024. Upto the year ended March 31, 2006, the Company was not making a separate provision for the premium payable on redemption of these Shares, on the ground that the liability for the premium payable on redemption will be met out of this Securities Premium Account. From April 1, 2006, the Company has changed its erstwhile policy as mentioned above and has started providing for the premium payable on redemption by earmarking some part out of the Securities Premium Account to Preference Share Capital Redemption Reserve Account based on the period of redemption. Accordingly, Rs. 417.44 Million being the redemption premium pertaining to three years have been transferred to the Preference Share Capital Redemption Reserve Account from Securities Premium Account.

c) 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 costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use.

ii) Insurance spares / stand by equipments are capitalized as part of mother assets.

d) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity (net of income, if any) is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure as a result of capital expansion. The same is treated as preoperative expenditure pending allocation to fixed assets and is shown under “Capital Work-in-Progress” and the same is transferred to fixed assets on commencement of commercial activities.

e) Depreciation

i) Depreciation on Fixed Assets, except for those stated in para (ii) to (vii) 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) Cost of Leasehold Land Development, Marine Structures and Dredged Channels is amortized over the period of the Concession Agreement with Gujarat Maritime Board or their useful lives, whichever is lower.

iii) Depreciation on Mobile phones, included under Office Equipment, Furniture and Fixtures, is provided at the rate of 100% in the month of purchase.

iv) Depreciation on Dredging Pipes, included under Plant and Machinery, is provided on the basis of their useful life which is estimated at 18 months.

v) Depreciation on individual assets costing upto Rs.5,000/- is provided at the rate of 100% in the month of purchase.

vi) Depreciation on additions to fixed assets on account of foreign exchange fluctuation is provided prospectively over the remaining useful lives of the respective assets.

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

f) Intangibles

Intangible assets are amortized over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life (Years)
Goodwill arising on the amalgamation of Adani Port Ltd.	Over the balance period of Concession Agreement computed from the Appointed Date of the Scheme of Amalgamation i.e. 28 years.
Softwares	3 years

g) 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 at the weighted average cost of capital.

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

h) Borrowing Costs

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

i) Leases

Where the Company is the lessee

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

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

j) 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 such investments.

k) Inventories

Stores and Spares: Stores and Spares are valued at Cost or Net Realizable Value, whichever is lower. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on accrual basis.
Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

l) 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.

Port Operation Services

Revenue from port operation services is recognized as and when the services are rendered.

Income from Long Term Infrastructure Usage Agreements

Premium received under Long Term Infrastructure Usage Agreements is recognized as income prorata over the period of the sub-lease agreement. Land sub-lease rent receivable under the above Agreements is accounted for as income on accrual basis.

Royalties

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreements.

Interest

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

m) Foreign Currency Translation

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.

i) **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.

ii) **Exchange Differences**

Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences on transactions relating to fixed assets acquired from a country outside India are adjusted to the carrying amount of fixed assets.

Exchange differences on liability relating to fixed assets acquired within India arising out of transactions entered into on or before March 31, 2004 are added to the cost of such assets in line with Old AS 11 (1994).

iii) **Forward Exchange Contracts**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised 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 recognised as income or as expense for the year.

v) **Derivative transactions**

Derivative transactions are considered as off-balance sheet items and are recognized in the books of account on settlement / termination of the respective contracts.

n) Employee Benefits

i) **Provident fund and superannuation fund**

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

ii) **Gratuity**

Retirement gratuity liability of employees is a defined benefit obligation and reflects the difference between the actuarial valuation of the future gratuity liability and the fair value of the plan assets with the Life Insurance Corporation of India (LIC) as at the end of the period.

iii) **Leave Encashment**

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.

iv) **Actuarial Gains/ Losses**

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

o) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

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

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

p) Earning per share

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

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

q) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

r) Segment Reporting Policies

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

s) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

3. Segment Information

The Company is primarily engaged in the business of developing, operating and maintaining the Mundra Port and related infrastructure. 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.

4. Related Party Disclosures

The Management has identified the following Companies and individuals as related parties of the Company for the year ended March 31, 2007 for the purposes of reporting as per AS 18 – Related Party Transactions:

List of related parties (As certified by the management)

Subsidiary Company	Mundra SEZ Textile and Apparel Park Private Limited (MITAP)
Associates	Adani Logistics Limited (ALL) Adicorp Mundra SEZ Infrastructure Pvt. Ltd (AMSIPL)
Key Management Personnel	Shri Gautam S. Adani Shri Rajesh S. Adani Shri Ameet H. Desai
Other Parties which are significantly influenced by the Company (either Individually or with other)	Adani Infrastructure Services Private Limited (AISPL) Adani Infrastructure and Developers Private Limited (AIDPL) Accurate Finstock Private Limited Shantikrupa Estate Private Limited Adani Developers Private Limited Adani Retail Limited (ARL) Adani Power Private Limited (APWPL) Adani Energy Limited Adani Agri Logistics Limited (AALL) Inland Conware Private Limited (ICPL) Inland Conware (Ludhiana) Private Limited (ICLPL) Adani Petronet (Dahej) Port Private Limited (ADPL) Adani Shipyard Private Limited (ASPL) Adani Townships and Real Estate Company Private Limited (ATRPL) Adani Agri Fresh Limited (AAFL) Dahej Power Private Limited (DPPL) Adani Enterprises Limited (AEL) Adani Estates Private Limited Adani Wilmar Limited (AWL) Adani Land Developers Private Limited Adani Foundation

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

Notes:

1. The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions were entered into by the Company with the related parties during the existence of the related party relationship.
2. No amount has been provided as doubtful debts or advances / written off or written back in the period in respect of debts due from/ to above related parties.

Particulars	MITAP	GSA	RSA	AHD	SG	ALL	AMSIPL	APPL	APWPL	AAPL	ARL	AEnL	AALL	AAFL	AEL	AWL	ADPL	APIPL	AISPL	MSPL	MSEZL	ACC	SBA	TOTAL
Rendering of Port Services																								
FY 2006-07	-	-	-	-	-	4.75	-	-	-	-	-	1.29	-	-	403.99	(23.65)	-	-	-	-	-	-	-	386.37
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	0.54	-	-	365.50	85.77	-	-	-	-	-	-	-	451.81
Deferred Infrastructure Revenue																								
FY 2006-07	258.74	-	-	-	-	4.75	-	2644.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2903.67
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods, Services and facilities																								
FY 2006-07	-	-	-	-	-	-	-	-	-	-	2.37	-	-	-	26.92	0.01	-	-	-	-	-	-	-	29.30
FY 2005-06	-	-	-	-	-	-	-	-	-	-	3.39	-	-	-	0.55	-	-	-	-	-	-	-	-	3.94
Incurred by Company																								
FY 2006-07	-	-	-	-	-	-	-	-	-	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25
FY 2005-06	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	0.21	1.23	-	-	-	-	-	-	-	1.46
Subscription for shares																								
FY 2006-07	-	-	-	-	-	-	0.10	256.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	256.60
FY 2005-06	-	-	-	-	-	249.75	-	-	-	-	-	-	48.50	-	-	-	-	-	-	-	409.70	-	-	707.95
Sale of Investment																								
FY 2006-07	-	-		-	-	-	-	-	-	-	-	-	48.50	-	21.50	-	-	-	-	-	-	-	-	70.00
FY 2006-07	-	-	-	-	-	-	-	156.10	-	-	-	-	-	-	-	-	-	260.00	-	-	-	-	-	416.10
Share Application Money paid																								
FY 2006-07	-	-	-	-	-	114.77	0.10	256.50	-	-	-	-	-	-	-	-	187.45	-	-	-	-	-	-	558.82
FY 2005-06	-	-	-	-	-	198.47	-	-	-	-	-	-	6.88	-	-	-	15.60	-	-	1.00	38.65	-	-	260.60
Share Application Money refund																								
FY 2006-07	-	-	-	-	-	313.25	-	-	68.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	381.25
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds Received																								
FY 2006-07	-	-	-	-	-	1.39	-	19.97	-	-	0.86	-	-	-	217.75	46.26	-	-	-	-	-	-	-	286.23
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	208.68	-	-	-	-	-	-	-	-	208.68
Loans Received back																								
FY 2006-07	-	-	-	-	-	-	-	19.97	15.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.88
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses Reimbursement (Net)																								
FY 2006-07	1.03	-	-	-	-	1.57	-	-	8.92	(0.29)	-	-	0.42	0.01	(34.91)	7.21	-	-	-	-	-	-	-	(16.04)
FY 2005-06	-	-	-	-	-	(0.08)	-	-	-	-	-	(0.62)	-	-	-	-	-	-	-	-	0.16	-	-	(0.54)
Remuneration																								
FY 2006-07	-	12.00	-	6.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18.67
FY 2005-06	-	12.00	-	3.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.50

Particulars	MITAP	GSA	RSA	AHD	SG	ALL	AMSIPL	APPL	APWPL	AAPL	ARL	AEnL	AALL	AAFL	AEL	AWL	ADPL	APIPL	AISPL	MSPL	MSEZL	ACC	SBA	TOTAL
Commission to directors																								
FY 2006-07	-	36.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36.49
FY 2005-06	-	21.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21.40
Sitting Fees																								
FY 2006-07	-	-	0.00	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation																								
FY 2006-07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.50	7.50
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.53	2.53
Equity Dividend paid																								
FY 2006-07	-	-	-	-	-	-	-	6.33	-	-	-	-	-	-	-	-	-	12.71	124.34	-	-	-	-	143.38
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as on March 31, 2007 [Dr/(Cr)]																								
Advances from Customers																								
FY 2006-07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23.11)	-	-	-	-	-	-	-	-	(23.11)
FY 2005-06															(36.47)									(36.47)
Creditors																								
FY 2006-07	-	(36.49)	-	-	-	-	-	-	-	-	(0.02)	-	-	-	(120.13)	(0.42)	-	-	-	-	-	-	(3.13)	(160.18)
FY 2005-06	-	(21.40)	-	-	-	-	-	-	-	-	-	-	-	-	(15.26)	-	-	-	-	-	-	-	-	(36.66)
Debtors																								
FY 2006-07	235.17	-	-	-	-	0.14	-	-	2,046.26	-	-	-	-	-	135.77	1.68	-	-	-	-	-	-	-	2,419.02
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121.89	39.35	-	-	-	-	-	-	-	161.24
Investments																								
FY 2006-07`	-	-	-	-	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
FY 2005-06																								-
Loan & Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2006-07	0.30	-	-	-	-	2.98	-	-	-	-	-	-	-	-	-	1.13	203.05	-	-	1.20	-	-	-	208.66
FY 2005-06						0.01				0.04											1.23			1.28
Total (Net)																								
FY 2006-07	235.47	(36.49)	-	-	-	253.12	-	-	2,046.26	-	(0.02)	-	-	-	(7.47)	2.39	203.05	-	-	1.20	-	-	(3.13)	2694.38
FY 2005-06	-	(21.40)	-	-	-	0.01	-	-	-	0.04	-	-	-	-	70.17	39.35	-	-	-	-	1.23	-	-	89.40
Corporate Guarantee given during the period																								
FY 2006-07	-	-	-	-	-	-	-	-	750.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750.00
FY 2005-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

GSA - Gautam S. Adani
RSA - Rajesh S. Adani
AHD - Ameet H. Desai
SG - Sanjay Gupta
ACC - Adani Center for Creativity
APPL - Adani Properties Private Limited

5. The Company takes various types of derivative instruments to hedge its future loans & interest liabilities. The category-wise outstanding position of derivative instruments as on March 31, 2007 is as under:

Particulars of Derivatives	Nature	Purpose
(1) USD 13.00 Million	Principal Only Swap	Hedging of loan
(2) USD 13.00 Million	Coupon Only Swap	Hedging of interest liability
(3) Rs. 1,795.00 Million	Currency Swap	Hedging of loan & interest liability
(4) Rs. 3,530.46 Million	Principal Only Swap	Hedging of loan
(5) Rs. 2,500.00 Million	Coupon Only Swap	Hedging of interest liability

The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise as on March 31, 2007 is as under:

Particulars	Amount (Rs. in Million)	Foreign Currency
Foreign currency loan (USD)	775.81	USD 17.80 Million
Creditors		17.83 USD 0.41 Million
Creditors		3.57 GBP 0.04 Million
Creditors		0.39 Euro 0.01 Million

Closing rates as on 31st March, 2007:
USD 1 = Rs. 43.59
JPY 1 = Rs. 0.37
EURO 1 = Rs.58.14
GBP 1 = Rs.85.53

6. Amounts Received under Long Term Infrastructure Usage Agreements
The Company has entered into various long term agreements granting sub-leases out of its leasehold lands and/or rights to use infrastructure facilities for the period of the sub-leases which are generally co-terminus with the period of the Concession Agreement between the Company, Gujarat Maritime Board and Government of Gujarat. The Company has received upfront amounts in consideration of grant of the sub-leases and rights to use its infrastructure facilities. Unamortized amounts received under Long Term Infrastructure Usage Agreements at the end of the year amounting to Rs. 7,414.84 Million ('Previous Year' Rs.4,634.45 Million) have been disclosed on the face of the Balance Sheet.

7. There are no dues to Small Scale Industrial Undertakings (SSI) (to the extent identified by the management from the available documents/information). As a result provisions of Section 22 of the Micro Medium and Small Enterprises Development Act, 2006 are not applicable (Previous year - Nil).

8. Prior period items aggregating to Rs. 15.47 Million (net) have been booked under the respective heads of account in the Profit & Loss account. The break up of the same is as under:

(Amount in Rs Million)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Handling Income	Nil	(46.65)
Demurrage Charges (netted from Income from Operation)	13.55	33.41
Contribution to Gratuity Fund	1.92	Nil
Miscellaneous Expenses	Nil	0.05
Prior Period Expense	**15.47**	**(13.19)**

9. The Government of India (GOI) has, vide its letter dated April 12, 2006, granted approval to the Company's proposal for development, operation and maintenance of a Multi-product Special Economic Zone over an area of 2,658 hectares of the Company's land at Mundra, Gujarat. Subsequently through a Notification dated June 23, 2006, the Ministry of Commerce & Industry (Department of Commerce) has included Mundra Port and port limits in notified Special Economic Zone. The commercial operations of the port had commenced from financial year 2001-02 and income from there was entitled for deduction u/s 80IA (4) (i) of the Income Tax Act, 1961 (the Act) but the Company had exercised the option not to claim the deduction for the first five years. Accordingly, deferred tax liability amounting to Rs. 277.33 Million in respect of timing differences, reversing within the tax holiday period as per Section 80 IA, has not been created.

After receipt of the above Notification, the Company is of the view, supported by an external opinion, that it may avail benefit u/s 80IAB of the Income Tax Act on the entire income of the Company including the Special Economic Zone Operations. Accordingly, the Company has created provision for regular current tax liability instead of making provision for Minimum Alternate Tax (MAT) under Section 115JB (2) of the Income-Tax Act, 1961, as developer of an SEZ is not liable to MAT. Consequent to the above , the provision for deferred tax liability made up to March 31, 2006 has been recomputed and restated as on March 31, 2007. This has resulted in the reversal of deferred tax liability to the extent of Rs. 133.21 Million (after adjusting Rs. 48.11 Million on account of prior period).

10. The Company has recognized Rs. 50.00 Million (Previous year Rs.Nil) as MAT Credit Asset which represents that portion of MAT liability, which can be recovered, based on the provisions of Section 115JAA of the Income Tax Act, 1961.

11. (i) The Scheme of Amalgamation/ merger ('the scheme') under sections 391 and 394 of the Companies Act, 1956 among Mundra Port and Special Economic Zone Limited ('the Company'), Mundra Special Economic Zone Limited (MSEZL) and Adani Chemicals Limited (ACL), with effect from the Appointed Date i.e. April 1, 2006, was approved by the Hon'ble High Court at Ahmedabad, vide its order dated November 24, 2006. The Company has filed the Order of the Hon'ble High Court with the Registrar of Companies, Ahmebdabad on December19, 2006.

(ii) MSEZL was engaged in the business of developing, operating and maintaining a Special Economic Zone at Mundra. ACL was incorporated with an object of developing a Salt work project.

(iii) In terms of Accounting Standard 14 – Accounting for Amalgamations issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation has been accounted under the 'Pooling of Interest Method', wherein all the assets and liabilities of MSEZL and ACL have become, after amalgamation, the assets and liabilities of the Company.

(iv) Pursuant to the Scheme, the business of MSEZL and ACL has been transferred to the Company on the going concern basis. Accordingly, all the assets, liabilities, rights, licenses, benefits, obligations etc. of the business of MSEZL and ACL, as on April 1, 2006, stand transferred to and vested in the Company.

(v) MSEZL and ACL were wholly owned subsidiaries of the Company. As per the scheme, the entire share capital of ACL and MSEZL stands cancelled and extinguished and no shares of the Company have been issued in exchange of these shares.

The details of Net Assets taken over and the cancellation of Share Capital of the Transferor companies are as follows:

(Amount in Rs Million)

Particulars	MSEZL	ACL
Net Block of Fixed Assets	1,034.93	30.76
Net Current Assets	52.62	(0.48)
Investments	39.03	-
Less: Loan Liabilities	0.38	25.34
Miscellaneous Expenses	5.62	0.06
Total Net Assets Value	1,131.82	5.00
Cancellation of Share Capital	1,131.82	5.00

Pre-operative expenditure aggregating to Rs 30.41 Million which was not attributable to the projects/assets and Miscellaneous expenditure (to the extent not written off) of Rs 5.68 Million relating to Transferor companies have been adjusted against the brought forward balance of profit & loss account in the books of the Company.

(vi) With effect from the Appointed Date. i.e. April 1, 2006 and upto and including the Effective Date i.e. the date on which the Order of the Hon'ble High Court is filed with the Registrar of Companies, Ahmedabad, all the activities carried on by MSEZL and ACL were for and on account of and in trust for the Company.

In view of the aforesaid amalgamation with effect from April 1, 2006, the figures for the current period are not comparable with the corresponding figures of the previous year.

12. Details of employee benefits

a) Net Employee benefit expense recognised during the year ended on March 31, 2007

(Amount in Rs. Million)

Particulars	**Gratuity (Funded) March 31, 2007**	**Gratuity (Funded) March 31, 2006**
1. Current Service cost	1.70	1.21
2. Interest Cost on benefit obligation	0.43	0.27
3. Expected return on plan assets	(0.34)	(0.26)
4. Actuarial loss	2.07	0.01
5. Net benefit expense	3.85	1.75

Note: Actual return on plan assets is not readily available.

b) Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2007

(Amount in Rs. Million)

Particulars	**Gratuity (Funded) March 31, 2007**	**Gratuity (Funded) March 31, 2006**
1. Present value of defined benefit obligation	8.32	5.11
2. Fair value of plan assets	8.69	5.52
3. Surplus/(deficit) of funds	0.37	0.04
4. Net asset/ (liability)	0.37	0.04

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

(Amount in Rs. Million)

Particulars	**Gratuity (Funded) March 31, 2007**	**Gratuity (Funded) March 31, 2006**
1. Defined benefit obligation at the beginning of the period	5.24*	3.69
2. Current Service cost	1.70	1.20
3. Interest Cost on benefit obligation	0.43	0.03
4. Actuarial loss	2.22	0.09
5. Benefits paid	(1.27)	(0.15)
6. Defined benefit obligation at the end of the period	8.31	5.11

*Including the prior period adjustments made in the current year of Rs 1.92 Million

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

(Amount in Rs. Million)

Particulars	**Gratuity (Funded) March 31, 2007**	**Gratuity (Funded) March 31, 2006**
Opening fair value of plan assets	5.52	3.23
Expected return	0.34	0.26
Contributions by employer	3.94	2.10
Benefits Paid	(1.27)	(0.15)
Actuarial gains / (losses)	0.15	0.09
Closing fair value of plan assets	8.69	5.52

Note: The Company is maintaining a fund with the Life Insurance Corporation of India (LIC) to meet its gratuity liability. 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 Rs 8.69 Million is as certified by the LIC.

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

Particulars	Gratuity (Funded) March 31, 2007	Gratuity (Funded) March 31, 2006
1. Discount rate	8.0%	7.50%
2. Expected rate of return on plan assets	8.0%	8.0%
3. Expected rate of salary increase	5%*	4.0%
4. Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
5. Withdrawal rate	Age Related	Age Related

* 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.

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

(Amount in Rs. Million)

Gratuity	Mar'07	Mar'06	Mar'05	Mar'04	Mar'03
Defined benefit obligation	(8.32)	(5.11)	(3.48)	Nil	Nil
Plan Assets	8.69	5.52	3.23	Nil	Nil
Surplus / (deficit)	0.37	0.04	(0.25)	Nil	Nil
Experience loss on plan liabilities	2.22	0.09	*	Nil	Nil
Experience loss on plan assets	0.15	0.09	*	Nil	Nil

* In the absence of availability, relevant information on the experience adjustments on plan assets and liabilities have not been furnished above.

13. Assets taken under Operating Leases – Certain Plant and Machineries and Office Equipments are obtained on operating leases. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases and all the leases are cancellable in nature.

14. Capital Work in Progress includes Expenditure during Construction Period and Capital Inventory, details of which are as follows:

(Amount in Rs Million)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
A. Expenditure during Construction Period		
Income		
Interest on Bank Deposits (TDS Rs.2.98 Million, Previous Year Nil)	13.55	-
Miscellaneous Income	13.46	-
Exchange Differences (Net)	12.00	-
Total Income [a]	**39.01**	**-**
Expenditure		
Personnel Expenses		
Salaries, Wages and Bonus	50.22	16.21
Contribution to Provident Fund	3.05	0.44
Contribution to Gratuity	0.94	0.15
Workmen and Staff Welfare Expenses	3.16	0.14
Sub Total	**57.37**	**16.94**
Administrative and Other Expenses		
Power & Fuel	16.51	40.03
Insurance	1.51	0.50
Other Repairs and Maintenance	2.83	0.89
Legal and Professional Expenses	32.22	41.53
Traveling and Conveyance	17.37	2.57
Rent	2.44	0.00
Equipment Hire Charges	6.29	5.93

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Water Charges	8.33	0.00
Exchange Differences (Net)	-	10.83
Other Expenses	5.30	3.21
Sub Total	**92.80**	**105.49**
Financial Expenses		
Interest on Fixed Loans	264.19	82.05
Bank and Other Finance Charges	39.90	57.06
Sub Total	**304.09**	**139.11**
Depreciation	**84.81**	**46.95**
Total Expenditure [b]	**539.07**	**308.49**
Total [b – a]	**500.06**	**308.49**
Brought Forward from Previous Year	365.45	56.96
Transferred on account of Amalgamation	498.50	-
	1364.01	**365.45**
Capitalised / Allocated during the period	350.67	0.00
Balance Carried Forward Pending Allocation / Capitalisation	**1013.34**	**365.45**
B. Project Materials	**75.77**	**185.26**

15. Capital Commitments

(Amount in Rs Million)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	3,273.91	1,992.50

16. Contingent Liabilities not provided for

(Amount in Rs Million)

Particulars	Year ended March 31, 2007	Year ended March31,2006
a. Corporate Guarantee given by the Company against credit facility availed by a body corporate	**750.00**	-
b. In earlier years, some contractors of the Company had filed civil suits against the Company for recovery of damages caused to its machinery in an earthquake Rs 3.71 Million (Previous Year Rs 3.71 Million), to its cargo stores in Company's godown Rs 9.44 Million (Previous Year Rs 3.71 Million) and due to mishandling of wheat cargo by the Company Rs 62 Million (Previous Year Rs 62 Million). Above civil suits are currently pending with Civil Judge (Senior Division), Gandhidham, Civil Judge, Bhuj and Civil Judge (Senior Division), Bhuj, respectively. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	**75.15**	75.15
c. In earlier years, the Company had received show cause notices from the Custom Authorities for recovery of custom duty and penalty on the import of a tug and bunkers by the Company Rs 20.71Million (Previous Year Rs 20.71 Million), import of Acrylonitrile Rs 1.42 Million (Previous Year Rs 1.42 Million), import of Crude Petroleum Oil Rs 2.66 Million (Previous Year Rs 2.66 Million) and for recovery of education cess and penalty on the import of Steel Sole Plates by the Company Rs 0.44 Million (Previous Year Rs Nil). Above mentioned cases are currently pending with the Commissioner of Customs (Preventive), Jamnagar, Assistant Commissioner of Customs, Mundra, Customs, Excise and Service Tax Appellate Tribunal, Mumbai and Deputy Commissioner of Customs Gujarat, respectively. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	**25.23**	24.79
d. Joint Commissioner Customs, Mundra has held the Company liable for short delivery of imported goods namely, H.M.S. through Mundra Port to various customers. The Company has been directed to remit the differential duty of Rs. 945,980/- and penalty of Rs. 75,000/- under section 117 of the Customs Act has been imposed. MPSEZL has preferred to challenge the said Orders which are pending before Ld. Commissioner (Appeals), Customs at Ahmedabad.	**1.02**	-

17. For the development of Special Economic Zone (SEZ) in the Mundra Taluka region, the Company is also acquiring land in Mundra and surrounding region under arrangements / agreements with private landowners/ parties for development of contiguous SEZ area, apart from acquisition of land from Government of Gujarat. Since beginning till March 31, 2007, the Company has paid an aggregate amount of Rs. 52.90 Million (including Rs. 18.61 Million paid during the year) to various private landowners/ parties for acquisition of land, out of which Rs. 24.75 Million has been capitalised on allotment of a portion of land from the government authorities and the balance amount of Rs. 28.16 Million is outstanding as advance at the period end.

In addition, the Company has made payment of Rs 178.37 Million as advance to Government of Gujarat against letter of demand for allotment of 713.48 Hectares of Land, of which government has fully allotted 713.48 Hectares of land.

18. Supplementary Statutory Information

a) Managing Directors' Remuneration

(Amount in Rs Million)

	Year ended March 31, 2007	Year ended March 31, 2006
Salaries, Wages and Bonus	12.00	12.00
Commission to Managing Director	36.49	21.40
Total	**48.49**	**33.40**

b) Executive Directors' Remuneration

(Amount in Rs Million)

	Year ended March 31, 2007	Year ended March 31, 2006
Salaries, Wages and Bonus	6.09	3.16
Contribution to Provident fund	0.59	0.34
Total	**6.68**	**3.50**

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

c) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to directors

(Amount in Rs Million)

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors	**Year ended March 31, 2007**	**Year ended March 31, 2006**
Profit as per Profit and Loss Account	1749.72	1161.58
Add:		
Directors' Remuneration	55.17	36.90
Loss on Sale of Fixed Assets	1.09	2.26
Director's Sitting Fees	0.04	0.01
Provision for Doubtful Debts and advances	18.81	Nil
Profit on Sale of Investments	(0.40)	-
Net Profit as per Section 349 of the Companies Act, 1956	1,824.43	1,200.75
Commission payable to Managing Director @ 2%	36.49	21.40

d) Details of Payment to Auditors

(Amount in Rs. Million)

Particulars	**Year ended March 31, 2007**	**Year ended March 31, 2006**
Audit fee	1.80	1.10
Tax Audit fees	0.10	0.10
Other Services	0.00	1.00
Reimbursement of out-of-pocket Expenses	0.09	-
Total	**1.99**	**2.20**

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

(Amount in Rs. Million)

A. Expenditure in Foreign Currency :	**Year ended March 31, 2007**	**Year ended March 31, 2006**
Traveling Expenses	2.34	2.10
Interest	112.62	81.42
Fees and Legal Expenses	26.69	7.75
Others	3.22	-

B. Earning, in Foreign Exchange :	**Year ended March 31, 2007**	**Year ended March 31, 2006**
Marine Services	1.10	4.03

C. CIF value of Imports :	**Year ended March 31, 2007**	**Year ended March 31, 2006**
Stores & Spares	42.70	0.89
Capital Goods	787.92	403.68

Imported and Indigenous Stores and Spares Consumed

	% of total Consumption		**Total Consumption**	
	2006-07	2005-06	**2006-07**	2005-06
Imported	**5.22**	0.53	**18.86**	1.22
Indigenous	**94.78**	99.47	**341.90**	226.85
Total	**100.00**	100.00	**360.76**	228.07

20. Miscellaneous Expenditure

The Company has incurred expenses aggregating to Rs. 58.47 Million (including Rs. 3.58 Million paid to auditors) up to March 31, 2007 in connection with its proposed public issue. In term of Section 78 of the Companies Act, 1956 the management proposes to adjust the same with the Securities Premium amount to be received against the issue, and hence, the same has not been expensed-off.

21. Provision for Demurrage

Provision for Demurrage has been created towards unascertained contractual liability on account of handling of the cargo and vessels.

22. Previous Year Comparatives

Previous year figures were audited by another firm of Chartered Accountants. These have been regrouped/rearranged wherever considered necessary to conform to this period's classifications.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Raj Agrawal
Partner
Membership No. 82028

Dipti Shah
Company Secretary

Place : Ahmedabad
Date : 27.06.2007

For and on behalf of the Board

Gautam S. Adani **Chairman and Managing Director**

Rajesh S. Adani **Director**

Ameet H. Desai **Executive Director**

Place : Ahmedabad
Date : 27.06.2007

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No.	034182	State Code	04
Balance Sheet Date	31st March 2007		

II. Capital Raised during the year

(Rs in Million.)

Public Issue	-	Right Issue	-
Bonus Issue	1802.14	Private Placement	-

III. Position of Mobilization and Deployment of funds

(Rs in Million.)

Total Liabilities	28,171.85	Total Assets	28,171.85
Sources of funds		**Application of Funds**	
Paid-up Capital	3,632.40	Net Fixed Assets	24,014.20
Reserves and Surplus	3,831.07	Investments	789.86
Amounts Received under Long Term Infrastructure Usage Agreements	7,414.84	Net Current Assets	3,309.32
Secured Loans	12,813.45	Miscellaneous Expenditure	58.47
Unsecured Loans	9.03		
Deferred Tax Liability	471.06		

IV. Performance of the Company

(Rs in Million.)

Turnover and Other Income	5961.25	Total Expenditure	4211.53
Profit before tax	1749.72	Profit after tax	1874.36
Earning per share	5.20	Dividend Rate	10%

V. Generic names of three Principal Products/Services of the Company (as per monetary terms)

Product/Service Description	Item code No.
Port Services	Not Applicable

For and on behalf of the Board of Directors

Gautam S. Adani — **Chairman and Managing Director**

Rajesh S. Adani — **Director**

Dipti Shah
Company Secretary

Ameet H. Desai — **Executive Director**

Place : Ahmedabad
Date : 27.06.2007

Statement pursuant to Section 212 (e) of the Companies Act, 1956, relating to Subsidiary Company

S.No.	Particulars	Mundra SEZ Textile and Apparel Park Private Limited
1	Financial Year of subsidiary ended on	March 31, 2007
2	Shares of the Subsidiary Company held on the above date and the extent of holding)	
	i) Number of Shares	2,450,000 of Rs. 10 each
	ii) Extent of holding	80 %
3	Net aggregate amount of profit/ (losses) of the subsidiary for the above financial year so far as they concern members of Mundra Port and Special Economic Zone Limited	
	i) Dealt with the accounts of Mundra Port and Special Economic Zone Limited	Nil
	ii) Not dealt within the accounts of Mundra Port and Special Economic Zone Limited.	Nil
4	Net aggregate amount of profit/ (losses) of the subsidiary for the previous financial year so far as they concern members of Mundra Port and Special Economic Zone Limited	
	i) Dealt with the accounts of Mundra Port and Special Economic Zone Limited	Nil
	ii) Not dealt within the accounts of Mundra Port and Special Economic Zone Limited.	Nil

For and on behalf of the Board of Directors

Gautam S. Adani — **Chairman and Managing Director**

Rajesh S. Adani — **Director**

Dipti Shah
Company Secretary

Ameet H. Desai — **Executive Director**

Place : Ahmedabad
Date : 27.06.2007

NOTICE

NOTICE is hereby given that Second Annual General Meeting of Mundra SEZ Textile and Apparel Park Private Limited will be held on Monday, the 30th day of July, 2007 at 12.00 p.m. at Board Room, Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31^{st} March, 2007 the Directors' and the Auditors' Report thereon
2. To appoint a Director in place of Shri Sanjay Gupta who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration

SPECIAL BUSINESS

4. **To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:**

   "RESOLVED THAT Shri Samir Vora, who was appointed as an Additional Director of the Company by the Board of Directors and who ceased to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as director not retiring by rotation."

By order of the Board

Place : Ahmedabad
Date : 26.06.2007

Kamlesh Bhagia
Company Secretary

NOTES:

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

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

ITEM NO. 5

Shri Samir Vora was appointed as an Additional Director of the Company w.e.f. 29^{th} December 2006 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of ensuing Annual General Meeting. In view of his proficiency, Board considers it desirable that the Company should continue to avail his services. The Directors recommend the resolution to the members for their approval.

None of the Directors except Shri Samir Vora is interested in the Resolution.

By order of the Board

Date : 26.06.2007
Place : Ahmedabad

Kamlesh Bhagia
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

OPERATIONS:

During the financial year 2006-07, the Company has entered into lease deed with Mundra Port And Special Economic Zone Limited for lease of land area of 47.0428 Hectares equivalent 116.24 acres for the project and the same was duly registered with Sub-Registrar, Mandvi, Kutch.

The Company has taken steps to carry out certain immediate project developmental work i.e. land filling, site development, fencing, temporary motorable road etc. and the same have been approved by the Tender Committee. The activities have already started so that the members who have already committed can start their construction activities at the earliest. Simultaneously, the work of design and engineering of common facilities building has already been awarded. The Company is now following up with IL&FS and Government of India to allow utilization of grant money already released to it.

The Company has received approval form Ministry of Commerce and Industry with respect to authorised operations to be carried out by it as Co-developer.

FINANCIAL HIGHLIGHTS:

During the year under review, the project is under implementation and commercial activities are yet to commence, hence no Profit & Loss Account has been prepared. The pre operative expenditure as on 31st March, 2007 pending capitalization is Rs. 28,82,083/-.

DIVIDEND:

As the project is under implementation and commercial activity has not yet been started, your Directors regret their inability to recommend any dividend.

FIXED DEPOSITS:

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

SUBSIDIARY COMPANY:

Due to Merger of Mundra Special Economic Zone Limited (MSEZL) with Mundra Port And Special Economic Zone Limited, your Company has ceased to be Subsidiary of MSEZL and has become Subsidiary of MPSEZL.

DIRECTORS:

Shri A. N. Sharan and Shri Ravi Raman were appointed as Nominee Directors from Ministry of Textiles and IL&FS respectively.

During the year under review Shri Samir Vora was appointed as Additional Director. Pursuant to the provisions of Section 260 of Companies Act, 1956 and Articles of Association of the Company Shri Samir Vora hold office upto the date of ensuing Annual General Meeting and being eligible offer himself for appointment. Board welcomes them and looks forward to the valued contribution in meeting the long-term objectives of your company.

As per Section 256 of the Companies Act, 1956 and Articles of Association of the Company; Shri Sanjay Gupta will retire by rotation at the ensuing Annual General Meeting but being eligible offer himself for reappointment.

Shri S. J. Vijay has resigned from the Board of Directors of the Company with effect from 14th December, 2006. The Board places on record its appreciation for the services rendered by them as Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.

AUDITORS:

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

AUDITORS' REPORT:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As Company has not started commercial activities, a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not appended. There has been no foreign exchange earning or outgo during the year under review.

PERSONNEL:

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

ACKNOWLEDGMENT:

The Board of Directors takes this opportunity to thank the Government Authorities, Bankers for their continuous support and assistance. The management expresses gratitude to directors, executives, officers of your company for their dedicated services.

For & on behalf of the Board of Directors

Date : 26.06.2007 **Sanjay Gupta**
Place : Ahmedabad **Chairman**

AUDITORS REPORT

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

1. We have audited the attached Balance Sheet of **MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED**, as at 31st March, 2007. No profit & loss account for the period under consideration has been prepared as the company has yet to commence commercial operations. 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 have 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 presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order,2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act,1956, we give in the annexure, a statement on the matters specified in paragraphs 4 of the said order.

Further to our comments in the annexure referred to in paragraph 3 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 these books.

(iii) The Balance sheet dealt with by this report is in agreement with the books of account.

(iv) In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(v) On the basis of written representations received from the directors as on 31st March,2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies 1956.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet together with significant accounting policies and notes thereon give in the prescribed manner the information required by the Act and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India in the case of Balance Sheet, of the state of affairs of the Company as at 31st March,2007.

For SHAH & SHAH ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Dated : 26.06.2007

Vasant C.Tanna
Partner
Membership No. 100422

Annexure to the Auditors' Report

Re: MUNDRA SEZ TEXTILE AND APPAREL PARK PRIVATE LIMITED

(Referred to in paragraph 3 of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of company's business / activities during the year are such that clauses (i), (ii),(v),(viii),(x),(xi),(xii), (xiii), (xiv), (xv), (xvi),(xvii), (xviii), (xix) and (xx) of Clause 4 of the Order are not applicable to the Company.

1. (a) 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 except for interest free security deposit placed in the ordinary course of business with its holding company of Rs.300.00 lacs. The year end balance of the same is Rs.Nil.

   (b) 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.

2. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and related activities.

3. The company has not accepted deposits from public during the year. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A,58AA or any other relevant provisions of the companies Act, 1956 and the rules framed there under with regard to the deposit accepted from the public in earlier year.

4. Having regard to the level of operations, the company is not required to have formal internal audit system.

5. According to the information and explanations given to us in respect of statutory and other dues:

   (a) As explained to us the company is regular in depositing with appropriate authorities undisputed applicable statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect aforesaid statutory dues were outstanding, as at 31st March, 2007 for a period of more than six months from the date they became payable.

   (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.

6. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported by the company during the year.

For SHAH & SHAH ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Dated : 26.06.2007

Vasant C.Tanna
Partner
Membership No. 100422

Balance Sheet as at 31st March, 2007

Particulars	Schedule	Amount Rupees	As at 31/03/2007 Rupees	Amount Rupees	As at 31/03/2006 Rupees
SOURCES OF FUNDS:					
Share Holders' Funds:					
Share Capital	1		30,674,000		30,674,000
Reserves & Surplus	2		40,000,000		-
TOTAL			**70,674,000**		**30,674,000**
APPLICATION OF FUNDS					
Fixed Assets:					
Fixed Assets (At Cost)	3				
Gross Block		264,142,288		-	
Less : Depreciation		2,721,027		-	
Net Block		261,421,261		-	
Capital Work-in-Progress (Pre-operative expenses pending capitalisation)		2,882,083		160,971	
			264,303,344		160,971
Current Assets Loans & Advances	4	43,128,853		30,084,503	
Less: Current Liabilities & Provisions	5	237,195,141		8,418	
Net Current Assets			(194,066,288)		30,076,085
Miscellaneous Expenditure : (To the Extent not Written Off or Adjusted)	6		436,944		436,944
TOTAL			**70,674,000**		**30,674,000**

Significant Accounting Policies &
Notes Forming Part of Accounts

As per our Report attached

For SHAH & SHAH ASSOCIATES
Chartered Accountants

Vasant C.Tanna
Partner
M. No. 100 422

Kamlesh Bhagia
Company Secretary

Place : Ahmedabad
Date : 26.06.2007

For and on behalf of the Board

Sanjay Gupta **Chairman**

Samir Vora **Director**

Place : Ahmedabad
Date : 26.06.2007

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2007

		For the Period ended on 31/03/2007 (Rs.)	For the Period ended on 31/03/2006 (Rs.)
A	**Cash Flow from Operating Activities**	-	-
		-	-
	Adjustments for:		
	(Increase)/Decrease in Loans & Advances	29,255,376	(30,000,647)
	Increasee/(Decrease) in Current Liabillities	237,186,723	8,418
	Depreciation	2,721,027	-
	Net Cash Flow from Operating Activities	269,163,126	(29,992,229)
B	**Cash Flow From Investing Activities**		
	Pre-operative Expenses incurred	(2,721,112)	(160,971)
	Preliminery Expenses incurred	-	(436,944)
	Purchase of Fixed Assets	(264,142,288)	-
	Net Cash Flow from Investing Activities	(266,863,400)	(597,915)
C	**Cash Flow From Financing Activities**		
	Share capital issued	-	30,674,000
	Grant Received	40,000,000	-
	Net Cash Flow from Financing Activities	40,000,000	30,674,000
	Net change in Cash or Cash Equivalent(A+B+C)	42,299,726	83,856
	Add: Cash and Cash Equivalent at beginning of the period	83,856	-
	Cash and Cash Equivalent at end of the period	**42,383,582**	83,856

For SHAH & SHAH ASSOCIATES
Chartered Accountants

Vasant C.Tanna
Partner
M. No. 100 422

Kamlesh Bhagia
Company Secretary

Place : Ahmedabad
Date : 26.06.2007

For and on behalf of the Board

Sanjay Gupta **Chairman**

Samir Vora **Director**

Place : Ahmedabad
Date : 26.06.2007

SCHEDULE FORMING PART OF THE ACCOUNTS

Particulars	Rupees	As at 31/03/2007 Rupees	As at 31/03/2006 Rupees
SCHEDULE - 1			
SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.10/- each		50,000,000	50,000,000
Issued & Subscribed:			
30,67,400 Equity Shares of Rs. 10/- each fully paid-up		30,674,000	30,674,000
(Out of above 24,50,000 Equity Shares are held by the holding company Mundra Port and Special Economic Zone Limited)			
TOTAL		30,674,000	30,674,000
SCHEDULE -2			
RESERVES & SURPLUS:			
Capital Reserve:			
Balance as per last Balance sheet	-		-
Grant received under integrated Textile Parks scheme of Ministry of Textiles, Government of India	40,000,000		-
		40,000,000	-
TOTAL		40,000,000	-

SCHEDULE -3

FIXED ASSETS

Rupees

Particulars	Gross Block (At cost)			Depreciation/Amortisation			Net Block	
	As at 01/04/06	Addition During Period	Total as at 31/03/07	Provided up to 31/03/06	Provided During the period	Provided up to 31/03/07	As at 31/03/07	As at 31/03/06
Lease Hold Land	-	264,142,288	264,142,288	-	2,721,027	2,721,027	261,421,26	-
Total	**-**	**264,142,288**	**264,142,288**	**-**	**2,721,027**	**2,721,027**	**261,421,261**	**-**
Previous Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

SCHEDULE FORMING PART OF THE ACCOUNTS

Particulars	Rupees	As at 31/03/2007 Rupees	As at 31/03/2006 Rupees
SCHEDULE-4			
CURRENT ASSETS LOANS & ADVANCES:			
{A} CURRENT ASSETS			
Cash and Bank Balances:			
Cash on Hand		7,482	41,696
Balance with Schedule Bank in :			
Current Accounts		775,447	42,160
Fixed Deposit		41,600,653	-
TOTAL :(A)		42,383,582	83,856
{B} LOANS & ADVANCES			
(Unsecured, Considered good)			
Advances recoverable in cash or in kind or for value to be received		41,163	647
Security Deposit (Paid to the Holding Company)		-	30,000,000
Advance tax & tax deducted at source		704,108	-
TOTAL :(B)		745,271	30,000,647
TOTAL (A) + (B) :		43,128,853	30,084,503
SCHEDULE-5			
CURRENT LIABILITIES & PROVISIONS:			
Current Liabilities:			
Sundry Creditors		236,491,041	8,418
Provisions:			
Provision for Taxation		704,100	-
TOTAL		237,195,141	8,418
SCHEDULE-6			
MISCELLANEOUS EXPENDITURE :			
(To the extent not written off or adjusted)			
Preliminery Expenses		436,944	436,944
TOTAL		436,944	436,944

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE -7

Background:

The company is a subsidiary of Mundra Port & Special Economic Zone Limited .The company is in the process of setting up an integrated textile park under the scheme of Ministry of Textiles , Government of India at Mundra Special Economic Zone in the Kutch District.

1 **Significant Accounting Policies :**

a) The financial statements of the company have been prepared under historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act,1956.

b) Preliminery expenses will be amortised equally over a period of Five years from the year of commencement of commercial operations.

c) Pre-operative expenses will be appropriated towards fixed assets in the year of commencement of commercial operations.

d) **Government Grant:**

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 & Surplus.

e) **Fixed Assets**:

Fixed assets are stated at cost.

f) **Depreciation:**

Cost of Leasehold Land is amortised over the lease period.

2 **Contingent Liabilities:**

Estimated amount of contracts remaining to be executed on capital account (Net of Security Deposit) and not provided for in the books of accounts Rs. NIL(Previous Year Rs.22,87,35,400/-)

3 The company has yet to commence commercial operations, no profit & loss account has been prepared for the period under review.

4 There are no dues to Small Scale Industrial Undertakings.

5 There are no other particulars required to be shown as per requirements of part II of Schedule VI of the Companies Act,1956.

6 During the year under review the Mundra Special Economic Zone Limited has merged with Mundra Port & Special Economic Zone Limited and accordingly Mundra Special Economic Zone Limited has ceased to be the holding company and Mundra Portand Special Economic Zone Limited has become holding company.

7 Details of expenditure incurred during construction period are as under :

Particulars		For the period ended on 31/03/2007 Amount Rs.	Up to 31/03/2006 Amount Rs.	Total upto 31/03/2007 Amount Rs.
Travelling exp		58,487	53,947	112,434
Consultancy Fees		1,206,644	-	1,206,644
Auditors' Remuneration		25,263	8,418	33,681
Business promotion		510	5,000	5,510
Filling fees		6,000	900	6,900
Photocopy expenses		-	61,469	61,469
Printing and Stationery		3,200	-	3,200
Stamp and other fees		-	1,400	1,400
Depreciation		2,721,027	-	2,721,027
Misc Expenses		59,642	29,837	89,479
Total		**4,080,773**	**160,971**	**4,241,744**
Less :				
Interest on FD with Bank *	2,063,761	-		
Less : Prov. For Taxation	704,100	1,359,661		1,359,661
Net Expenses		2,721,112	160,971	**2,882,083**

* interest earned on funds , pending deployment has been treated as deduction from the Pre-Operative expenses.

8 Auditors' Remuneration Includes:

(Amount in Rs.)

Particulars	**2006-07**	**2005-06**
Audit Fees	8,427	8,418
Fees for Other Services	16,836	-
Total	**25,263**	**8,418**

9 **Disclosure in respect of Related party transaction in accordance with AS 18.**

[1] Name of the related Party — **Nature of Relationship**

Mundra Port and Special Economic Zone Ltd. — Holding Company

[2] Transactions with related parties :

Nature of Transaction	**Amount (Rs.)**
Opening Balance as on 01.04.2006 :	30,000,000 Dr.
Reimbursement of Expenses	6,730,378
Upfront Lease and Upfront amount payable for use of Infrastructure Facility	258,735,400
Closing Balance as on 31.03.2007 :	235,465,778 Cr.

For and on behalf of the Board

Sanjay Gupta **Chairman**

Samir Vora **Director**

Kamlesh Bhagia
Company Secretary

Place : Ahmedabad
Date : 26.06.2007

INFORMATION PURSUANT TO THE REQUIREMENT OF PART IV OF SCHEDULE-VI
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	46978	State Code No.	4
Balance Sheet Date	31st March 2007		

II. Capital raised during the year

Public Issue (Issue throug the prospectus)	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

(Rs. in thousands)

Total Liabilities	70674	Total Assets	70674
Sources of Funds		**Application of Funds**	
Paid up Capital	30674	Net Fixed Assets	264,303
Share Application Money (Pending Allotment)	-	Investments	-
Reserve and Surplus	40000	Net Current Assets	-194066
Secured Loans	-	Accumulated Losses	-
Unsecured Loans	-	Miscellaneous Expenditure	437

IV. Performance of Company

(Rs. in thousands)

Turnover	NA	Total Expenditure	NA
Profit/(Loss) Before Tax	NA	Profit/(Loss) After Tax	NA
Earning per Share in Rs.	NA	Dividend Rate %	-

V. Generic Name of Principal Product of Company (as per monetary terms)

Item Code No.	NA
Product Description	NA

For and on behalf of the Board

Sanjay Gupta Chairman

Samir Vora Director

Kamlesh Bhagia
Company Secretary

Place : Ahmedabad
Date : 26.06.2007

MUNDRA PORT AND SPECIAL ECONOMIC ZONE LIMITED
Registered Office: "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009
FORM OF PROXY

I/We________________________________ of ________________________________ being a member / members of the above Company hereby appoint Shri / Smt./Kum.__________________________ of _____________________________________ or falling him __________________________ of __________________________________ as my/our proxy to vote for me/us and on my/our behalf at the 8th Annual General Meeting of the Company to be held on Monday, 30th July, 2007 at 3.00 p.m. and at any adjournment thereof.

Signed this _______________day of ____________ 2007.

Signature _______________

Affix 1 Rupee Revenue Stamp

Folio No.____________ DPID No.* ____________ Client ID No.* ____________

* Applicable for members holding shares in electronic form.

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

MUNDRA PORT AND SPECIAL ECONOMIC ZONE LIMITED
Registered Office: "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009

ATTENDANCE SLIP

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

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

I hereby record my presence at the 8th Annual General Meeting on Monday, 30th July, 2007.

Folio No. ________________ DPID No.* ________________ Client ID No.* ________________

* Applicable for members holding shares in electronic form.

Place : Ahmedabad

____
Member's / Proxy's Signature

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

IMPACT»STRUCTURE

A HIGHER LEVEL OF INFRASTRUCTURE

Adani brings never-before innovation for infrastructure with Impact Structure. This combination has the power to open the doors to industrial sunlight and enable the infrastructure of varied industries to perform better. Impact Structure offers never-before opportunities. It propels industry forward by making key infrastructure even more valuable. Impact Structure is reflected in Adani's commitment to private-sector port, SEZ, comprehensive logistics solutions, power generation and realty development.

Impact Structure has its roots in;

- One of the India's first private sector commercial port with eight multipurpose berths with one of the deepest drafts, capable of handling dry bulk and liquid cargo coupled with four berths for handling container traffic;
- The SEZ is proposed to be spread over approximately 32,300 acres of land having multi-cargo port, an air strip, rail head, hub of pipe lines and complementary infrastructure
- Container train operations across the country and a wide network of terminals is under planning to lubricate the flow of trade,

This will enable the infrastructure of various industries to perform better than ever before, making them much more competitive and valuable. Impact Structure takes infrastructure to a higher level and has the power to open the doors to industrial sunlight.

ADANI

BUSINESS *of* SUCCESS

We are built on three definitive values - Innovation, Courage and Trust, hence success naturally becomes our core business.

At the base of this success lies our ability to identify opportunities, capitalize on them and build competencies by synergising our varied expertise. That's what sets us apart and drives our graph northwards. Not surprising, when we spell our vision and mission, we draw from our values.

Our Values

Innovation, Courage and Trust

- Innovation - We believe innovation is a mark of achievement. It reflects ones capacity to think laterally and take risks that are informed and responsible. Innovation is about big ideas - and big ideas, made real, drive growth. We believe that productive change - solving problems - only comes by looking at challenges and opportunities with courage.
- Courage - We believe our future depends on courage - mental, emotional and physical. Responding resourcefully and courageously to fast changing needs is the only road to success.
- Trust - We believe our promise is our most vital product, our word is our commitment. The relationships that are critical to our success depend entirely on adhering to promises made by us.

ADANI

MUNDRA PORT AND SPECIAL ECONOMIC ZONE LIMITED

Regd. Office: "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, India Tel: + 91-79-2656 5555, Fax: + 91-79-2656 5500
Port Office: Post Bag No. 1, Mundra 370421, Kutch Tel: + 91-2838-289448/248, Fax: + 91-2838-289440/200 Website: www.portofmundra.com