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.

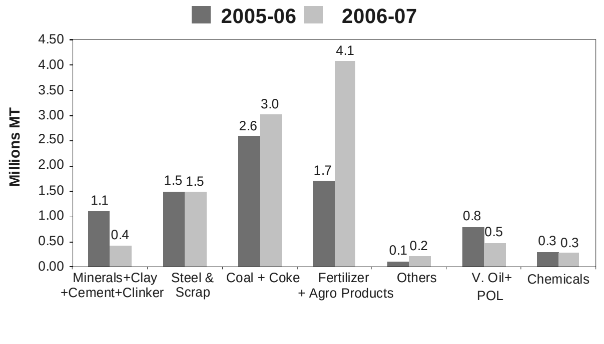
In terms of the agreement with Indian Oil Corporation Limited, your Company has started commercial operation of Single Point Mooring (SPM) facility and handled 21 vessels during the year 2006-07.

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

Comparison of Cargo Mix for 2006-07 and 2005-06



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.