



**MUNDRA POWER SEZ LIMITED**

**Mundra Power SEZ Limited**

**3<sup>rd</sup> Annual Report**

**2010 - 11**

**Board of Directors**

Mr. Ravi Sharma	Chairman
Mr. R.K. Madan	Director
Mr. Prabal Banerji	Director

**Auditors**

M/s. Deloitte Haskins & Sells  
Chartered Accountants  
Ahmedabad

**Registered Office:**

Adani House  
Nr. Mithakhali Six Roads  
Navrangpura  
Ahmedabad



## MUNDRA POWER SEZ LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Third Annual Report and the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2011.

#### Financial Highlights:

Since the project of the Company is under implementation stage, the company has not prepared profit and loss account. However, the company has prepared statement of expenditure for the year under review.

Highlights of Project Expenditure as on 31<sup>st</sup> March, 2011 are as under:

Particulars	Amount In Rupees	
	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
Expenditure (As per Statement of Expenditure)	1,12,441	85,445
<b>Total Expenditure</b>	<b>1,12,441</b>	<b>85,445</b>

#### Dividend:

Your company is in project development phase and does not have any income. In view of the same, your Directors do not recommend any dividend on equity shares for the year under review.

#### Directors:

##### ➤ **Appointment of Additional Director:**

During the year under review, Mr. Ravi Sharma and Mr. Prabal Banerji were appointed as Additional Directors w.e.f 28<sup>th</sup> February, 2011 on the Board of the Company. Pursuant to Section 260 of Companies Act, 1956 and Articles of Association of the Company, Mr. Ravi Sharma and Mr. Prabal Banerji hold office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member of the Company signifying their candidature for the office of the Board of Directors of the Company.

##### ➤ **Resignation of Director:**

During the year under review, Mr. Pranav V. Adani and Mr. Ameet H. Desai resigned as Directors w.e.f 1<sup>st</sup> March, 2011.

##### ➤ **Retirement by rotation:**

As per Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. R. K. Madan is liable to retire by rotation and being eligible offer himself for re-appointment.

The Board recommends appointment / re-appointment of aforesaid Directors.



## **MUNDRA POWER SEZ LIMITED**

### **Directors' Responsibility Statement:**

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

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
2. Reasonable and Prudent Accounting Policies have been adopted in preparation of the Financial Statements. The Accounting Policies have been consistently applied except for the changes mentioned in Notes forming part of Accounts.
3. Proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

### **Fixed Deposits:**

During the year under review, your Company has neither accepted nor renewed any fixed deposits from public pursuant to provisions of section 58A of the Companies Act, 1956.

### **Insurance:**

Assets of your Company are adequately insured against various perils.

### **Auditors:**

Your Company's Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, hold office until the conclusion of the ensuing Annual General Meeting. They have shown their willingness to accept the office as statutory Auditors, if reappointed. Your company has received a written certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

### **Auditors' Report:**

Notes forming part of the accounts, as referred in the Auditors' Report, are self-explanatory and therefore, do not call for any comments.

### **Particulars of Employees:**

Since there are no employees employed by the company which are covered under section 217 (2A) of the Companies Act, 1956, 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 appended.



**MUNDRA POWER SEZ LIMITED**

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

Since the project of the company is in implementation stage and till date the company has not started any manufacturing activity, the information on conservation of energy and technology absorption as per section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not appended.

During the year under review there was no foreign exchange earnings and outgo.

**Acknowledgement:**

Your Directors place on record their appreciation for assistance and co-operation received from various ministries and department of Government of India, Government of Gujarat, other State Governments, financial institution, banks, shareholders, directors, executives, officers of the Company.

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

**Date: 6<sup>th</sup> May, 2011**  
**Place: Ahmedabad**

*Sd/-*  
**Ravi Sharma**  
**Chairman**

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
Chartered Accountants  
'Heritage', 3rd Floor,  
Near Gujarat Vidhyapith,  
Off Ashram Road,  
Ahmedabad - 380 014.  
Tel: +91 (79) 27582542  
+91 (79) 27582543  
+91 (79) 66073100  
Fax : +91 (79) 27582551

## AUDITORS' REPORT TO THE MEMBERS OF MUNDRA POWER SEZ LIMITED

1. We have audited the attached Balance Sheet of **MUNDRA POWER SEZ LIMITED** ("the Company") as at 31st March, 2011, the Statement of Expenses and the Cash Flow Statement of the Company for the year ended on that date, both 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) issued by the Central Government in terms of Section 227(4A) 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 in paragraph 3 above, we report as follows:
  - (a) 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;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Expenses and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Statement of Expenses and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) 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:

# Deloitte Haskins & Sells

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- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
  - (ii) in the case of the Statement of Expenses, of the expenses of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Registration No. 117365W)

Sd/-  
Gaurav J. Shah  
Partner

(Membership No. 35701)

AHMEDABAD, 6<sup>th</sup> May, 2011

## ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business/activities/result, clauses (i), (ii), (iv), (vii), (viii), (x), (xiii), (xiv) and (xvi) of CARO are not applicable.
2. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
3. According to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of Companies Act, 1956 which were required to be entered in the register maintained under that section.
4. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
5. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Income-tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities. As per the nature of the Company's business and activities, statutory dues such as Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess are not applicable to the Company.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no statutory dues which have not been deposited as on 31<sup>st</sup> March, 2011 on account of any dispute.
6. According to the information and explanations given to us, the Company has not borrowed any loan from financial institution or bank or has not issued debentures.
7. According to the information and explanations given 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.
8. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions.
9. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

# Deloitte Haskins & Sells

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Chartered Accountants  
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10. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
11. The Company has not issued any debentures during the year.
12. The Company has not raised money by public issue during the year.
13. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Registration No. 117365W)

AHMEDABAD, 6<sup>th</sup> May, 2011

Sd/-  
Gaurav J. Shah  
Partner  
(Membership No. 35701)



MUNDRA POWER SEZ LIMITED



Balance Sheet as at 31st March, 2011

	Schedule	As at 31st March, 2011	(Amount in Rupees) As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital			
	<b>1</b>	<b>500,000</b>	<b>500,000</b>
<b>TOTAL</b>		<b>500,000</b>	<b>500,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Cash and Bank Balances	<b>2</b>	409,619	442,165
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>	<b>3</b>	22,060	27,610
<b>NET CURRENT ASSETS</b>		<b>387,559</b>	<b>414,555</b>
<b>BALANCE OF STATEMENT OF EXPENSES</b>		<b>112,441</b>	<b>85,445</b>
<b>TOTAL</b>		<b>500,000</b>	<b>500,000</b>

Significant Accounting Policies and Notes on Accounts **4**  
The accompanying schedules 1 to 4 form an integral part of these accounts

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Sd/-  
GAURAV J. SHAH  
PARTNER  
Membership No. 35701

For MUNDRA POWER SEZ LIMITED

Sd/-  
RAVI SHARMA  
DIRECTOR

Sd/-  
PRABAL BANERJI  
DIRECTOR

PLACE: AHMEDABAD  
DATE: 6th May, 2011

PLACE: AHMEDABAD  
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MUNDRA POWER SEZ LIMITED

Statement of Expenses for the year ended 31st March 2011

Schedule	(Amount in Rupees)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
<b>EXPENDITURES</b>		
- Audit fees	22,060	22,060
- Preliminary Expenses	4,936	11,550
<b>Total expenses for the Current Year</b>	<b>26,996</b>	<b>33,610</b>
Expense carried forward from Previous Year	85,445	51,835
<b>Total Expenses carried to the balance sheet</b>	<b>112,441</b>	<b>85,445</b>
Earnings Per Share ( Face Value Rs.10 per share ) Basic and Diluted EPS (Rs.) (Refer Note (B) 6 of Schedule 4 )	(0.54)	(0.67)

Significant Accounting Policies and Notes on Accounts 4  
The accompanying schedules 1 to 4 form an integral part of these accounts

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Sdl-  
GAURAV J. SHAH  
PARTNER  
Membership No. 35701

PLACE : AHMEDABAD  
DATE : 6th May, 2011

For MUNDRA POWER SEZ LIMITED

Sdl-  
RAVI SHARMA  
DIRECTOR

Sdl-  
PRABAL BANERJI  
DIRECTOR

PLACE : AHMEDABAD  
DATE : 6th May, 2011

MUNDRA POWER SEZ LIMITED



Cash Flow Statement for the year ended 31st March, 2011

(Amount in Rupees)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Balance as per Statement of Expenses	(26,996)	(33,610)
Adjustment for:		
(Increase) / Decrease in Payable	(5,550)	5,550
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(32,546)</b>	<b>(28,060)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(32,546)</b>	<b>(28,060)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	442,165	470,225
CASH AND CASH EQUIVALENTS AT END OF YEAR	<b>409,619</b>	<b>442,165</b>

Notes to Cashflow Statement :

- 1 With Scheduled banks:  
Current Accounts
- 2 Previous year's figures have been regrouped wherever necessary, to conform to this year's classification
- 3 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Sd/-  
GAURAV J. SHAH,  
PARTNER  
Membership No. 35701

For MUNDRA POWER SEZ LIMITED

Sd/-  
RAVI SHARMA  
DIRECTOR

Sd/-  
PRABAL BANERJI  
DIRECTOR

PLACE: AHMEDABAD  
DATE: 6th May, 2011

PLACE: AHMEDABAD  
DATE: 6th May, 2011



## Schedules forming part of the Balance Sheet as at 31st March, 2011

(Amount in Rupees)

**SCHEDULE - 1**  
**SHARE CAPITAL**
**AUTHORIZED**

50,000 Equity Shares of Rs. 10/- Each

As at 31st March,  
2011As at 31st March,  
2010

500,000

500,000

500,000500,000**ISSUED, SUBSCRIBED & PAID UP**

50,000 ( As at 31st March 2010-50,000) Fully Paid up Equity Shares of Rs. 10/- Each

500,000

500,000

500,000500,000**Notes :**

Above equity shares are held by Adani Power Limited, the Holding Company and its nominees.

**SCHEDULE - 2****CASH AND BANK BALANCES****Balance With Scheduled Bank In :**

Current Account

409,619

442,165

409,619442,165**SCHEDULE - 3****CURRENT LIABILITIES**

Other Creditors

2,206

22,060

Sundry Creditors ( See Note B( 3 ) of Schedule 4)

19,854

5,550

22,06027,610

**SCHEDULE - 4**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**(A) Significant Accounting Policies**

**1) Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention on accrual and going concern basis and in compliance with the accounting standards issued by the Institute of Chartered Accountants of India and in accordance with the Generally Accepted Accounting Principles (GAAP) and provisions of the Companies Act, 1956.

**2) Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**3) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**4) Preliminary Expenses**

Preliminary expenses are charged to the Statement of Expenses for the period in which the expenses are incurred.

**(B) Notes to Accounts**

1. The Company is in process of development of Special Economic Zone for establishment of electric and power distribution undertakings, Industrial and Commercial, by providing the required infrastructure as may be necessary for establishment of Special Economic Zone. However, Company has not yet started its commercial operation and accordingly all expenses incurred in connection with the project have been disclosed under the head "Project Development Expenditure".
2. Contingent liability not provided - Rs. NIL (As on 31<sup>st</sup> March 2010 - Rs. NIL)
3. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.



## MUNDRA POWER SEZ LIMITED



ADANI GROUP

4. The Balance of Statement of Expenses includes Auditors Remuneration:

Particulars	(Amount in Rupees)	
	For Year ended 31 <sup>st</sup> March' 2011	For Year ended 31 <sup>st</sup> March' 2010
Audit Fees	22,060	22,060

5. The Company's activities during the year involve around process of development of Special Economic Zone for establishment of electric and power distribution undertakings, Industrial and Commercial, by providing the required infrastructure as may be necessary for establishment of Special Economic Zone. Considering the nature of Company's business and operations, there is/are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting', issued by the Institute of Chartered Accountants of India (ICAI).

6. Earning Per Share (EPS) :

Basic and Diluted EPS		For	Year	For	Year
		ended	31 <sup>st</sup>	ended	31 <sup>st</sup>
		March' 2011	March' 2010	March' 2010	March' 2010
Profit / (Loss) attributable to equity Shareholders	Rs.	(26,996)	(33,610)		
Weighted average number of equity shares outstanding during the year / period	Nos.	50,000	50,000		
Nominal Value per Share	Rs.	10	10		
Basic and Diluted EPS	Rs.	(0.54)	(0.67)		

7. Related party disclosures as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

### List of Related Parties and Relationship

<b>Holding Company</b>	Adani Power Limited
<b>Fellow Subsidiaries</b>	Adani Power Dahej Limited Adani Power (Overseas) Limited Adani Power Rajasthan Limited Adani Pench Power Ltd Adani Power Pte Ltd Adani Shipping Pte Ltd Kutchh Power Generation Ltd Adani Power Maharashtra Ltd

### Key Management Personnel

Mr. Ravi Sharma	(Director)	(From 28.02.11)
Mr. Prabal Banerji	(Director)	(From 28.02.11)
Mr. Ameet Desai	(Director)	(upto 28.02.11)
Mr. Rajesh Adani	(Director)	(upto 28.02.11)
Mr. R.K Madan	(Director)	



**MUNDRA POWER SEZ LIMITED**



MUNDRA GROUP

8. Previous year's figures have been regrouped and rearranged wherever necessary to confirm to this year's classification

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Signature to Schedule 1 to 4.

In terms of our report attached

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**For MUNDRA POWER SEZ LIMITED**

*Sd/-*  
**GAURAV J. SHAH**  
PARTNER  
Membership No 35701

*Sd/-*  
**RAVI SHARMA**  
DIRECTOR

*Sd/-*  
**PRABAL BANERJI**  
DIRECTOR

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2011

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2011

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.  
Balance Sheet Abstract and Company's General Business Profile: -

I.	Registration Details: -		
	Registration No.	:	U40108GJ2008PLC055342
	State Code	:	04
	Balance Sheet Date	:	31st March, 2011
II.	Capital Raised during the year: - (Amount in Rs. Thousand)		
	Public Issue -NIL		Right Issue - NIL
	Bonus Issue -NIL		Private Placement - NIL
III.	Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand )		
	Total Liabilities	:	500
	Total Assets	:	500
	Sources of Funds:		
	Paid -up Capital	:	500
	Reserves & Surplus	:	-
	Secured Loans	:	-
	Unsecured Loans	:	-
	Deferred Tax Liability (Net)	:	-
	Application of Funds:		
	Net Fixed Assets	:	-
	Investments	:	-
	Net Current Assets	:	388
	Miscellaneous Expenditure	:	-
	Statement of Expenses	:	112
IV.	Performance of Company (Amount in Rs. Thousands)		
	Turnover (Including other Income)	:	---
	Total Expenditure	:	27
	Profit/(Loss) before tax	:	(27)
	Profit/(Loss) after tax	:	(27)
	Earning per share (Rs.)	:	(0.54)
	Dividend Rate %	:	---
*V.	Generic Names of Three Principal products / services of Company (as per monetary terms)		
	Item Code No. (ITC Code)	:	Not Applicable
	Product Description	:	Power Generation
	Item Code No. (ITC Code)	:	Not Applicable
	Product Description	:	
	Item Code No. (ITC Code)	:	Not Applicable
	Product Description	:	
<b>*Note: -As the company has not started any commercial activity, the clause is not applicable.</b>			

FOR MUNDRA POWER SEZ LIMITED

Place: Ahmedabad  
Date: 6th May, 2011

Sd/-  
RAVI SHARMA  
DIRECTOR

Sd/-  
PRABAL BANERJI  
DIRECTOR