



11th Annual Report 2006-2007

BOARD OF DIRECTORS

Shri Gautam S. Adani, Chairman
Shri R. K. Gupta, Managing Director
Shri Ameet H. Desai
Shri Sanjay Gupta
Shri R. K. Madan
Shri B. B. Tandon, IAS (Retd.)
Shri Pradeep Mittal

COMPANY SECRETARY

Shri Manoj Kumar Chanduka

AUDITORS

M/s. C. C. Choksi & Co.,
Chartered Accountants,
Ahmedabad

BANKS AND FINANCIAL INSTITUTIONS

Allahabad Bank	ICICI Bank Ltd.	Small Industries Development Bank of India
Andhra Bank	India Infrastructure Finance Co. Ltd.	State Bank of Hyderabad
Bank of Baroda	Oriental Bank of Commerce	Syndicate Bank
Bank of India	Punjab National Bank	UCO Bank
Bank of Maharashtra	Rural Electrification Corp. Ltd.	
Canara Bank	SIDBI	

REGISTERED OFFICE

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

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DIRECTORS' REPORT

Your Directors are pleased to present the Eleventh Annual Report together with Audited Statement of Accounts of your Company for the Financial Year ended March 31, 2007.

CONVERSION INTO PUBLIC LIMITED COMPANY:

Your Directors are pleased to inform that your Company has been converted into a Public Limited Company and accordingly its name has been changed to Adani Power Limited. The necessary approval for the same was obtained from the Registrar of Companies, Gujarat and Fresh Certificate of Incorporation consequent to the change of name was issued by the Registrar of Companies, Gujarat on 12th April, 2007.

FINANCIAL HIGHLIGHTS:

During the year under review, Phase I of the Power Project consisting of 2 Units of 330 MWs each was under implementation and hence no Profit and Loss Account has been prepared.

However, during the year the Authorised Share Capital of the Company has been increased to Rs. 250000.00 Lacs to take care of the equity capital requirements of the Company's future Expansion projects. Equity capital aggregating to Rs 26989.00 Lacs has been infused during the year bringing the total Equity capital to Rs. 28069.00 Lacs as on March 31, 2007. The Company has achieved Financial Closure for the Phase I of the Project and has availed Rs.5678.00 Lacs as a Term Loan from the Consortium of the Bankers.

The company has incurred expenditure of Rs 3606.24 Lacs during the year bringing the Pre Operative Expenditure to Rs. 4754.68 Lacs as on March 31, 2007 compared to Rs. 1148.44 Lacs as at the end of the previous year.

DIVIDEND:

Your Company has not declared any Dividend during the year, as the Project is under implementation and has not commenced any commercial activity.

POWER SCENARIO

INDIAN POWER SECTOR:

Indian Power Sector has grown manifold since 1947 and India today is third largest producer of Asia. India is positioned as eleventh largest manufacturer of energy at present representing 2.4% of the overall energy output per annum. It is also world's sixth largest energy user, comprising about 3.3% of the overall global energy expenditure per year. The power generating capacity of

India has increased from 1362 MW in 1947 to 128432 MW as on 16th February, 2007. In spite of 9330% increase in the installed capacity, most of the regions in the country are facing power shortages. The all India approx. average shortages for the period April 2006 to January 2007 were 9.3% in terms of energy and 13.9% in terms of peak load. The main reasons for shortages are high growth in demand of power outstripping the growth in capacity addition, low Plant Load Factor of thermal generating units and poor record of capacity addition against the target set in IXth and Xth Plan by the power Ministry.

POWER SCENARIO-GUJARAT:

The power requirements of the state are met by the power generated by state utility, IPPs, state's share in the power generated by the central sector power stations and purchases from other states. Total existing capacity in the state as on August 31st, 2006 was 10024.3 out of which, 58% is owned by State Utilities, 23% by Private sectors and 20% was generated through share in the Central Power Stations. The power generating capacity of Gujarat has been doubled in the last decade. In spite of such a significant increase, the state is facing power shortages. The approx. shortages for the period April 2006 to February 2007 were 14.28% in terms of energy and 29.13% in terms of peak load. The reason may be lack of optimum utilization of existing generation capacity, large scale theft, skewed tariff structure etc.

POWER SCENARIO-MAHARASHTRA:

The power sector in Maharashtra, excluding Mumbai, is served by Maharashtra State Power Generation Co. Ltd. (MSPGCL). The Mumbai area is served by three power utilities – Tata Power Company Ltd., BSES Ltd. and BEST. MSPGCL has an installed capacity of 9771 MW, while Tata Power Company Ltd. and BSES have an installed capacity of 1774 MW and 500 MW respectively. Maharashtra has a share of 2375 MW from Central generating sources. In addition, captive generating capacity in the State is currently 641 MW. In terms of fuel mix (excluding captive), thermal, hydro and nuclear capacities in the State account for 78%, 19% and 3% respectively.

The generation capacity of MSPGCL has grown from 760 MW in 1960-61 to 13838 MW in 2005-06. However, the State faces a shortage in meeting peaking requirements. The approx. shortages for the period April 2006 to February 2007 were 19.05% in terms of energy and 25.89% in terms of peak load.

**POWER PURCHASE AGREEMENTS:**

Gujarat Urja Vikas Nigam Limited (GUVNL) to meet the shortage of power initiated the process of tying up long term purchase of power through competitive bidding process on the guidelines issued by the Ministry of Power. The company participated in the bidding process initiated by Gujarat Urja Vikas Nigam Limited (GUVNL). During the year under review, your Company has executed two Power Purchase Agreements (PPA) with Gujarat Urja Vikas Nigam Limited (GUVNL) for Supply of power of 1000 MW each on Long Term basis. This is an important milestone achieved by the Company which ensures firm off take of power generated from Projects under implementation.

PROJECT HIGHLIGHTS:**PHASE I**

During the year under review the Implementation of Phase I of 2 x 330 MW Power Project has progressed according to schedule. The company is in possession of the land admeasuring 293-88-10 hectares to meet the entire requirement of power plants upto the capacity of 2640 MW at Mundra. The initial site development activities and construction of the Infrastructure Facilities like Roads, Compound Wall, etc are complete. The civil works relating to construction of Chimney and Boiler Turbine Foundation have already commenced.

The Contract for the Supply and Erection of Main Equipment consisting for the Boiler, Turbine, Generator and related Auxiliaries (BTG) has been entered into with an Overseas Supplier. The Company has made the Advance payment to this Supplier and has also established the Letter of Credit in their favour as per the Terms of Contract. The Company has also received the initial shipment of the BTG Package from the Supplier. The company has placed the orders for supply of long delivery Balance of plant (BOP) packages to ensure that the BOP is ready according to the scheduled commissioning of the Power Plant.

EXPANSION PLANS:**PHASE II**

Your Directors are pleased to inform that your Company is putting up another 2 x 330 MW Power Plant as Phase II at the same site. The company has already executed the contract for supply and erection of main plant equipment consisting of Boiler, Turbine and Generator with an overseas supplier. The delivery of these equipments is expected to start during the ensuing year.

The Power Generated from Phase I and Phase II will meet the requirement to sale 1000 MW of Power

committed to GUVNL under 1st Power Purchase Agreement (PPA) signed under Bid-I.

PHASE III

The Company is also embarking upon another expansion of 1320 MW Power Plant. The Power generated from this Power Plant will meet the requirement of committed power supply of 1000 MW to GUVNL under 2nd Power Purchase Agreement (PPA) signed with them under Bid-II.

PHASE IV

The company is planning to set up grass root Power Plant of 2000 MW at Tiroda, Dist Gondia, Maharashtra to augment the Power Supply in the State of Maharashtra. This Project will be implemented by M/s. Adani Power Maharashtra Pvt. Ltd a subsidiary Company of M/s. Adani Power Limited formed for implementing this Project. Maharashtra Industrial Development Corporation has allotted necessary land required for implementing this Project. The Company has already commenced the site development activities like topography survey, soil investigation, etc. The Project construction activities will commence from the ensuing year.

INSURANCE:

Your Company has obtained necessary Project Insurance from reputed Insurance Companies, which provides a comprehensive insurance cover during the Project Construction Phase including Delayed Start up cover and Advance Loss of Profit.

SEZ NOTIFICATION:

Your directors are pleased to inform that the Company has received approval from Department of Commerce (SEZ Section), Ministry of Commerce and Industry, Government of India vide its letter dated 19th December, 2006 for setting up a sector specific Special Economic Zone for power sector for supply of power to SEZs, EOUs in Gujarat and other SEZs, EOUs and others over an area of 293-88-10 hectares at Village Tunda and Siracha, Taluka Mundra, District Kutch, Gujarat.

SUBSIDIARY COMPANY:

Adani Power Maharashtra Private Limited (APMPL) had become subsidiary of your company, by virtue of investment into Equity Share Capital of that Company.

CHANGE OF OBJECT CLAUSE:

Your Directors are pleased to inform that the Company proposes to enter into the business of mining, quarries and other related activities thereto which can be carried out most economically and profitably with the existing



objects of the Company. Accordingly, your Company has changed its object clause by inserting the above business into the object clause of Memorandum of Association of the company.

DEMATERIALIZATION OF EQUITY SHARES:

During the year under review, the Company has entered into an agreement with National Securities Depository Limited (NSDL) to facilitate the shareholders of the Company to avail dematerialization facility. Your Company was allotted the ISIN No. INE814H01011.

FIXED DEPOSITS:

During the Financial Year the Company has not accepted any deposits from the Public.

DIRECTORS:

During the year under review, Shri B. B. Tandon (retired IAS) was appointed as Additional director of the Company. Shri B. B. Tandon has held key positions both in the Central Government, State Government and Public Sector Undertakings. Your Directors are confident that his appointment would strengthen the Board further. Pursuant to Section 260 of Companies Act, 1956; Shri B. B. Tandon holds office upto the date of ensuing Annual General Meeting and being eligible offer himself for reappointment.

As per Section 256 of the Companies Act, 1956, Shri Ameet H. Desai and Shri Pradeep M. Mittal will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDIT COMMITTEE:

Your Company has an existing Audit Committee consisting of Four Directors including Non Executive Directors. On conversion into Public Limited Company the scope and reference of Audit Committee will meet the requirement of the provision of the section 292A of the Companies Act 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. 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 year and of the profit or loss of the company for that period;

3. The 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. The directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Company's Auditors M/s. C. C. Chokshi & Co., Chartered Accountants, 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 the accounts are self-explanatory and therefore, do not call for any comments.

HUMAN RESOURCES:

The Company recognizes that the strength of the Company lies in its team of highly competent and motivated Personnel. Based on this philosophy the Company has initiated necessary action for recruitment of highly competent people. The Company continued in its endeavor to impart appropriate and relevant training to its employees to equip them to meet the challenges lying ahead. Your Directors place on record their sincere appreciation for the efforts and contribution put in by all the employees of the Company.

PERSONNEL:

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

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

Since the Company has not started the commercial activities, the 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.



FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year there was no earning in foreign exchange. The Foreign Exchange outgo during the year under review amounted to Rs.12527.62 Lacs (previous year Nil) mainly on account of payment to the Overseas BTG supplier.

DATE : 30.04.2007

PLACE: AHMEDABAD

ACKNOWLEDGEMENT:

Your Board of Directors places on record their appreciation for the overwhelming co-operation and assistance received from Government of Gujarat, Financial Institutions, Banks, Statutory Bodies and other Governmental Agencies.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

**GAUTAM S. ADANI
CHAIRMAN**



Auditors' Report

To the Members of Adani Power Limited.

1. We have audited the attached Balance Sheet of **Adani Power Limited** as at March 31, 2007 and the Cash Flow Statement for the year ended on that date, annexed thereto. Since the Company has not commenced commercial operations, no Profit and Loss Account has been prepared for the year ended on March 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 by the Companies (Auditor's Report) (Amended) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 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 appears from our examination of those books;
 - c. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet 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;
 - e. On the basis of written representations received from the directors as on March 31, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007; and
 - (ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For C. C. Chokshi & Co.,
Chartered Accountants

(Gaurav J. Shah)
Partner

Membership No. 35701

Place: Ahmedabad

Date : 30.04.2007

Annexure to the Auditors' Report
(Referred to in paragraph 3 of our report of even date)

- 1 The nature of the Company's activities during the year is such that the requirements of clauses (ii), (viii), (xiii) and (xiv) of paragraph 4 are not applicable to the Company.
- 2 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanations given to us, the Company has a program of physical verification of all its fixed assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.
(c) The Company has not disposed off a substantial part of the fixed assets during the year.
- 3 (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause (iii) (a), (b), (c) and (d) of para 4 are not applicable to the Company.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause (iii) (e), (f) and (g) of para 4 are not applicable to the Company.
- 4 According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. There has been no purchase of inventory or sale of goods by the Company during the year. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5 In respect of transactions covered under section 301 of the Companies Act, 1956:
(a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, each of these transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from the public during the year.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with appropriate authorities during the year.
(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess which were in arrears as at March 31, 2007 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 of sales tax, service tax, income tax, custom duty, wealth tax, excise duty and cess, which have not been deposited on account of dispute.
- 9 The Company has not commenced any commercial activities during the year and accordingly, provisions of clause (x) of para 4 are not applicable.
- 10 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank or financial institution. The Company has not issued any debentures.
- 11 The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
- 12 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.



- 13 In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
- 14 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long-term investments during the year.
- 15 During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 16 The Company has not issued debentures during the year and hence the question of creating securities or charges in respect thereof does not arise.
- 17 During the year, the Company has not raised money by way of public issue.
- 18 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For C. C. Chokshi & Co.,
Chartered Accountants**

**Place: Ahmedabad
Date: 30.04.2007**

**(Gaurav J. Shah)
Partner
Membership No. 35701**

BALANCE SHEET AS AT 31ST MARCH, 2007

(Rupees in Lacs)

Description	Schedule	As at 31st March, 2007	As at 31st March, 2006
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	26,069.00	95.00
Share Application Money		2,000.00	985.00
LOAN FUNDS			
Secured	2	5,678.00	-
TOTAL		<u><u>33,747.00</u></u>	<u><u>1,080.00</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	119.31	18.30
Less: Depreciation		14.88	0.34
Net Block		<u>104.43</u>	<u>17.96</u>
Capital Work in Progress	4	42,082.97	2.84
Pre-operative Expenditure	5	4,757.49	1,148.44
Construction Materials	6	3,016.29	-
Advances for Capital Expenditure	7	<u>10,531.19</u>	-
		60,492.37	1,169.24
INVESTMENTS	8	0.10	-
CURRENT ASSETS, LOANS & ADVANCES			
Cash and Bank Balances	9	4,970.46	26.70
Other Current Assets	10	13.66	0.00
Loans and Advances	11	<u>104.79</u>	<u>107.15</u>
		5,088.91	133.85
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	12	31,825.27	223.77
Provisions		9.79	-
		<u>31,835.06</u>	<u>223.77</u>
NET CURRENT ASSETS		(26,746.15)	(89.92)
MISCELLANEOUS EXPENDITURE	13	0.68	0.68
(To The extent not written off or adjusted)			
TOTAL		<u><u>33,747.00</u></u>	<u><u>1,080.00</u></u>

Significant Accounting Policies and Notes on Accounts
The accompanying schedules 1 to 14 form an integral part of these accounts

As per our attached Report of even date

For C. C. CHOKSHI & CO.
Chartered Accountants

Gaurav J. Shah
Partner

Manoj Kumar Chanduka
Company Secretary

For ADANI POWER LIMITED

Gautam S. Adani Chairman
R. K. Gupta Managing Director
Ameet H. Desai Director

Place : Ahmedabad
Date : 30.04.2007

Place : Ahmedabad
Date : 30.04.2007



Cash Flow Statement for the Year Ended 31st March, 2007

(Rupees In Lacs)

Particulars	Year ended 31st March, 2007	Year ended 31st March, 2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Profit and Loss Account	-	-
Operating profit before working capital changes	-	-
Adjustments for :		
Sundry Creditors for Capital Expenditures	(5,511.72)	(942.05)
Salary Payable	(100.47)	-
Deposits	(9.83)	-
TDS & Govt. Dues	(145.23)	(16.83)
Advance / Loan to Employees	(42.13)	-
Cash Generated From Operations	<u>(5,809.38)</u>	<u>(958.88)</u>
Income Taxes (Advance I.T. + F.B.T.)	(23.67)	-
Cash Flow before Extraordinary Items	<u>(5,833.05)</u>	<u>(958.88)</u>
Extraordinary Items (Specify)	-	-
Net Cash From Operating Activities	(5,833.05)	(958.88)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(84.04)	-
(Purchase) / Sale of Investments (Net)	(0.10)	-
Advance for Capital Expenditure	(15,160.73)	-
Capital Work in Progress	(6,255.91)	-
Net Flow from Exp. During Construction Period	(170.53)	(0.02)
Interest Received	168.46	-
Net Cash From Investing Activities	(21,502.85)	(0.02)
	(27,335.90)	(958.90)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Application Money	26989.00	985.00
Increase in Term Loan	5678.00	-
Interest & Finance cost	(387.34)	-
Net Cash Generated in Financing Activities	32,279.66	985.00
Net changes in Cash & Cash Equivalents (A+B+C)	4,943.76	26.10
Cash and Cash Equivalents at the beginning of the year	26.70	0.60
Cash and Cash Equivalents at the end of the year	4970.46	26.70
	<u>4,943.76</u>	<u>26.10</u>

For C. C. CHOKSHI & CO.
Chartered Accountants

Gaurav J. Shah
Partner

Manoj Kumar Chanduka
Company Secretary

Place : Ahmedabad
Date : 30.04.2007

For ADANI POWER LIMITED

Gautam S. Adani Chairman

R. K. Gupta Managing Director

Ameet H. Desai Director

Place : Ahmedabad
Date : 30.04.2007

Schedules forming part of the Balance Sheet as at 31st March, 2007

	As at 31st March, 2007 Rs. in Lacs	As at 31st March, 2006 Rs. in Lacs
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
2,50,00,00,000 Equity Shares of Rs. 10/- Each	250,000.00	100.00
(Previous Year 10,00,000 Equity Shares of Rs. 10/- Each)	<u>250,000.00</u>	<u>100.00</u>
ISSUED, SUBSCRIBED & PAID UP		
2,60,690,000 (Previous Year 9,50,000) Equity Shares of Rs. 10/- Each Fully Paid up	26,069.00	95.00
The above shares are held by the holding company - Adani Enterprises Limited (previous year Mundra Port & SEZ Ltd.)	<u>26,069.00</u>	<u>95.00</u>
SCHEDULE - 2		
SECURED LOANS		
Term Loans from:		
Allahabad Bank	748.00	-
Andhra Bank	374.00	-
Bank of India	1,496.00	-
Bank of Maharashtra	374.00	-
Canara Bank	374.00	-
ICICI Bank Limited	1,190.00	-
Oriental Bank of Commerce	374.00	-
State Bank of Hyderabad	374.00	-
Syndicate Bank	374.00	-
	<u>5,678.00</u>	<u>0.00</u>
The above term loans are secured by:		
(i) First ranking English Mortgage through execution of an indenture of mortgage in respect of all immovable and movable properties and assets both present and future.		
(ii) Further secured by hypothecation of all movable properties, assets both present and future including all revenues, bank balances, receivables, rights, titles, interest in assets and uncalled capital, and		
(iii) Corporate guarantee of Mundra Port & Special Economic Zone Ltd. For Rs. 7,500 lacs.		



Schedules forming part of the Balance Sheet as at March 31, 2007
FIXED ASSETS
SCHEDULE - 3

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	AS AT 01-04-2006	ADDITIONS DURING THE YEAR	DEDUCTIONS/ ADJUSTMENTS DURING THE YEAR	AS AT 31-03-2007	AS AT 01.04.2006	ADDITIONS DURING THE YEAR	DEDUCTIONS/ ADJUSTMENTS DURING THE YEAR	AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-03-2006
Furniture and Fixtures	1.64	11.20	-	12.84	-	6.63	-	6.63	6.21	1.64	
Office Equipments	0.98	10.30	-	11.28	0.13	1.99	-	2.12	9.16	0.85	
Computers	5.25	39.71	-	44.96	0.19	3.73	-	3.92	41.04	5.07	
Vehicles	10.43	40.20	(0.40)	50.23	0.02	2.19	-	2.21	48.02	10.40	
Total:	18.30	101.41	(0.40)	119.31	0.34	14.54	-	14.88	104.43	17.96	
Previous Year	-	18.30	-	18.30	-	0.34	-	0.34	17.96	-	



Schedules forming part of the Balance Sheet as at 31st March, 2007

	As at 31st March, 2007 Rs. in Lacs	As at 31st March, 2006 Rs. in Lacs
SCHEDULE - 4		
CAPITAL WORK IN PROGRESS		
Leasehold Land and Site Development	26,756.52	2.84
Building and Civil Works	599.53	-
Furniture & Fittings	23.45	-
Plant and Machinery	14,632.00	-
Electrical Installation	69.51	-
Railway Sidings	1.96	-
	<u>42,082.97</u>	<u>2.84</u>
SCHEDULE - 5		
(a) PRE-OPERATIVE EXPENDITURE		
Salary and Allowances	219.80	17.82
Administration and Office Expenses	190.04	24.29
Communication Expenses	13.82	2.67
Interest and finance charges on term loans	1,556.43	0.01
Miscellaneous Expenses	8.46	7.87
Other Employee Expenses	60.35	5.72
Professional Fees	2,289.54	1,061.36
Project Insurance	120.71	-
Stationery & Courier Expenses	10.12	1.56
Legal Expenses	243.55	0.10
Payment to Auditors	3.73	0.52
Travelling Expenses	189.27	28.18
Vehicle Running Expenses	25.13	-
Depreciation	14.88	0.34
Income Tax Expenses	61.67	-
TOTAL (a)	<u>5,007.50</u>	<u>1,150.44</u>
(b) OTHER INCOME		
Interest	234.81	-
Sale of Tender Document	15.20	2.00
TOTAL (b)	<u>250.01</u>	<u>2.00</u>
TOTAL (a-b)	<u>4,757.49</u>	<u>1,148.44</u>
SCHEDULE - 6		
CONSTRUCTION MATERIALS		
Steel, Cement and Other Materials	472.56	-
Material Issued to Contractors	2,543.73	-
	<u>3,016.29</u>	<u>0.00</u>
SCHEDULE - 7		
ADVANCES FOR CAPITAL EXPENDITURE		
Unsecured, Considered Good	8,963.50	-
Advances to Suppliers	-	-
Secured (by Bank Guarantee)	1,567.69	-
Advances to Contractors	-	-
	<u>10,531.19</u>	<u>0.00</u>



Schedules forming part of the Balance Sheet as at 31st March, 2007

	As at 31st March, 2007 Rs. in Lacs	As at 31st March, 2006 Rs. in Lacs
SCHEDULE - 8		
INVESTMENTS - LONG TERM, NON-TRADE (at cost)		
Government and Trust Securities, Unquoted	0.10	-
National Savings Certificate	<u>0.10</u>	<u>0.00</u>
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash in Hand	<u>0.57</u>	<u>0.18</u>
(Balances with Scheduled Banks)		
Current Accounts	74.89	26.52
Fixed Deposits	3,945.00	-
Margin Money Deposit	950.00	-
	<u>4,969.89</u>	<u>26.52</u>
	<u>4,970.46</u>	<u>26.70</u>
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Interest Receivable	13.66	-
	<u>13.66</u>	<u>0.00</u>
SCHEDULE - 11		
LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance Recoverable in cash or kind	67.81	107.13
Security Deposits	20.55	0.02
Advance Income Tax including TDS (Net of Provision)	16.43	-
	<u>104.79</u>	<u>107.15</u>
SCHEDULE - 12		
(a) CURRENT LIABILITIES		
Sundry Creditors		
Small Scale Industries	-	-
Others	31,710.08	223.77
Interest Accrued on Term Loan	7.69	-
Due to Holding company	107.50	-
	<u>31,825.27</u>	<u>223.77</u>
(b) PROVISIONS		
Provision for Leave Salary	5.40	-
Provision for Fringe Benefit Tax	1.74	-
Provision for Audit Fees	2.65	-
	<u>9.79</u>	<u>-</u>
	<u>31,835.06</u>	<u>223.77</u>
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
(To The extent not written off or adjusted)		
Preliminary Expenses	0.68	0.68
	<u>0.68</u>	<u>0.68</u>

SCHEDULE – 14
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 recognised prospectively in current and future periods.

3) Investment

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management.

4) Fixed assets

Fixed assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation and impairment losses, if any. Borrowing costs directly attributable to qualifying assets / capital projects are capitalized and included in the cost of fixed assets.

5) Expenditure during construction period

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Pre-operative Expenditure" as the case may be. The same will be allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

6) Depreciation

- i) Depreciation on fixed assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.
- iii) Assets costing less than Rs.5,000/- are written off in the year of purchase.

7) Leases

The Company's significant leasing arrangements are in respect of operating leases for office premises, residential facilities for employees and guest houses. The leasing arrangements are not exceeding 11 months renewable by mutual consent. The aggregate lease rentals payable are charged as rent expenses under "Pre-operative Expenditure".

8) Borrowing costs

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

9) Impairment of assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the period in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

10) Foreign exchange transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Exchange differences for acquisition of fixed assets are adjusted to cost of fixed assets. Foreign currency denominated assets / liabilities are translated at the year end exchange rates and resultant gains / losses shall be allocated to the specific fixed assets to the extent identifiable on completion of construction / erection.



11) Employee benefits

- a) Gratuity
Liability in respect of gratuity is covered under the "Group Gratuity Scheme" with the Life Insurance Corporation of India Ltd. and yearly premium are accounted under "Pre-operative Expenditure".
- b) Leave Encashment
Provision for accruing liability for leave encashment is made on basis of actuarial valuation as at the year end.
- c) Provident Fund
Contributions to provident fund are accounted for on accrual basis with corresponding contributions to recognized funds.

12) 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.

13) Miscellaneous expenditure (to the extent not written off or adjusted)

Preliminary expenses will be amortised over a period of 5 years from the commencement of commercial activities.

(B) Notes on Accounts

1. The Company has been converted into a public limited company with effect from 12th April, 2007 and accordingly its name has been changed from Adani Power Private Limited to Adani Power Limited. Necessary approval has been received from the Registrar of Companies, Gujarat along with the fresh Certificate of Incorporation consequent to the change in name.
2. The Company has not commenced any commercial activities, hence, Profit & Loss Account has not been prepared for the year ended 31st March, 2007. However, necessary details as per Schedule-VI Part II of the Companies Act, 1956 to the extent applicable have been disclosed under the head "Pre-operative Expenditure and Capital Work in Progress" which shall be capitalised on completion of the project.
3. Contingent liabilities not provided for in respect of:

(Rs. in Lacs)

Particulars	As at March 31, 2007	As at March 31, 2006
Estimated amount of contracts remaining to be executed on capital account and not provided for	112,341.41	567.00
Guarantees issued by the Company's bankers on behalf of the Company	15,000.00	-
Letter of Credit facilities provided by banks	64,806.00	-

4. Auditors Remuneration includes:-

(Rs. in Lacs)

	2006-2007	2005-2006
Audit Fees	2.81	0.08
Certification Work	0.40	-
Total	3.21	0.08

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

(a) List of Related Parties and Relationship

Holding Company	Associates	Key Management Personnel
Adani Enterprises Limited	Adani Global FZE Adani DAV Public School Adani Properties Pvt. Ltd Adani Retail Ltd. Adani Wilmar Ltd. Mundra Port and Special Economic Zone Ltd.	Shri R. K. Gupta

(Rs. In Lacs)

(b) Transactions with Related Parties

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			2006-07	2005-06	March 31, 2007	March 31, 2006
Advance for Purchase of Steel	Adani Global FZE	Associate	142.73	Nil	142.73 Dr.	Nil
Sharing of Common Expenses	Mundra Port and Special Economic Zone Ltd.	Associate	66.16	Nil	-	-
	Erstwhile Mundra Special Economic Zone Ltd.	Associate	Nil	143.99	-	159.05 Cr.
	Adani Enterprises Ltd.	Holding Company	84.88	Nil	107.38 Cr.	Nil
			91.06	Nil	-	-
Bank Guarantee & Commission L.C. Charges			16.32	Nil	-	Nil
Purchase of Bitumen			50.37	Nil	0.03 Dr.	Nil
Share Application Money			27974.00	Nil	2000.00 Cr.	Nil
	Erstwhile Mundra Special Economic Zone Ltd.	Associate	680.00	680.00	Nil	680.00 Cr.
Rent	Adani Properties Pvt. Ltd.	Associate	5.89	0.41	-	-
	Adani Wilmar Limited	Associate	0.67	Nil	0.67 Cr.	Nil
	Erstwhile Mundra Special Economic Zone Ltd.	Associate	Nil	3.42	-	-
Purchase of Desalination Plant	Mundra Port and Special Economic Zone Ltd.	Associate	4.35	Nil	-	-
Fixed Assets Purchased	Adani Wilmar Ltd.	Associate	266.53	Nil	-	-
	Erstwhile Mundra Special Economic Zone Ltd.	Associate	Nil	8.93	-	-
Lease Rent, Infrastructure Usage Charges & Land Charges	Mundra Port and Special Economic Zone Ltd.	Associate	26457.09	Nil	20462.47 Cr.	Nil
Salary & Allowances	Sri R. K. Gupta	Key Management Personnel	17.44	Nil	-	-

**6. Leases**

The future minimum lease payments under non-cancelable operating lease and not later than one year is Rs.26.75 Lacs.

7. The Pre-operative Expenditure includes Managing Director's Remuneration

The Pre-operative Expenditure includes Salary & Allowances include Managing Director's Remuneration as detailed below:

(Rs. in Lacs)

	2006-2007	2005-2006
Salary	13.80	-
Other Allowances including Ex-gratia	3.64	-
Total	17.44	-

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

9. Information required in terms of part IV of Schedule VI to the Companies Act, 1956 is attached here to.

Signature to Schedule 1 to 14

As per our attached Report of even date

For C. C. CHOKSHI & CO.
Chartered Accountants

Gaurav J. Shah
Partner

Manoj Kumar Chanduka
Company Secretary

Place : Ahmedabad
Date : 30.04.2007

For ADANI POWER LIMITED

Gautam S. Adani Chairman

R. K. Gupta Managing Director

Ameet H. Desai Director

Place : Ahmedabad
Date : 30.04.2007

**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.	: 30533
State Code	: 04
Balance Sheet Date	: 31-03-2007
II. Capital Raised during the year:-	
	(Amount in Rs. Thousands)
Public Issue - NIL	Right Issue - NIL
Bonus Issue - NIL	Private Placement - 2698900
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	: 6558206
Total Assets	: 6558206
Sources of Funds:	
Paid -up Capital	: 2606900
Share Application Money	: 200000
Reserves & Surplus	: -
Secured Loans	: 567800
Unsecured Loans	: -
Application of Funds:	
Net Fixed Assets	: 10443
Capital Work in Progress	: 4208297
Pre-Operative Expenditure	: 475749
Construction Material	: 301629
Advance for Capital Expenditure	: 1053119
Investments	: 10
Net Current Assets	: (2674615)
Miscellaneous Expenditure	: 68
Accumulated Losses	: -
IV. Performance of Company (Amount in Rs. Thousands) **	
Turnover(Including other Income)	: ---
Total expenditure	: ---
Profit/(Loss) before tax	: ---
Profit/(Loss) after tax	: ---
Earning per share (Rs.)	: ---
Dividend Rate %	: ---
V. Generic Names of Three Principal products/services of Company(as per monetary terms)	
Item Code No. (ITC Code) **	
Product Description	NOT APPLICABLE
Item Code No. (ITC Code)	
Product Description	NOT APPLICABLE
Item Code No. (ITC Code)	
Product Description	NOT APPLICABLE

Note:

** As the company has not carried out any commercial activities during the year the relevant information is not applicable.

For ADANI POWER LIMITED

Manoj Kumar Chanduka
Company Secretary

R. K. Gupta **Managing Director**
Ameet H. Desai **Director**

Place : **Ahmedabad**
Date : **30.04.2007**



ADANI

ADANI POWER LIMITED

Registered Office: "Shikhar", Nr. Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009

FORM OF PROXY

I/We _____ of _____ being a member / members of the above Company hereby appoint Shri / Smt./Kum. _____ of _____ or falling him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Monday, 30th July, 2007 at 12.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2007.

Signature _____

Affix 1
Rupee
Revenue
Stamp

Folio No. _____ DPID No.* _____ Client ID No.* _____

* Applicable for members holding shares in electronic form.

Note: The proxy and the power of Attorney (if any) under which it is signed or a notariially certified copy of that power must be deposited at the Registered Office of the Company at "Shikhar", Nr. Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009 not less than 48 hours before the date and time for holding the Annual General Meeting.

ADANI POWER LIMITED

Registered Office: "Shikhar", Nr. Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009

ATTENDANCE SLIP

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

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

I hereby record my presence at the 11th Annual General Meeting on Monday, 30th July, 2007.

Folio No. _____ DPID No.* _____ Client ID No.* _____

* Applicable for members holding shares in electronic form.

Place : Ahmedabad

Member's / Proxy's Signature

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