

ANNUAL REPORT 2010-11

ADANI HAZIRA PORT PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members,

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

Operational and Financial Highlights:

Your Company has entered into Bulk/General Cargo Terminal Agreement (BGCTA) with Hazira Port Pvt. Ltd. and Gujarat Maritime Board (GMB) on 25th November, 2010 for development of Bulk/General Cargo Terminal(s) and associated facilities at Hazira. GMB has approved Detailed Project Report for the phase 1B development and granted permission to construct initial Bulk/General Cargo Terminal in a phased manner.

The expenditure incurred during the year under review is Rs. 20.65 lacs as against Rs. 6.73 lacs in the corresponding period in the previous year. Capital work in progress including capital advance as on 31st March, 2011 is Rs. 18,930.57 Lacs.

Dividend:

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

Fixed Deposits:

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

Holding Company:

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

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

Share Capital:

During the year under review, the Authorised Share Capital of the company is increased from 5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- each to Rs. 35,00,00,000 (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lacs) equity shares of Rs. 10/- each ranking *pari passu* with the existing Equity Shares.

Subsidiaries:

In order to create more business opportunities and to make strategic investment, your company had formed the following companies as subsidiaries:

- (i) Hazira Infrastructure Pvt. Ltd.: To carry on business to develop and construct rail corridor between the Surat and Hazira along with related infrastructure at Hazira.
- (ii) Hazira Road Infrastructure Pvt. Ltd.: To carry on business to develop, maintain and operate road & highway projects and other activities being an integral part of highway projects.

Directors:

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

Directors' Responsibility Statement:

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

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

Auditors:

The Company's Auditors M/s S. V. Ghatalia & 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 further comments.

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

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

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

Personnel:

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

Appreciation and Acknowledgement:

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

For & on behalf of the Board of Directors

Date: May 06, 2011
Place: Ahmedabad

Dr. Malay Mahadevia
Chairman

Auditors' Report

To
The Members of Adani Hazira Port Private Limited

1. We have audited the attached Balance Sheet of Adani Hazira Port Private Limited ('the Company') as at March 31, 2011 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) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The balance sheet, 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, 2011;
- b. in the case of the Profit and Loss account, of the loss for the year ended on that date; and
- c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.V. GHATALIA & ASSOCIATES

Firm registration number: 103162W

Chartered Accountants

per Santosh Aggarwal

Partner

Membership No.: 93669

Place: Ahmedabad

Date: May 06, 2011

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

Re: Adani Hazira Port Private Limited

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

(b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.

(c) There was no substantial disposal of fixed assets during the year.
- (ii) According to the information and explanation given to us, the nature of the activities of the Company did not require it to hold inventory during the year. Accordingly, sub-clauses (a), (b) and (c) to clause 4(ii) of the Companies (Auditor's report) Order, 2003(as amended), are not applicable.
- (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 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.

(b) As informed, 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 clauses (iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said area. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system of the Company. The nature of the company's business is such that, it does not involve purchase of inventory or sales of goods and services during the year.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301. Accordingly, the provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The provisions relating to internal audit are not applicable to the Company.

(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 nature of activities of the Company. Accordingly, the provisions of paragraph 4(viii) of the CARO are not applicable to the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanation given to us, there are no dues payable on account of investor education and protection fund, sales tax, wealth tax and employees' state insurance during the year.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-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 information and explanation given to us, there are no dues relating to income tax, service tax, custom duty, excise duty and cess which have not been deposited as on March 31, 2011 on account of any dispute.

(x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

(xi) The Company has not taken any loans from banks or financial institutions and has not issued debentures during the period. Therefore, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(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 not given any guarantee for loans taken by others from bank or financial institutions.

- (xvi) The Company did not have any term loans outstanding during the period.
- (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. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.V. GHATALIA & ASSOCIATES

Firm registration number: 103162W

Chartered Accountants

per Santosh Aggarwal

Partner

Membership No.: 93669

Place: Ahmedabad

Date: May 6, 2011

Balance Sheet as at March 31, 2011

Particulars	Schedules	As at March 31, 2011 Amount (Rs.)	As at March 31,2010 Amount (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	240,000,000	5,000,000
Share Application Money Pending Allotment	2	1,401,000,000	-
TOTAL		1,641,000,000	5,000,000
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		9,660,236	215,000
Less : Accumulated Depreciation		3,515,319	131,032
Net Block	3	6,144,917	83,968
Capital Work- in- Progress including Capital Advances		1,893,056,593	2,651,225
		1,899,201,510	2,735,193
Expenditure During Construction Period (Pending Capitalisation/Allocation)	4	50,845,077	805,194
Investments	5	3,025,000	-
Current Assets, Loans and Advances			
Cash and Bank Balances	6	13,005,458	2,024,312
Loans and Advances	7	76,400,189	778,204
(A)		89,405,647	2,802,516
Less : Current Liabilities and Provisions			
Current liabilities	8	403,846,208	2,016,289
Provisions	9	369,509	-
(B)		404,215,717	2,016,289
Net Current (Liabilities) / Assets (A-B)		(314,810,070)	786,227
Profit and Loss Account Balance		2,738,483	673,386
TOTAL		1,641,000,000	5,000,000
Notes to Accounts	10		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S. V. Ghatalia & Associates
Firm Registration No.: 103162W
Chartered Accountants

For and on behalf of the Board of Directors of
Adani Hazira Port Private Limited

per Santosh Aggarwal
Partner
Membership No. 93669

Dr. Malay Mahadevia
Director

B Ravi
Director

Manoj Chanduka
Company Secretary

Place: Ahmedabad
Date : May 06, 2011

Place: Ahmedabad
Date : May 06, 2011

Profit & Loss Account for the year ended March 31, 2011

Particulars	Schedules	For the Year Ended March 31, 2011	For the period December 7, 2009 to March 31, 2010
EXPENDITURE			
Preliminary Expenses, written off		-	623,386
Rates and Taxes		497,896	-
Legal Fees		1,509,750	-
Finance Expense		252	-
Statutory Audit fees		57,199	50,000
Total Expenses		2,065,097	673,386
Loss before Tax		(2,065,097)	(673,386)
Net Loss Brought Forward		(673,386)	
Net Loss carried to Balance Sheet		(2,738,483)	(673,386)
Weighted number of Equity Shares considered for calculating Basic and Diluted EPS		12,861,644	213,913
Basic and Diluted Earnings per Share (Not Annualised - Nominal value of Rs 10 per equity share)	11	(0.16)	(3.15)
Notes to Accounts	10		

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account.
As per our report of even date

For S. V. Ghatalia & Associates
Firm Registration No.: 103162W
Chartered Accountants

For and on behalf of the Board of Directors of
Adani Hazira Port Private Limited

per Santosh Aggarwal
Partner
Membership No. 93669

Dr. Malay Mahadevia
Director

B Ravi
Director

Manoj Chanduka
Company Secretary

Place: Ahmedabad
Date : May 06, 2011

Place: Ahmedabad
Date : May 06, 2011

Cash flow Statement for the year ended March 31, 2011

Particulars	For the Year Ended	For the period
	March 31, 2011	December 7, 2009 to
	Amount (Rs.)	March 31, 2010
		Amount (Rs.)
Cash Flow from Operating Activities		
Net Loss	(2,065,097)	(673,386)
Operating Loss before Working Capital Changes	(2,065,097)	(673,386)
Adjustments for :		
(Increase) in Loans and Advances	(75,621,985)	(778,204)
Increase in Current Liabilities and Provisions	314,651,385	2,016,289
Cash Generated from Operations	236,964,303	564,699
Direct Taxes paid (Net)	-	-
Net Cash from Operating Activities	236,964,303	564,699
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,858,958,157)	(3,540,387)
(Including Capital work in Progress, Capital Advances and Expenditure during Construction Period-Pending Allocation)		
Investment in Government Securities	(25,000)	-
Investment in Equity Shares of Subsidiaries	(3,000,000)	-
Net Cash (Outflow) from Investing Activities	(1,861,983,157)	(3,540,387)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares (Including Share Application Money)	1,636,000,000	5,000,000
Net Cash Flow from Financing Activities	1,636,000,000	5,000,000
Net Increase in Cash and Cash Equivalents	10,981,146	2,024,312
Cash and Cash Equivalents at the beginning of the year	2,024,312	-
Cash and Cash Equivalents at close of the year	13,005,458	
Components of Cash & Cash Equivalents		
Cash on Hand	182,933	770
Balances with Scheduled Banks		
- On Current Accounts	12,822,525	2,023,542
	13,005,458	2,024,312

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. Figures in brackets represents Cash Outflow.
3. Previous year's figures have been regrouped where necessary to confirm this year's classification

As per our report of even date

For S. V. Ghatalia & Associates
Firm Registration No.: 103162W
Chartered Accountants

For and on behalf of the Board of Directors of
Adani Hazira Port Private Limited

per Santosh Aggarwal
 Partner
 Membership No. 93669

Dr. Malay Mahadevia
 Director

B Ravi
 Director

Manoj Chanduka
 Company Secretary

Place: Ahmedabad
Date : May 06, 2011

Place: Ahmedabad
Date : May 06, 2011

Schedules forming part of Balance Sheet

Particulars	As at March 31, 2011 Amount (Rs.)	As at March 31, 2010 Amount (Rs.)
Schedule - 1 : Share Capital		
Authorised		
3,50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each	350,000,000	50,000,000
	350,000,000	50,000,000
Issued, Subscribed and Paid - up Capital		
2,40,00,000 (Previous Year 5,00,000) fully paid up Equity Shares of Rs.10 each	240,000,000	5,000,000
	240,000,000	5,000,000
Of the above:		
(i) 2,40,00,000 Equity Shares of Rs. 10 each held by Mundra Port & Special Economic Zone Limited, the Holding company and its nominees. The Ultimate Holding Company is Adani Enterprises Limited.		
Schedule - 2 : Share Application Money Pending Allotment		
Mundra Port and Special Economic Zone Limited, Holding Company	1,401,000,000	-
	1,401,000,000	-

Particulars	As at March 31, 2011 Amount (Rs.)	As at March 31, 2010 Amount (Rs.)
Schedule-4: Expenditure during Construction Period, pending allocation		
Opening Balance Brought Forward [a]	805,194	-
Personnel Expenses		
Salary, Wages & Bonus	5,678,627	-
Contribution to Provident & Other Funds	356,403	-
Gratuity Expenses	94,392	-
Sub Total [b]	6,129,422	-
Administrative and Other Expenses		
Rent (Including Brokerage Charges of Rs. 25,500/- (Previous Year Rs 85,250))	1,895,500	374,750
Insurance	544,282	-
Power & Fuel	226,063	35,591
Traveling and Conveyance	28,874,111	112,841
Guest House Expenses	1,222,456	98,794
Legal and Professional Fees	30,973	-
Printing and Stationary Expenses	238,037	-
House Keeping Expenses	297,081	-
Stores and Consumables	543,092	-
Repair and Maintenance	454,158	-
Advertisement Expenses	72,900	-
Security Expenses	2,134,225	-
Communication Expenses	11,742	-
Canteen Expenses	1,977,617	-
Bank Charges	1,175,193	-
Miscellaneous Expenses	828,744	52,186
Sub Total [c]	40,526,174	674,162
Depreciation [d]	3,384,287	131,032
Closing Balance (a+b+c+d)	50,845,077	805,194

Schedule forming part of Balance Sheet

Schedule 3 : Fixed Asset

(Amt. in Rupees)

Sr. No.	Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
		As at 01-04-2010	Additions	Deductions	As at 31-03-2011	Up to 01-04-2010	For the year	Deductions	Up to 31-03-2011	As at 31-03-2011	As at 31-03-2010
1	Plant & Machinery	-	1,095,592	-	1,095,592	-	15,079	-	15,079	1,080,513	-
2	Furniture & Fixtures	215,000	2,552,833	-	2,767,833	131,032	1,055,561	-	1,186,593	1,581,240	83,968
3	Office Equipments	-	484,861	-	484,861	-	36,863	-	36,863	447,998	-
4	Vehicles	-	887,339	-	887,339	-	29,312	-	29,312	858,027	-
5	Computer Hardware	-	2,285,148	-	2,285,148	-	108,009	-	108,009	2,177,139	-
6	Temporary Structure	-	2,139,463	-	2,139,463	-	2,139,463	-	2,139,463	-	-
	Sub Total	215,000	9,445,236	-	9,660,236	131,032	3,384,287	-	3,515,319	6,144,917	83,968
	Capital Work-in-Progress									1,611,791,690	2,651,225
	Capital Advances									281,264,903	
	Sub Total									1,893,056,593	2,651,225
	Total	215,000	9,445,236	-	9,660,236	131,032	3,384,287	-	3,515,319	1,899,201,510	2,735,193
	Previous Year	-	215,000	-	215,000	-	131,032	-	131,032	2,735,193	83,968

i) Capital Work-in-Progress includes Project Inventory of Rs.435,440,153/- (Previous Year Rs. NIL).

ii) Depreciation amounting to Rs. 33,84,287/- (Previous Year Rs.1,31,032/-) has been transferred to Expenditure During Construction Period, Pending Allocation.

iii) Upfront amount of Rs. 233,500,000/- paid to Licensor as per BGCTA (Bulk/Genral Cargo Terminal Agreement) signed Dated November 25, 2010 , which has been included in Capital Work in Progress.

Particulars	As at March 31, 2011 Amount (Rs.)	As at March 31, 2010 Amount (Rs.)
Schedule-5: Investments (At Cost)		
Unquoted - Non Trade		
- In Government Securities		
National Saving Certificates (Pledged with Government Authorities)	25,000	-
- In Subsidiary Companies		
Hazira Infrastructure Private Limited [2,50,000 Equity Share of Rs. 10/- each]	2,500,000	-
Hazira Road Infrastructure Private Limited [50,000 Equity Share of Rs. 10/- each]	500,000	-
	3,025,000	-
Schedule-6: Cash and Bank Balances		
Cash on Hand (including cheques in hand of Rs. 1,00,000/-)	182,933	770
Balances with Scheduled Banks		
- On Current Accounts	12,822,525	2,023,542
	13,005,458	2,024,312
Schedule-7: Loans and Advances		
Advances Recoverable in Cash or in Kind or for Value to be Received	981,041	-
MODVAT Credit (Input) Receivable	32,590,344	-
Service Tax Credit (Input) Receivable	41,578,804	273,204
Deposits	1,250,000	505,000
	76,400,189	778,204
Schedule-8: Current Liabilities		
Sundry Creditors		
a) total outstanding dues of Micro and Small Enterprises [Refer Note 4 of Schedule 10]	-	-
b) total outstanding dues of Creditors other than Micro and Small Enterprises (Including Capital Creditors Rs. 87,548,043, Previous Year Rs. Nil)	383,309,990	1,805,522
Book Draft	16,330,863	-
Other liabilities	4,205,355	210,767
	403,846,208	2,016,289
Schedule-9: Provision		
Provision for Gratuity	94,392	-
Provision for Leave Encashment	275,117	-
	369,509	-
Schedule-11: Earnings per Share (EPS)		
Computation on the basis of earnings		
Net Loss for the period ended	(2,065,097)	(673,386)
Weighted number of Equity Shares considered for calculating Basic and Diluted EPS	12,861,644	213,913
Basic and Diluted Loss per Share (Rs.)	(0.16)	(3.15)

Schedule 10 : Notes to Accounts

1. Nature of operations

Adani Hazira Port Private Limited ('the company') was incorporated on December 7, 2009 as a 100% subsidiary of Mundra Port & Special Economic Zone Limited (MPSEZ).

The Company is developing Bulk / General Cargo Terminal(s) and associated facilities at Hazira in terms of Bulk / General Cargo Terminal Agreement (BGCTA) dated November 25, 2010 entered between Hazira Port Private Limited ('Licensor'), the Company ('Licensee') and Gujarat Maritime Board ('GMB'). The Licensor had earlier entered into Concession agreement with GMB and Government of Gujarat (GoG) in April 22, 2002 for development and construction of port facilities at Hazira in a phased manner.

The Port facilities are being developed under design, construct, own, maintain and operate basis under the Sub-Concession Agreement, which would be effective over the balance term of Concession agreement of 30 years as stated above.

2. Statement of Significant Accounting Policies**a) Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Indirect expenditure incurred during the construction period which is not related to the construction activity nor is incidental thereto has been charged to the Profit and Loss Account. The expenditure attributable towards the construction activities are classified as "Expenditure during construction period (Pending Allocation)" and will be apportioned as a part of the cost of the fixed asset on completion of the project construction activities. Necessary details as required under Part II of Schedule VI of the Companies Act, 1956 have been disclosed in "Schedule 4" to the financial statement in respect of the said expenditure.

b) Use of estimates

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

c) Fixed Assets

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

d) Expenditure during construction period, pending allocation

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

e) Depreciation

Depreciation on Fixed Assets, except for those stated in para (i) to (ii) below, is provided on straight line method (SLM) as per 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.

- (i) Depreciation on Mobile phones, included under Office Equipments is provided at the rate of 100% in the year of purchase.
- (ii) Depreciation on individual assets costing up to Rs. 5,000.- is provided at the rate of 100% in the year of purchase.

f) 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 Expenditure during construction period account on a straight-line basis over the lease term.

g) Investments

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

h) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for year and reversal of timing difference of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, in situations, where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it has no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

i) Foreign Currency Transactions:

i) Initial Recognition

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

ii) Conversion

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

iii) Exchange Differences

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

j) Employee benefits

- i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the “Expenditure during Construction Period, pending allocation” of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the trust.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of financial year.
- iii) Short term compensated absences are provided for based on estimates. Long term compensated absences at the year-end are provided for on actuarial basis as at the end of the period. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial /losses are immediately taken to the “Expenditure during Construction Period, pending allocation” and are not deferred.

k) Earnings per share

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

l) Provisions

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 estimates.

m) Cash and Cash equivalents

Cash and cash equivalents for the purpose of in the cash flow statement comprise cash at bank and cash in hand.

3. Based on the information available with the Company, there is no contingent liability for the year ended March 31, 2011.
4. Based on the information and supplier’s profile available with the Company as at March 31, 2011, the management believes that no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure if any relating to accounts unpaid as at the period end together with the interest paid/payable as required under the said Act have not been given.

5. 'MODVAT' Credit (Input) Receivable' and Service Tax Credit (Input) Receivable' under Schedule 7 to the financial statements represents excise duties, countervailing duties and service tax amounts paid by the Company on input capital goods, inputs and input services which shall be utilized as a set off from the service tax payments as and when the Company commences Port activities.
6. In accordance with Accounting Standard 22 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India, in view of the losses incurred by the Company during the period and the Company in the stage of setting up port and related infrastructure facilities, deferred tax assets on losses incurred during the period have not been recognized in the books since it is not virtually certain if the Company will be able to take advantage of such losses.
7. Assets taken under operating leases – residential houses for staff accommodation, are obtained on operating leases. During the year, the Company has incurred Rs. 1,895,500/-. (Previous year Rs.374,750/-) towards lease rentals which have been recognized as expenditure during construction period, pending allocation. The lease terms are generally from eleven to thirty three months and are renewable by mutual agreement. There is no sub-lease and the leases are cancellable in nature. There are no restrictions imposed under the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.
8. The company has a defined gratuity plan. Every employee gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the component of the net benefits expenses recognized in the Statement of Expenditure during Construction Period, pending allocation and amounts recognized in the balance sheet for the respective plan.

Expenditure during Construction period, pending allocation

a) Net Employee benefit expenses (recognized in Employee cost)

Particulars	March 31,2011
1. Current Service Cost	94,392
2. Past Service Cost	-
3. Interest cost on benefit obligation	-
4. Expected return on plan assets	-
5. Actuarial loss/(gain)	-
6. Net benefit expenses	94,392

Balance Sheet

b) Details of Provision for gratuity

Particulars	March 31,2011
1. Present value of defined benefit obligation	94,392
2. Fair value of plan assets (represents amount out of current year's benefit expense)	-
3. Surplus/ (deficit) of funds	(94,392)
4. Net asset/(liability)	(94,392)

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

Particulars	March 31,2011
1. Defined benefit obligation at the beginning of the period	-
2. Current Service Cost	94,392
3. Interest Cost	-
4. Acturial (gain)/loss on obligations	-
5. Benefits paid	-
6. Past Service Cost	-
7. Defined benefit obligation at the end of the period	94,392

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

Particulars	March 31,2011
Discount rate	6.00%
Rate of Escalation in Salary (per annum)	8.25%
Mortality	LIC (1994-96) Ultimate
Withdrawal rate	2% at each age

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

The disclosure in terms of para 120 of Accounting Standard 15 – Employee Benefits, about defined benefit plan of the Company has been made as per relevant information available with the company. In the previous period, the gratuity expense was not provided.

9. Capital Commitments

(Amt in Rs.)

Particulars	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	2,616,191,904	369,976

10. Supplementary Statutory Information

a. Detail of Payment to Auditors

(Amt in Rs.)

Particulars	For The Year Ended March 31, 2011	For The Period Ended March 31, 2010
Audit Fees	55,000	50,000
Reimbursement of expenses	2,199	-
Total	57,199	50,000

The audit fees does not include service tax of Rs. 5,665/- (Previous Year Rs. 5,150/-)

b. Expenditure in Foreign Currency (On Accrual Basis)

(Amt in Rs.)

Particulars	For The Year Ended March 31, 2011	For The Period Ended March 31, 2010
Professional Consultancy Fees	5,001,385	-

11. Related Party Disclosures

The Management has identified the following entities as related parties of the Company for the year ended March 31, 2011 for the purpose of reporting under AS 18- Related Party Transactions:

Holding Company	Mundra Port & Special Economic Zone Limited.
Ultimate Holding Company	Adani Enterprises Limited
Subsidiary Companies	Hazira Infrastructure Private Limited. Hazira Road Infrastructure Private Limited

ADANI HAZIRA PORT PRIVATE LIMITED

Details of related party transactions for the year 2010-11
(Amounts in Rs)

Particulars	Holding Company		Subsidiary Companies		Total	Total
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Equity Share Application Money Received, Pending Allotment	1,401,000,000	-	-	-	1,401,000,000	-
Equity Shares proceeds received and allotted during the year	235,000,000	5,000,000	-	-	235,000,000	5,000,000
Reclamation and Dredging Services received	322,903,250	-	-	-	322,903,250	-
Equity contribution made in Subsidiary Companies						
Hazira Infrastructure Private Limited	-	-	2,500,000	-	2,500,000	-
Hazira Road Infrastructure Private Limited	-	-	500,000	-	500,000	-
Reimbursement of Expense Paid/ (Received)						
Mundra Port and Special Economic Zone Limited	-	61,971	-	-	-	61,971
Hazira Infrastructure Private Limited	-	-	(71,790)	-	71,790	-
Hazira Road Infrastructure Private Limited	-	-	(26,336)	-	26,336	-
Bank Guarantee taken from Holding Company	233,500,000	-	-	-	233,500,000	-
Accounts Payable at year end	48,183,866	-	-	-	48,183,866	-

12. The Company is in the process of setting up of the Port and related infrastructure facilities at Hazira, Surat. Hence, information pursuant to the provisions of paragraphs 3 and 4D of Part-II of Schedule VI to the Companies Act, 1956 is provided only to the extent applicable.

13. Previous Year Comparatives

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

As per our report of even date

For S. V. Ghatalia & Associates
Firm Registration No.: 103162W
Chartered Accountants

For and on behalf of the Board of Directors
Adani Hazira Port Private Limited

per Santosh Aggarwal
Partner
Membership No: 93669

Dr. Malay Mahadevia
Director

B. Ravi **Manoj Chanduka**
Director Company Secretary

Place : Ahmedabad
Date : May 6, 2011

Place : Ahmedabad
Date : May 6, 2011

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

Rs in '000'

1	Registration Details	
	Registration No. :	58789
	State Code No. :	4
	Balance Sheet Date :	31/03/2011
2	Capital raised during the year	
	Public Issue (Issue through the prospectus) :	NIL
	Right Issue :	NIL
	Bonus Issue :	NIL
	Private Placement :	235000
3	Position of Mobilisation and Deployment of Funds (Rs. in thousands)	
	Total Liabilities * :	1,641,000
	Total Assets :	1,641,000
	Sources of Funds	
	Paid up Capital :	240,000
	Share Application Money (Pending Allotment) :	1,401,000
	Reserve and Surplus :	-
	Secured Loans :	-
	Unsecured Loans :	-
	Application of Funds	
	Net Fixed Assets :	1,950,047
	Investments :	3,025
	Net Current Assets :	(314,810)
	Accumulated Losses :	2,738
	Miscellaneous Expenditure :	623
4	Performance of Company	
	Turnover :	-
	Total Expenditure :	2,065
	Profit/(Loss) Before Tax :	(2,065)
	Profit/(Loss) After Tax :	(2,065)
	Earning per Share in Rs. :	(0.16)
	Dividend Rate % :	NA
5	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 of Directors
Adani Hazira Port Private Limited**

Place: Ahmedabad
Date : May 06, 2011

Dr Malay Mahadevia
Director

B Ravi
Director

Manoj Chanduka
Company Secretary