

13th Annual Report 2008 - 2009

Board of Directors

Shri Gautam S. Adani, Chairman
 Shri Rajesh S. Adani, Managing Director
 Shri R. K. Gupta, Whole Time Director
 Shri Ameet H. Desai
 Shri B. B. Tandon
 Shri S. K. Tuteja
 Shri Vijay Ranchan
 Shri Chinubhai R. Shah

Company Secretary

Shri Rahul C. Shah

Auditors

M/s Deloitte Haskins & Sells
 Chartered Accountants
 Ahmedabad

Registered Office

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

Bankers and Financial Institutions

Allahabad Bank
 Andhra Bank
 Axis Bank Ltd.
 Bank of India
 Bank of Maharashtra
 Canara Bank
 Central Bank of India
 Corporation Bank
 Development Credit Bank Ltd.
 ICICI Bank Ltd.
 Indian Infrastructure Finance Co. Ltd.
 Indian Overseas Bank
 Industrial Development Bank of India
 Life Insurance Corporation of India
 Oriental Bank of Commerce
 Power Finance Corporation Ltd.
 Punjab National Bank
 Rural Electrification Corporation Ltd.
 Small Industries Development Bank of India
 Standard Chartered Bank
 State Bank of Hyderabad
 State Bank of India
 State Bank of Mysore
 State Bank of Patiala
 State Bank of Saurashtra
 State Bank of Travancore
 Syndicate Bank
 Tamilnad Mercantile Bank Ltd.
 UCO Bank
 Union Bank of India
 Yes Bank Ltd.

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DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the Thirteenth Annual Report together with audited statement of accounts of your company for the financial year ended on March 31, 2009.

FINANCIAL HIGHLIGHTS:

The Company is developing and will operate and maintain coal based thermal power projects in India. The Company has three coal based thermal power projects under various stages of implementation, with a combined installed capacity of 4620 MW at Mundra.

Since the projects of the Company are under implementation stage, the company has not prepared profit and loss account. However, the Company has prepared Statement of Expenses for the year under review.

The Company has incurred expenditure of Rs. 41698.67 million on various projects during the year. Accordingly, the fixed assets (including capital work in progress) of the Company has increased from Rs. 24,058.39 million as at 31st March, 2008 to Rs. 65,757.06 million as at 31st March, 2009.

The sources of funds (including shareholders and loan funds) has increased from Rs 24,472.34 million as at 31st March, 2008 to Rs.72,833.87 million as at 31st March, 2009.

DIVIDEND:

Since power project are under implementation stage and there being no operating income, the Directors do not recommend any dividend for the year.

CAPITAL:

During the year under review, the Company issued 50,25,79,035 equity shares by way of preferential allotment and 78,73,13,868 equity shares by way of bonus issue, making total subscribed, issued and paid up equity share capital to Rs. 1841,97,62,360 divided into 184,19,76,236 equity shares of Rs. 10/- each as on 31st March, 2009. The company has also made further issue of 3,58,964 equity shares after 31st March, 2009 by way of preferential allotment making total subscribed, issued and paid up equity share capital to Rs. 1842,33,52,000 divided into 184,23,35,200 equity shares of Rs. 10/- each as on date of this report.

SUBSIDIARY COMPANIES:

During the year under review the company has promoted Adani Power (Overseas) Limited in United Arab Emirates (UAE) and Mundra Power SEZ Limited in India as 100% subsidiaries of the company.

In addition, the Company has three other subsidiary companies namely Adani Power Maharashtra Limited, Adani Power Rajasthan Limited and Adani Power Dahej Limited.

The Company had applied to the Ministry of Corporate Affairs, Government of India, New Delhi under section 212(8) of the Companies Act 1956, seeking approval for exemption for publishing annual accounts of subsidiary companies (i.e Adani Power Maharashtra Limited, Adani Power Rajasthan Limited, Adani Power Dahej Limited, Mundra Power SEZ Limited and Adani Power (Overseas) Limited) along with the annual accounts of the company. The Ministry of Corporate Affairs has vide letter bearing no. 47/218/2009-CL-III dated 13.04.2009 approved the application of the company seeking approval for exemption for publishing annual accounts of subsidiary companies. In view of the same the company shall publish audited annual accounts of the company and consolidated audited annual accounts as per accounting standard 21 issued by the Institute of Chartered Accountants of India (ICAI), without attaching audited annual accounts of the subsidiary companies. The company shall make available related information/accounts of subsidiary companies as and when requested by any investor of company or its subsidiary companies. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at the registered office of the company and its subsidiary companies.

MAIDEN INITIAL PUBLIC OFFERING:

The Company has filed Draft Red Herring Prospectus (DRHP) with Securities & Exchange Board of India (SEBI) on April 20, 2009 for Initial Public Offering of 33,77,00,000 equity shares to part finance the construction and development of Mundra Phase IV power projects aggregating to 1,980 MW at Mundra, Gujarat and to fund equity contribution in subsidiary, Adani Power Maharashtra Limited to part finance the construction and development of 1980 MW power project at Tiroda, Maharashtra.

PROGRESS IN IMPLEMENTATION OF VARIOUS PROJECTS:

The progress of various projects of the Company is as under:-

I. POWER PROJECTS AT MUNDRA
PHASE I ,II, III and IV 4620MW

The Company is setting up Coal based Power Projects at Mundra as per the details given below:

Project Name Location	Installed Capacity and Technology	Procurement Status	Fuel Supply Status	Off-take Arrangement Status
Mundra I and II, Mundra Gujarat	1,320 MW coal fired, sub- critical	BTG and BoP contracts entered	Coal Supply Agreement entered with Adani Enterprises Limited (AEL)	Long term Power Purchase Agreement for 1,000 MW entered with Gujarat Urja Vikas Nigam Ltd. (GUVNL).
Mundra III, Mundra Gujarat	1,320 MW coal fired, super-critical	EPC contracts entered	Coal Supply Agreement entered with Adani Enterprises Limited (AEL)	Long term Power Purchase Agreement for 1,000 MW entered with Gujarat Urja Vikas Nigam Ltd. (GUVNL). Agreement for merchant sale of up to 221 MW of surplus power entered with Adani Enterprises Ltd. (AEL)
Mundra IV, Mundra Gujarat	1,980 MW coal fired, super- critical	EPC contracts entered	Coal Supply Agreement entered with Adani Enterprises Limited (AEL) Coal linkage of 1,366 MW recommended and Lol awaited	Long term Power Purchase Agreement for 1,424 MW entered with Uttar Haryana Bijli Vitran Nigam Ltd.(UHBVNL) and Dakshin Haryana Bijli Vitran Nigam Ltd (DHBVNL).

II. CAPACITY ADDITION THROUGH SUBSIDIARY COMPANIES:
a. 1980 MW Tiroda Power Project :-

The Tiroda power project is a coal based power project with aggregate capacity of 1,980 MW. The project is being developed through subsidiary Adani Power Maharashtra Limited at Tiroda. The details of the project are given below:

Project Name, Location	Installed Capacity and Technology	Procurement Status	Fuel Supply Status	Off-take Arrangement Status
Tiroda (Phase I and II), Maharashtra	1,980 MW coal fired, super- critical	BTG and BoP Contracts entered	Captive mines allocated by Ministry of Coal for generating up to 1,000 MW and Coal linkage of 1,180 MW recommended and Lol awaited	Long term Power Purchase Agreement for 1,320 MW entered with Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)

b. 1980 MW Dahej Power Project

The Dahej power project is a proposed coal based power project with aggregate capacity of 1,980 MW. The project is to be developed by the wholly owned subsidiary company Adani Power Dahej Limited. The project site is well connected with the rail and road.

c. 1320 MW Kawai Power Project

The Kawai power project is a proposed coal based power project with aggregate capacity of 1,320 MW. The project is to be developed by the wholly owned subsidiary company Adani Power Rajasthan Limited. The project site is well connected with the rail and road.

POWER SCENARIO:**Indian Power Sector**

A key risk to the continued growth of the Indian economy is inadequate infrastructure. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements. The Government of India (the "Government") has identified the power sector as a key sector of focus to promote sustained industrial growth by embarking on an aggressive mission – "Power for All" by 2012 backed by extensive reforms to make the power sector more attractive for private sector investment. According to the Integrated Energy Policy ("IEP") report of August 2006 issued by the Planning Commission, India would require additional capacity of about 73-86 gigawatt ("GW") by 2012, 159-190 GW by 2017 and 278-341 GW by 2022, respectively, based on normative parameters in order to sustain a 8-9% GDP growth rate.

The Indian power sector has historically been characterized by energy shortages which have been increasing over the years. In the period from April 2008 to February 2009, peak energy deficit was estimated to be at 13.8% and normative energy deficit was estimated to be 11.0%.

According to the 17th Electric Power Survey, India's peak demand will reach approximately 152,746 MW with an energy requirement of approximately 968 billion units by fiscal year 2012. By the fiscal year 2017, peak demand is expected to reach 218,209 MW with an energy requirement of 1,392 billion units.

According to the CEA Executive Summary, as on February 28, 2009, India has an installed generation capacity of 147,715 MW that has increased at a compound annual growth rate ("CAGR") of 5.4% between 2003 and 2008.

Thermal power plants account for over 63.0% of India's installed capacity, within which over 82.0% of the capacity is accounted for by coal based plants, on total available thermal capacity, as of February 28, 2009.

Power Scenario in Western India

The power requirements of Western India are met by the power generated by state utilities, Independent Power Producers ("IPPs") and the state government's share in the power generated by the central power stations. The total installed capacity in the western region as on February 28, 2009 was 45,598 MW. The installed generation capacity of thermal power as on February 28, 2009 is 32,286 MW. At the end of the 9th Five-Year Plan the energy deficit is 10.4% at the end of the financial year 2009 the energy deficit is 11.9%.

Capacity Addition in Western region

Likely capacity addition in the Western region in thermal power during XIth Five-Year Plan is 20,210 MW and total capacity addition in the Western region is 21,380 MW.

It is expected that despite the planned capacity addition, the Western region will continue to have deficit in peak power.

INSURANCE:

Your company has obtained necessary project insurance from reputed insurance companies, which provide a comprehensive insurance cover during the project construction phase including delayed start up cover and advance loss of profit.

DIRECTORS:

As per section 256 of the Companies Act, 1956, Shri R.K. Gupta, Shri B.B. Tandon and Shri Ameet H. Desai will retire by rotation at the ensuing annual general meeting and being eligible offer themselves for reappointment.

AUDIT COMMITTEE:

Your company has constituted Audit Committee consisting of four Directors as members. Out of the four members, three members are independent and one member is non independent. Members of Audit Committee consist of Shri S.K Tuteja, as Chairman and Shri B.B Tandon, Shri Ameet H. Desai and Shri Chinubhai R. Shah as members. The constitution and scope of the committee meets the requirement of 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;
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 statutory auditors Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, will retire on the conclusion of forthcoming thirteenth annual general meeting and being eligible, have expressed their willingness for re-appointment and confirmed that, if re-appointed their appointment will be within the prescribed limit u/s 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.

FIXED DEPOSITS:

The company has neither accepted nor renewed any fixed deposits pursuant to provisions of section 58A of the Companies Act, 1956.

HUMAN RESOURCES:

Your company strongly believes in the power of people and has always recognized and motivated the employees of the company. Your company is fortunate to have highly motivated and target oriented team of professionals. The company continues to recruit the best of talent in the field for its ongoing projects. The company continued in its endeavor to impart appropriate and relevant training to its employees to equip them to meet the challenges lying ahead.

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 provided at **Annexure – A** to this report.

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

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 with regard to conservation of energy in form A is not provided since the same is not applicable to company.

The company has implemented world renowned SAP system. Since the projects of the company are in various stages of implementation the information on conservation of energy is not appended.

During the year there was no earning in foreign exchange. The foreign exchange outgo during the year under review amounted to Rs. 8355.05 million (previous year Rs. 6391.98 million) mainly on account of payment to the overseas plant and machinery suppliers.

ACKNOWLEDGEMENT:

Your directors acknowledge and appreciate the co-operation received from Government of India (including various ministries and authorities, commissions etc.), State Governments of Gujarat, Maharashtra, Rajasthan, State Electricity Boards, etc.

Your directors also convey their gratitude to the shareholders, various financial institutions, banks for the continued support and confidence shown in the company. The directors also appreciate the contribution of various contractors, suppliers of machinery, and various consultants who have been instrumental in the present progress of implementation of projects of the company.

Your directors place on record their sincere appreciation for the efforts and contribution put in by all the employees of the company.

And last but not the least your directors also acknowledge the sincere efforts and co-operation extended by the statutory auditors of the company.

For & on Behalf of the Board of Directors

Date : 19th May, 2009

Place : Ahmedabad

Gautam S. Adani
Chairman

Annexure A to Directors' Report

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

A. Personnel who are in receipt of remuneration aggregating not less than Rs. 24 lacs per annum and employed throughout the year.

Sr. No.	Name	Age (years)	Designation	Gross remuneration (Rs. In million)	Qualification	Experience (Years)	Date of joining	Previous employment
1	Mr. R. K. Gupta	64	Wholetime Director	4.56	BE Electrical	43	11.03.06	Rajasthan State Electricity Board
2	Mr. O. P. Kalia	60	Sr. Vice President	4.99	B Sc (Hons)- Mechanical Masters in Mechanical Engineering	35	25.08.07	Reliance Energy Limited
3	Mr. Subrato Trivedi	59	President	4.50	BE-Mechanical	37	13.08.07	NTPC Ltd.
4	Mr. K.Venugopal	43	Sr. Vice President	4.37	B.Com, MBA (Finance)	20	01.04.08	Mundra Port & Special Economic Zone Ltd.
5	Mr. O.P Bhardwaj	61	Vice President	4.10	Diploma in Civil Eng.AMIE-Civil	41	01.04.08	Punj Loyd Ltd.
6	Mr. Vineet Jain	38	Sr. Vice President	3.76	BE-Mechanical	16	04.12.06	Jindal Steel & Power Limited
7	Mr. Dev P. Joshi	52	Vice President	3.50	BE Electrical	31	14.08.07	NTPC Ltd.
8	Mr. Jatinder Bhatnagar	53	Asst. Vice President	3.20	B Tech- Mechanical	30	23.08.07	NTPC Ltd.
9	Mr. Asharam Sharma	57	Asst. Vice President	3.10	B.E. - Civil	35	17.11.06	Rajasthan Rajya Vidhyut Utpadan Nigam Ltd.
10	Mr. Bishnu P. Nanda	50	General Manager	3.00	B Sc Engineering-Electrical	27	21.01.08	NTPC Ltd.
11	Mr. Banshi Dhar De	61	Asst. Vice President	2.95	BE-Mechanical	35	19.10.07	NTPC Ltd.
12	Mr. Govind Ram Modi	64	Asst. Vice President	2.90	BE Mechanical MIE Mechanical	37	13.05.06	Rajasthan Rajya Vidyut Utpadan Nigam Ltd.
13	Mr. Dinesh K. Singh	55	Asst. Vice President	2.80	B Tech- Civil	31	20.10.07	NTPC Ltd.
14	Mr. Subimal P. Shome	54	General Manager	2.70	BE Mechanical	29	15.01.08	NTPC Ltd.
15	Mr. Rajinder P. Mittal	58	Asst. Vice President	2.70	M Sc, AMIE, LLB	37	18.10.07	Reliance Energy Ltd.

Sr. No.	Name	Age (years)	Designation	Gross remuneration (Rs. In million)	Qualification	Experience (Years)	Date of joining	Previous employment
16	Mr. Dwarka Lal Gupta	60	General Manager	2.60	BE Electrical & Diploma in Management	36	08.08.07	Rajasthan State Electricity Board
17	Mr. P. Parvata Gouda	52	General Manager	2.60	B Tech- Civil	28	27.11.07	NTPC Ltd.
18	Mr. Jatin Shah	43	General Manager	2.60	B.Com, ICWA	20	01.04.08	Mundra Port & Special Economic Zone Ltd.
19	Mr. Rajesh Tulsiani	40	General Manager	2.50	MBA (Finance)	16	01.04.08	Mundra Port & Special Economic Zone Ltd.
20	Mr. Kantilal Taunk	66	General Manager	2.50	B.Sc (Ele. Engineering)	38	01.08.07	Rajasthan Rajya Vidhyut Utpadan Nigam Ltd.

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

Sr. No.	Name	Age (years)	Designation	Gross remuneration (Rs. In million)	Qualification	Experience (Years)	Date of joining	Previous employment
1	Mr. Ajay Kumar Gupta	48	Sr. Vice President	3.13	B.Tech (Electrical)	24	07.04.08	Siemens Ltd.
2	Mr. K.C. Panigrahy*	62	Vice President	2.33	B Sc (Engineering) Mech.	38	01.11.07	Bharat Heavy Electricals Ltd.
3	Mr. Manoj Kumar Sharma	43	Vice President	2.07	PGDIRPM, PGD-T&D	23	18.08.08	Ispat Industries Ltd.
4	Mr. Sundar Moorthy Kavidas	60	Vice President	2.07	BE(Mechanical) MS(Mechanical) MS (Energy Science)	31	11.09.08	Exelon Power
5	Mr. Anil Gupta	39	Asst. Vice President	1.96	BE(Mech.)	17	19.08.08	Dalmia Cement (Bharat) Ltd
6	Mr. Bajrang Jangir*	48	General Manager	1.66	BE (Mechanical)	23	26.02.08	NTPC Ltd.
7	Mr. Shalin Sheth	36	General Manager	1.53	BE (Mechanical)	14	13.09.08	Kalpataru Power Transmission Ltd.
8	Mr. Keshav Saran*	67	President	1.50	B Sc (Hons) MBA Marketing LLB	44	02.07.07	Power Finance Corporation Ltd.
9	Mr. Vinodkumar Bhatnagar*	52	General Manager	1.19	BE Electrical	29	11.03.08	NTPC Ltd.

Sr. No.	Name	Age (years)	Designation	Gross remuneration (Rs. In million)	Qualification	Experience (Years)	Date of joining	Previous employment
10	Mr. V.N Bhamidipati	60	Sr. Vice President	1.19	BE (Mechanical) MS (Mechanical) MBA	31	10.10.08	Progress Energy
11	Mr. Vijayasimha Kasi*	48	General Manager	1.15	BE Electrical	24	27.09.07	NTPC Ltd.
12	Mr. Laxmi Agrawal*	48	Vice President	1.14	BE (Electrical) M Tech	25	13.07.07	Reliance Energy Ltd.
13	Mr. Kush Singh*	44	General Manager	1.08	BE Mechanical	21	30.10.07	NTPC Ltd.
14	Mr. Harji Lal Saini	56	Vice President	1.06	B.Sc Engineering-Mechanical	32	18.02.08	Bharat Heavy Electricals Ltd.
15	Mr. Saurabh Mashruwala*	43	General Manager	0.90	B.Com., CA	20	24.09.07	Arvind Mills Ltd.
16	Mr. Ranjan Kumar Das	51	General Manager	0.11	B.Sc (Ele. Engineering)	26	16.03.09	NTPC Ltd.
17	Mr. Manas Ranjan Rout	45	General Manager	0.08	B.Sc (Mech. Eng), M..Tech	22	18.03.09	Vedanta Aluminium Ltd.
18	Mr. Basanta Kumar Mishra	51	General Manager	0.06	B.Sc (Ele. Engineering)	27	23.03.09	NTPC Ltd
19	Mr. Chaitanya Prasad Sahoo	48	General Manager	0.05	B.Sc (Mech. Eng)	24	23.03.09	NTPC Ltd.

* Resigned during 2008-09

- Notes: (1) Remuneration above includes Salary, Contribution to Provident and other funds and other perquisites.
(2) The nature of employment is contractual in all the above cases
(3) None of the employees is related to any Director of the company.
(4) None of the employees owns more than 2% of the outstanding shares of the Company as on 31st March, 2009.

Auditors' Report To the members of Adani Power Limited

1. We have audited the attached Balance Sheet of **Adani Power Limited** as at 31st March, 2009; the Statement of Expenses and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") 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 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 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 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 representation received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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 notes thereon, 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 the affairs of the Company as at 31st March, 2009;
 - (ii) in the case of the Statement of Expenses, of the expenses for the year ended on 31st March, 2009; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner

Membership No.35701

Date: 19th May, 2009

Place: Ahmedabad

Annexure to the Auditors' Report

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

1. The nature of the Company's business / activities during the year is such that the requirements of clause (ii), (viii), (xiii) and (xiv) of paragraph 4 of the Order 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) The Company has a programme of physical verification of its fixed assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
(c) The Company has not disposed off a substantial part of fixed assets during the year.
3. According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (b), (c), (d), (e), (f) and (g) of the paragraph 4(iii) of the said order relating to rate of interest and other terms and conditions of the loans, regularity of receipt / repayment of principal and interest and steps for recovery of overdue amount in excess of rupees one lakh are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal controls.
5. According to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 which were required to be entered in the register maintained under that section.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2009 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 dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any 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 banks or financial institutions. 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 securities.
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 purpose 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, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
15. According to the information and explanations given to us, the Company has not made preferential allotment of Equity Shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

16. The Company has not issued any debentures during the year.
17. The Company has not raised money by public issue during the year.
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 Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner

Membership No.35701

Date : 19th May, 2009
Place: Ahmedabad

Balance Sheet as at 31st March, 2009

	Schedule	As at 31 st March, 2009	(Amount in Rupees) As at 31 st March, 2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	18,419,762,360	7,020,833,330
Share Application Money		598,990	360,599,000
Reserves & Surplus	2	<u>4,516,639,902</u>	<u>6,979,166,622</u>
		22,937,001,252	14,360,598,952
LOAN FUNDS			
Secured Loans	3	40,896,865,231	10,111,742,028
Unsecured Loans	4	9,000,000,000	-
TOTAL		<u>72,833,866,483</u>	<u>24,472,340,980</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	3,355,255,924	85,966,786
Less: Accumulated Depreciation		98,279,298	11,199,295
Net Block		<u>3,256,976,626</u>	<u>74,767,491</u>
Capital Work in Progress	6	55,930,822,420	22,219,907,219
Project Development Expenditure	7	6,418,760,935	1,624,519,009
Construction Materials at Site	8	150,502,091	139,198,171
		<u>65,757,062,072</u>	<u>24,058,391,890</u>
INVESTMENTS	9	2,721,435,826	832,269,090
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	10	4,941,631,581	1,917,849,982
Loans and Advances	11	4,741,933,285	1,750,742,104
		<u>9,683,564,866</u>	<u>3,668,592,086</u>
LESS: CURRENT LIABILITIES AND PROVISIONS	12	5,453,075,398	4,096,532,350
NET CURRENT ASSETS		<u>4,230,489,468</u>	<u>(427,940,264)</u>
MISCELLANEOUS EXPENDITURE	13	96,711,826	9,620,264
(To the extent not written off or adjusted)			
BALANCE OF STATEMENT OF EXPENSES		28,167,291	-
TOTAL		<u>72,833,866,483</u>	<u>24,472,340,980</u>

Significant Accounting Policies and Notes on Accounts

14

The accompanying schedules 1 to 14 form an integral part of these accounts

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*

RAJESH S. ADANI *Managing Director*

AMEET H. DESAI *Director*

RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009
Place : Ahmedabad

Date : 19th May, 2009
Place : Ahmedabad

Expense statement for the Year ended 31st March 2009

	Schedule	For the year ended 31 st March, 2009	(Amount in Rupees) For the year ended 31 st March, 2008
EXPENDITURES			
Audit Fees		711,963	-
Preliminary Expenses (See note 3 of Schedule 14)		27,455,328	-
Total Expenses Carried to the Balance Sheet		28,167,291	-
Basic and Diluted EPS (See Note 10 of Schedule 14)		(0.02)	-
Significant Accounting Policies and Notes on Accounts	14		
The accompanying schedules 1 to 14 form an integral part of these accounts			

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

Date : 19th May, 2009

Place : Ahmedabad

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*
RAJESH S. ADANI *Managing Director*
AMEET H. DESAI *Director*
RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009

Place : Ahmedabad

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31 st March, 2009	(Amount in Rupees) As at 31 st March, 2008
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED		
2,500,000,000 Equity Shares of Rs. 10/- Each	25,000,000,000	25,000,000,000
500,000,000 Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- Each	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	<u>30,000,000,000</u>	<u>30,000,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
1,841,976,236 (As at 31st March, 2008- 552,083,333) Fully Paid up Equity Shares of Rs. 10/- Each	18,419,762,360	5,520,833,330
Nil (As at 31st March, 2008 - 150,000,000) Fully Paid up 0.01% Cumulative Compulsorily Convertible Participatory Preference Share of Rs. 10/- Each	<u>-</u>	<u>1,500,000,000</u>
	<u>18,419,762,360</u>	<u>7,020,833,330</u>
Of the above equity shares :		
1. 1,531,440,000 (As at 31st March, 2008 - 500,000,000) Shares are held by Adani Enterprises Ltd., the Holding Company and its nominees.		
2. 32,059,002 (As at 31st March, 2008 - Nil) Shares of Rs. 10/- each were allotted at a premium of Rs.36.78 each on conversion of 0.01% Cumulative Compulsorily Convertible Participatory Preference Shares.		
3. 787,313,868 (As at 31st March, 2008 - Nil) Shares were allotted as fully paid up bonus shares by capitalization of Share Premium Account.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Premium		
As per last Balance Sheet	6,979,166,622	-
Add : Received during the year	4,231,201,980	6,979,166,622
Add : On Equity Shares issued upon conversion of Cumulative Compulsorily Convertible Participatory Preference Shares	1,179,409,980	-
Less: Transfer to Share Capital Account consequent to Issue of Bonus Shares	<u>7,873,138,680</u>	<u>-</u>
	<u>4,516,639,902</u>	<u>6,979,166,622</u>

Schedules forming part of the Balance Sheet as at 31st March, 2009

	(Amount in Rupees)	
	As at 31 st	As at 31 st
	March, 2009	March, 2008
SCHEDULE - 3		
SECURED LOANS		
Term Loans		
From Banks	14,829,631,204	5,559,583,984
From Financial Institution	4,165,381,968	-
Bills Discounted under Letters of Credit (To be converted into Term Loans)	21,901,852,059	4,552,158,044
	<u>40,896,865,231</u>	<u>10,111,742,028</u>

The above borrowings are secured by:

1. Secured Loans aggregating to Rs. 24,780,087,976 (As at 31st March, 2008 - Rs. 8,961,742,028) are secured by :
 - (a) First mortgage and charge on all immovable and movable assets, both present and future of Phase I & Phase II, on paripassu basis; and
 - (b) Corporate Guarantee provided by Mundra Port and Special Economic Zone Limited for Rs. 1,310,000,000.
2. Secured Loans aggregating to Rs.15,429,677,255 (As at 31st March, 2008 - Rs. 1,150,000,000) are secured by first mortgage and charge on all immovable and movable assets, both present and future of Phase III.
3. Secured Loans aggregating to Rs.687,100,000 (As at 31st March, 2008 - NIL) (Subordinate Debt) are secured by second mortgagee and charge on all immovable and movable assets, both present and future of Phase III.
4. The above Secured Loans are further secured by pledge of 531,436,831 Equity Shares of the Company through execution of Pledge Agreement with Adani Enterprises Limited as :
 - a) First charge for Secured Loans from banks aggregating to Rs. 40,209,765,231 (As at 31st March, 2008 - Rs.10,111,742,028); and
 - b) Second charge for Secured Loans from banks aggregating to Rs. 687,100,000 (As at 31st March, 2008 - NIL).
5. Out of above Loans, payable within 12 months is Nil. (As at 31st March 2008 - Nil)

SCHEDULE - 4
UNSECURED LOANS

From Banks	9,000,000,000	-
Out of above loans, Payable within twelve months is Rs. 9,000,000,000. (As at 31st March, 2008 - Nil)	<u>9,000,000,000</u>	<u>-</u>

Schedules forming part of the Balance Sheet as at 31st March, 2009
SCHEDULE - 5
FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 01.04.2008	Additions during the period	Deductions during the period	As at 01.04.2008	For the period	Deductions during the period	As at 31.03.2009	As at 31.03.2008
Tangible Assets								
Land (Lease Hold)	-	2,667,320,346	-	-	26,307,817	-	2,641,012,529	-
Building	-	28,751,241	-	-	28,751,241	-	-	-
Plant and Machinery	20,476,997	503,478,020	-	263,205	16,148,643	-	507,543,168	20,213,792
Furniture and Fixtures	6,910,104	10,415,613	357,954.00	5,300,129	3,870,238	230,547	8,027,943	1,609,975
Computers	28,272,463	7,362,361	119,280.00	2,804,614	5,130,919	11,734	27,591,745	25,467,849
Office Equipments	15,232,271	17,122,331	82,650	1,947,801	1,884,676	5,782	28,445,257	13,284,470
Electrical Installation	-	24,230	-	-	2,841	-	21,389	-
Vehicles	15,074,951	14,873,483	-	883,546	2,069,196	-	26,995,692	14,191,405
Total Tangible Assets	85,966,786	3,249,347,624	559,884	11,199,295	84,165,571	248,063	3,239,637,723	74,767,491
Intangible Assets								
Computer Software	-	20,501,398	-	-	3,162,495	-	17,338,903	-
Total Intangible Assets	-	20,501,398	-	-	3,162,495	-	17,338,903	-
Total Fixed Assets	85,966,786	3,269,849,022	559,884	11,199,295	87,328,066	248,063	3,256,976,626	74,767,491
Previous Year	11,935,769	74,031,017	-	1,493,634	9,705,661	-	74,767,491	-

Schedules forming part of the Balance Sheet as at 31st March, 2009

	(Amount in Rupees)	
	As at 31 st March, 2009	As at 31 st March, 2008
SCHEDULE - 6		
CAPITAL WORK IN PROGRESS		
Land and Site Development	54,620,868	2,714,973,933
Building and Civil Works	2,908,751,342	1,644,970,487
Plant and Machinery (Including in Transit Rs.1,985,862,578) (As at 31st March, 2008 - Rs.492,983,945)	30,197,349,616	8,953,642,956
Electrical Installation	2,157,545,877	238,766,108
Railway Sidings	50,925,826	1,652,209
Desalination Plant	303,723,791	28,725,673
Transmission Line (Including in Transit Rs. Nil)(As at 31st March, 2008 - Rs. 31,180,938)	3,922,716,399	1,335,280,452
Coal Mine	86,727,643	79,896,573
SAP - Software and Implementation	21,775,053	11,434,577
Advances for Capital Expenditure		
Advance to Contractors / Suppliers (Includes Rs.712,329,570 (As at 31st March, 2008 - Rs. 183,094,000) due from a Company under the same management as defined in Section 370 (1-B) - Adani Mundra SEZ Infrastructure Pvt. Ltd.) (Maximum amount due during the year - Rs. 712,329,570 (As at 31st March 2008 - 183,094,000))	16,226,686,004	7,210,564,251
	<u>55,930,822,420</u>	<u>22,219,907,219</u>
SCHEDULE - 7		
PROJECT DEVELOPMENT EXPENDITURE		
Salary and Allowances	572,591,988	151,410,584
Contribution to Provident and other Funds	25,979,040	7,488,686
Employee Welfare Expenses	134,954,034	47,155,333
Administration and Office Expenses	184,939,491	78,048,079
Communication Expenses	17,154,787	6,295,328
Interest and Finance Charges	4,698,573,389	866,881,794
Professional Fees	515,217,031	380,550,070
Stationery & Courier Expenses	8,482,060	4,005,867
Statutory Expenses	29,788,651	27,132,889
Auditor's Remuneration	872,581	872,581
Travelling Expenses	152,729,342	57,791,906
Sub Lease Rent for Land	3,711,426	764,896
Vehicle Running Expenses	63,906,035	32,046,128
Project Insurance	105,800,349	53,018,583
Depreciation	98,665,440	11,337,373
Provision for Taxes		
- Current Tax	56,525,056	48,756,816
- Fringe Benefit Tax	14,105,858	4,246,257
Other Miscellaneous Expenses	22,047,661	7,821,844
	<u>6,706,044,221</u>	<u>1,785,625,014</u>
OTHER INCOME		
Gain on Sale of Securities / Treasury Bills	28,112,249	28,112,249
Interest (Tax deducted at source Rs. 34,303,972) (As at 31st March, 2008 Rs. 23,335,304)	198,374,933	116,614,614
Dividend Income	34,391,603	4,180,884
Other Income	26,404,501	12,198,258
	<u>287,283,286</u>	<u>161,106,005</u>
	<u>6,418,760,935</u>	<u>1,624,519,009</u>

Schedules forming part of the Balance Sheet as at 31st March, 2009

		(Amount in Rupees)	
		As at 31 st March, 2009	As at 31 st March, 2008
SCHEDULE - 8			
CONSTRUCTION MATERIALS AT SITE			
Steel, Cement and Other Materials at Site		150,502,091	139,198,171
		150,502,091	139,198,171
SCHEDULE - 9			
INVESTMENTS			
Long Term Investment			
Unquoted			
In Equity Shares (Fully Paid up)			
	Number of shares/units	Face value per share/unit	
In Subsidiary Companies			
Adani Power Maharashtra Limited (Formerly Adani Power Maharashtra Pvt. Ltd.)	231,300,000	10.00	2,313,000,000
Share Application Money Pending Allotment			273,272,594
Adani Power Dahej Limited (Formerly Dahej Power Pvt. Limited)	50000	10.00	500,000
Share Application Money Pending Allotment			406,400,000
Adani Power Rajasthan Limited	50000	10.00	500,000
Adani Power (Overseas) Limited	2	(20000 AED)	524,127
Mundra Power SEZ Limited	50000	10.00	500,000
Non Trade Investments			
National Savings Certificate (Lying with Govt. Authorities)			11,699
Current Investments			
Mutual Funds			
DWS Liquid Plus Fund	23050637	10.00	-
DWS Insta Cash Fund	24974	10.00	-
DWS Money Plus Fund	30104248	10.00	-
			2,721,435,826
Aggregate value of unquoted Investments Cost			2,721,435,826
Aggregate value of quoted Investments Cost			-
Market Value			532,384,797
Current Investments purchased and sold during the year :			
	Face Value	Units	Amount
Treasury Bills	100.00	550,000,000	-
Govt. of India Securities	100.00	18,500,000	-
State Government Securities	100.00	14,000,000	-
			5,455,216,500
			1,852,453,153
			1,492,640,832

Schedules forming part of the Balance Sheet as at 31st March, 2009

Current Investments purchased and sold during the year :	Face Value	Units	Amount	Amount
Mutual Fund:				
DWS Money Plus Fund- Institutional Plan	10.00	24,979,517	-	250,000,000
DWS Insta Cash Plus Fund Super Institutional Plan	10.00	64,870,259	-	650,000,000
DWS Insta Cash Plus Fund	10.00	9,980,538	-	100,000,000
Birla Sun Life Cash Plus Fund	10.00	59,883,228	350,000,000	-
Birla Sun Life Liquid Plus Fund	10.00	49,966,023	80,000,000	-
Birla Sun Life Short Term Fund	10.00	7,995,602	1,100,000,000	-
DWS Cash Plus Fund	10.00	109,785,917	500,000,000	-
DWS Insta Cash Plus Fund	10.00	14,970,807	600,000,000	-
DWS Liquid Plus Fund	10.00	64,902,646	210,000,000	-
DWSCredit Opportunities Cash Fund	10.00	59,880,240	200,000,000	-
HDFC Cash Management Fund	10.00	4,984,299	65,000,000	-
ICICI Prudential Floating Rate Fund	10.00	35,992,442	100,000,000	-
ICICI Prudential Institutional Liquid Fund	10.00	138,027,937	380,000,000	-
JM High Liquidity Fund	10.00	29,158,615	360,000,000	-
JM Money Manager Fund	10.00	9,994,703	20,000,000	-
Lotus India Liquid Fund	10.00	6,497,856	320,000,000	-
Lotus India Liquid Plus Fund	10.00	9,984,325	435,000,000	-
Reliance Liquid Fund	10.00	27,473,965	250,000,000	-
Reliance Liquidity Fund	10.00	22,992,872	250,000,000	-
Reliance Medium Term Fund	10.00	18,133,427	250,000,000	-
Reliance Money Manager Fund	1000.00	199,785	500,000,000	-
SBI Premier Liquid Fund	10.00	1,993,521	250,000,000	-
SBI Magnum Insta Cash Fund	10.00	31,044,220	250,000,000	-
SBI SHF Liquid Plus Fund	10.00	79,960,020	250,000,000	-
TATA Floater Fund	10.00	83,203,794	250,000,000	-
TATA Liquid Super High Investment Fund	1000.00	583,211	250,000,000	-

(Amount in Rupees)

As at 31st March, 2009	As at 31st March, 2008
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SCHEDULE - 10
CASH AND BANK BALANCES

Cash on Hand	331,277	571,854
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BALANCES WITH SCHEDULED BANKS IN :

Current Accounts	2,585,137,673	1,494,356,086
Fixed Deposits	737,800,000	343,000,000
Margin Money Deposit Against Bank Guarantee (Lying with banks)	1,617,956,260	77,500,000

BALANCES WITH NON-SCHEDULED BANK IN :

Current Account	406,370	2,422,042
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(Maximum Balance outstanding during the year in current account with Bank of China is Rs 29,124,259.08 (As at 31st March, 2008 - Rs. 7,117,009))

4,941,631,581

1,917,849,982

Schedules forming part of the Balance Sheet as at 31st March, 2009

	(Amount in Rupees)	
	As at 31 st March, 2009	As at 31 st March, 2008
SCHEDULE - 11		
LOANS AND ADVANCES		
Unsecured, Considered Good		
Interest Receivable	47,123,161	11,908,938
Prepaid Expenses	37,674,932	39,406,699
Advance to Adani Enterprises Ltd. (Against Coal Supply Agreement)*	1,500,000,000	1,500,000,000
Advance to Adani Power Rajasthan Ltd. (Subsidiary Company)*	600,713,938	613,938
Security Deposits	140,107,728	172,264,568
Advance Recoverable in cash or in kind or for value to be received	2,413,123,385	26,547,961
Advance Tax including Tax Deducted at Source (Net of Provision)	3,190,141	-
	<u>4,741,933,285</u>	<u>1,750,742,104</u>
*Companies under the same management.		
Maximum amount outstanding during the year is as under:		
Adani Enterprises Ltd.- Rs.1,500,000,000 (As at 31st March, 2008 - Rs. 1,500,000,000)		
Adani Power Rajasthan Ltd.- Rs.600,713,938 (As at 31st March, 2008 - Rs. 613,938)		
SCHEDULE - 12		
CURRENT LIABILITIES		
Bills Payable under Letter of Credit	-	15,968,990
Interest Accrued but not Due	254,746,946	80,040,211
Sundry Creditors (See Note (B) 9 of Schedule 14)	4,984,999,236	3,878,612,333
Others	204,133,357	115,995,277
	<u>5,443,879,539</u>	<u>4,090,616,811</u>
PROVISIONS		
Provision for Employee Benefits	9,195,859	3,392,753
Provision for Taxation (Net of Advance Tax)	-	2,522,786
	<u>9,195,859</u>	<u>5,915,539</u>
	<u>5,453,075,398</u>	<u>4,096,532,350</u>
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
(To The extent not written off or adjusted)		
Share Issue Expenses	96,711,826	-
Preliminary Expenses	-	9,620,264
	<u>96,711,826</u>	<u>9,620,264</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) 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.

4) Project Development Expenditure

Expenditure related to and incurred during implementation of capital projects is included under “Capital Work in Progress” or “Project Development 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.

5) Intangible Assets

Computer Software cost is capitalised and recognised as Intangible Assets in terms of Accounting Standard - 26 “Intangible Assets” based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than one year.

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.
- iv) Cost of Lease hold land is amortized over the period of lease.
- v) Cost of Intangible assets are amortised over a period of 5 years.

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 arrangement range between 11 months to Fourteen years, and are renewable by mutual consent on agreed Terms. The aggregate lease rentals payable are charged as rent expenses under “Project Development Expenditure”.

8) Investments

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. Current Investments are carried at lower of cost or fair value.

9) 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.

10) 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 Statement of Expenses 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.

11) Foreign exchange transactions

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the balance sheet date are restated at the rates prevailing on that date. In case of monetary items which are covered by forward exchange contracts, the difference between the rate prevailing on the balance sheet date and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation in respect of the project cost is recognized as "Capital Work in Progress" or "Project Development Expenditure" as the case may be.

12) Employee benefits

i) Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

ii) Provident Fund:

Retirement Benefits in the form of Provident Fund and Family Pension Fund, which are defined benefit contribution schemes, are charged to the Project Development Expenditure Account for the period, in which the contributions to the respective funds accrue till the commencement of commercial production.

iii) Leave Encashment:

Provision for Leave Encashment is determined and accrued on the basis of actuarial valuation.

13) Taxes on Income

Provision for income tax is made on the basis of estimated taxable income for the year at current rates. Current Tax represents the amount of Income Tax Payable/Recoverable in respect of the taxable income/loss for the reporting period.

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

Share Issue Expenses incurred in connection with the proposed IPO of the Company is shown under Miscellaneous Expenditure (to the extent not written off or adjusted). Such expenditure would be adjusted against the Share Premium Account as and when shares will be issued after completion of the IPO. Preliminary expenses are charged to the Statement of Expenses for the period in which the expenses are incurred

15) 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.

(B) Notes on Accounts

1. Contingent liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	As at 31 st March, 2009	As at 31 st March, 2008
Estimated amount of contracts remaining to be executed on capital account and not provided for	124,908,725,337	121,938,553,802
Guarantees issued by the Company's bankers on behalf of the Company	4,138,000,000	3,140,000,000
Letter of Credit facilities provided by banks	6,179,524,350	4,944,200,741
Bonds submitted to Development Commissioner on behalf of Government of India	22,867,178,355	22,250,000,000

2. The Company is setting up its power project and upto 31st March, 2008 did not prepare Statement of Expenses and disclosed project related income and expenditure under the head "Project Development Expenditure". However, from 1st April, 2008, the Company has prepared Statement of Expenses wherein preliminary and common expenses have been accounted for. Under the circumstances, previous year figures have not been disclosed in the Statement of Expenses.
3. Hitherto, the Company followed accounting policy of amortizing preliminary expenditure over a period of five years. However, consequent to the withdrawal of the Guidance Note on "Treatment of Expenditure during Construction Period" by the Institute of Chartered Accountants of India, the Company has charged the preliminary expenses to the Statement of Expenses for the year ended 31st March, 2009. Accordingly, balance of Preliminary Expenses of Rs.9,620,264 as at 31st March 2008 under "Miscellaneous Expenditure" has been charged to the Statement of Expenses for the year and as a result of this change the loss for the year is higher by Rs.27,455,328.
4. The Government of India (GOI) has, vide its letter dated 19th December 2006, granted approval to the Company's proposal for development, operation and maintenance of the sector specific Special Economic Zone(SEZ) for power over an area of 293-88-10 hectares of the Company's land at Village: Tunda & Siracha, Taluka Mundra, Gujarat. Hence all the benefits available to SEZ developer under Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 and amendment made there under are available to the Company.
5. The Project Development Expenditure includes Director's Remuneration:-

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
Managerial Remuneration to the Director	4,564,800	3,426,600
The Above is Inclusive of :		
(a) Salary and Allowance	3,575,000	2,745,000
(a) Estimated Value of Benefits in cash or in kind provided to Director	625,000	435,000
(b) Contribution to Provident and other Funds	273,600	186,600
(c) Contribution to Gratuity Fund	91,200	60,000

6. Auditors Remuneration includes:-

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
Audit Fees		
(a) As included in Project Development Expenditure	-	400,000
(b) As included in Statement of Expenses	700,000	-
Certification Work required to be done by the Statutory Auditors (included in Project Development Expenditure)	1,258,338	-
For other Services (Included in Project Development Expenditure)	170,000	108,867
Total	2,128,338	508,867

7. Operating Leases:-

(Amount in Rupees)

Future Minimum Lease Payments	As at 31 st March, 2009	As at 31 st March, 2008
Not later than one Year	65,601,224	13,377,258
Later than one year and not later than five years	34,688,880	77,000
Later than five years	23,848,605	-

8. 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.

9. The Company's activities during the year revolve around setting up of its power project. 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).

10. Earnings Per Share (EPS):

Basic and Diluted EPS		For the Year 2008-2009
Profit/ (Loss) attributable to equity shareholders	Rs.	(28,167,291)
Weighted average number of equity shares outstanding during the year	Nos.	1,735,451,286
Nominal Value of equity share	Rs.	10
Basic and Diluted EPS	Rs.	(0.02)

11. The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The status of gratuity plan as required under AS-15 (revised):

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
I. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Liability at the beginning of the Year	2,355,698	508,738
Current Service Cost	4,145,033	842,969
Interest Cost	520,059	110,163
Expected Return on Planed Assets	-	-
Net Actuarial losses (gain) recognised	1,717,688	893,828
Liability at the end of the Year	8,738,478	2,355,698
II. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Plan assets at the beginning of the Year, at Fair value	2,058,822	305,643
Expected return on plan assets	763,951	164,706
Contributions	7,490,567	1,753,179
Actuarial gain/(loss) on plan assets	(479,224)	(164,706)
Plan assets at the end of the Year, at Fair Value	9,834,116	2,058,822

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
III. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Obligations at the end of the Year	8,738,478	2,355,698
Plan assets at the end of the Year, at Fair value	9,834,116	2,058,822
Assets / (Liability) recognized in balance sheet as on 31st March, 2009	1,095,638	(296,876)
IV. Gratuity Cost for the Year		
Current service cost	4,145,033	842,969
Interest cost	520,059	110,163
Expected return on plan assets	(763,951)	(164,706)
Actuarial Gain or Loss	2,196,912	1,058,534
Net Gratuity cost	6,098,052	1,846,960
V. Actuarial Assumptions		
Discount Rate (per annum)	7.75%	7.75%
Expected rate of return on plan assets	8.00%	8.00%
Annual Increase in Salary Cost	6.00%	6.00%

The Company has defined benefit plans for Gratuity to eligible employees, contribution for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines

Past four years data for defined benefit obligation and fair value of plan

(Amount in Rupees)

Particulars	2005-06	2006-07	2007-08	2008-09
Present value of defined benefit obligations at the end of the year [independent actuary]	NA	NA	2,355,698	8,738,478
Fair value of plan assets at the end of the year	NA	NA	2,058,822	9,834,116
Net assets / (liability) at the end of year	NA	NA	(296,876)	1,095,638

The actuarial liability for leave encashment and compensated absences as at 31st March 2009 is Rs. 10,903,140. (As at 31st March, 2008 – Rs. 3,167,054)

12. 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

(I) Related Parties where control exists:

Subsidiaries	Adani Power Maharashtra Ltd Adani Power Dahej Ltd Adani Power Rajasthan Ltd Adani Power (Overseas) Limited (W.e.f.13 th October, 2008) Mundra Power SEZ Limited (W.e.f.27 th October, 2008)
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(II) Other related parties:

(i) Holding Company:	Adani Enterprises Limited
(ii) Fellow Subsidiaries:	Adani Global FZE Adani Energy Ltd. Adani Mining Private Limited PT Adani Global Adani Mundra SEZ Infrastructure Pvt.Ltd. (Formerly known as Adicorp Mundra SEZ Infrasturcture Pvt. Ltd.) Aloka Real Estate Pvt. Ltd. Adani Welspun Exploration Limited

(iii) Other parties which are significantly influenced by the company (either Individually or with other):

Adani Infrastructure Services Pvt. Ltd.
Adani Properties Pvt. Ltd.
Mundra Port and Special Economic Zone Ltd.
Adani Wilmar Ltd.
Ezy Global
Karnavati Aviation Pvt. Ltd.

(III) Key Management Personnel:

Shri Gautam S. Adani (Chairman)
Shri Rajesh S. Adani (Managing Director)
Shri R. K .Gupta (Whole Time Director)

(b) Transactions with related parties

Description	Name of related party	Nature of relationship	Value of transactions		Balance as at	
			Year ended 31 st March, 2009	Year ended 31 st March, 2008	31 st March, 2009	31 st March, 2008
Advance for Purchase of Steel	Adani Global FZE	Fellow Subsidiary	-	38,603,065	-	-
Advance for Constructing Employee Township	Adani Mundra SEZ Infrastructure Pvt. Ltd.	Fellow Subsidiary	530,000,000	132,200,000	712,329,570 Dr.	183,094,000 Dr.
Sharing of Common Expenses			62,710,130	13,503,008	-	2,014,679 Cr.
Purchase of Bitumen	Adani Enterprises Ltd.	Holding Company	2,676	8,998,150	-	2,676 Dr.
Interest on Loan			216,986	-	-	-
Coal Purchased			10,32,928	-	-	-
Purchase of HSD			29,588,198	-	6,746,418 Cr.	-
Director Appointment Fee			2,000	-	-	-
Purchase of Granite			3,050,042	-	1,735,149 Cr.	-
Advance as per the terms of Coal Supply Agreement entered into			-	1,500,000,000	1,500,000,000 Dr.	1,500,000,000 Dr.
Loan Taken			110,000,000	-	-	-
Share Application Money			360,000,000	2,553,699,000	599,000 Cr.	360,599,000 Cr.
Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	607,128	704,757	-	-
	Adani Wilmar Limited	Other parties which are significantly influenced by the company (either individually or with others)	978,849	809,975	-	111,991 Cr.
	Mundra Port and Special Economic Zone Ltd.	Other parties which are significantly influenced by the company (either) individually or with others)	1,294,002	-	-	-

13TH ANNUAL REPORT 2008-2009

Description	Name of related party	Nature of relationship	Value of transactions		Balance as at	
			Year ended 31 st March, 2009	Year ended 31 st March, 2008	31 st March, 2009	31 st March, 2008
Investment	Adani Power Maharashtra Ltd.	Subsidiary Company	2,039,627,406	273,372,594	2,313,000,000 Dr.	273,372,594 Dr.
	Adani Power Rajasthan Ltd.	Subsidiary Company	400,000	100,000	500,000 Dr.	100,000 Dr.
	Adani Power (Overseas) Limited	Subsidiary Company	524,127	-	524,127 Dr.	-
	Mundra Power SEZ Limited	Subsidiary Company	500,000	-	500,000 Dr.	-
Share Application Money – Pending Allotment	Adani Power Dahej Limited	Subsidiary Company	380,100,000	-	406,400,000 Dr.	26,300,000 Dr.
Electricity Charges	Adani Wilmar Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	529,535	313,099	-	80,475 Cr.
Lease Rent, Infrastructure Usage Charges & Land Charges	Mundra Port and Special Economic Zone Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	887,650,252	4703,423,942	663,385,438 Cr.	1,575,700,438 Cr.
Storage Charges, Terminal Handling Charges, Wharfage, Crane Hiring, Water Front Royalty, Etc.	Mundra Port and Special Economic Zone Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	53,570,997	3,970,765	14,037,189 Cr.	3,970,765 Cr.
Loans to Companies	Adani Energy Limited	Fellow Subsidiary	-	200,000,000	-	-
	Aloka Real Estate Pvt. Ltd.	Fellow Subsidiary	-	600,000,000	-	-
Interest on Loan from Companies	Adani Energy Limited	Fellow Subsidiary	-	3,289,917	-	-
	Aloka Real Estate Pvt. Ltd.	Fellow Subsidiary	-	4,412,184	-	-
Loan Given	Adani Power Rajasthan Ltd.	Subsidiary Company	600,100,000	613,938	600,713,938 Dr.	613,938 Dr.

13TH ANNUAL REPORT 2008-2009

Description	Name of related party	Nature of relationship	Value of transactions		Balance as at	
			Year ended 31 st March, 2009	Year ended 31 st March, 2008	31 st March, 2009	31 st March, 2008
Purchase of Assets	Adani Power Maharashtra Ltd.	Subsidiary Company	368,863,742	-	-	-
Deposit for Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	10,000,000	-	10,000,000 Dr	-
Fuel Expenses	Adani Energy Ltd	Fellow Subsidiary	41,454	68,096	-	9,736 Cr.
Reimbursement of Expenses	PT Adani Global	Fellow Subsidiary	-	511,518	-	-
	Adani Energy Ltd	Fellow Subsidiary	258,247	-	-	-
	Adani Infrastructure Services Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	192,499	-	-	-
	Karnavati Aviation Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	23,552,288	-	-	-
	Adani Mining Pvt. Ltd.	Fellow Subsidiary	1,751,020	500,000	-	500,000 Cr.
	Mundra Power SEZ Limited	Subsidiary Company	29,775	-	-	-
	Adani Welspun Exploration Limited	Fellow Subsidiary	800,000	-	-	-
Furniture Purchase	Ezy Global	Other parties which are significantly influenced by the company (either individually or with others)	-	414,901	-	-
Salary & Allowances	Sri R. K. Gupta	Key Management Personnel	4,564,800	3,426,600	-	-

13. Foreign Currency Transactions:-

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
(a) C.I.F. Value of Imports Capital Goods	21,552,451,483	7,260,298,451
(b) Expenditure in Foreign Currency Payment for Erection Works	717,662,220	47,549,215
Professional and Consultation Charges	184,608,953	6,077,711
Usance Interest and Other Charges	314,208,726	65,437,747
Travelling Expenses	14,352,516	10,106,085
Project Office Expenses	52,376,797	26,367,581
Other Payments	9,632,835	3,200,385

14. The Company does not use derivative instruments to hedge its Foreign Currency Exposure.

 Foreign currency exposure not hedged by derivative instruments as at 31st March, 2009:

(Amount in Rupees)

Particulars	As at 31st March, 2009	As at 31st March, 2008
(a) Import Creditors	2,581,984,275	1,868,356,393
(b) Advance to Import Creditors	11,581,781,292	5,286,897,204
(c) Bills payable	-	15,949,014
(d) Loan under letter of credit	21,901,852,059	4,552,158,044
(e) Usance Interest accrued but not due	208,921,902	75,745,772

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

Signature to Schedule 1 to 14

As per our attached report of even date
For DELOITTE HASKINS & SELLS
 Chartered Accountants

GAURAV J. SHAH
Partner
 Membership No. 35701

 Date : 19th May, 2009

Place : Ahmedabad

For ADANI POWER LIMITED
GAUTAM S. ADANI *Chairman*
RAJESH S. ADANI *Managing Director*
AMEET H. DESAI *Director*
RAHUL C. SHAH *Company Secretary*

 Date : 19th May, 2009

Place : Ahmedabad

Cash Flow Statement for the period ended on 31st March, 2009

	Year ended 31st March, 2009	(Amount in Rupees) Year ended 31st March, 2008
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Balance as per Statement of Expenses	(28,167,291)	-
Adjustment for:		
Preliminary Expenditure written off	9,620,264	-
NET CASH USED IN OPERATING ACTIVITIES (A)	(18,547,027)	-
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,269,289,138)	(74,031,017)
Capital Work in Progress	(39,451,557,158)	(16,362,527,415)
Sale/(Purchase) of investments	532,384,797	(532,386,114)
Loan to companies	-	-
Investment in Subsidiary	(2,421,551,533)	(299,872,594)
Advance to Subsidiaries	(600,100,000)	-
Advance to Holding Company	-	(1,500,000,000)
Taxes Paid	(12,372,020)	(23,583,156)
NET CASH USED IN INVESTING ACTIVITIES (B)	(45,222,485,052)	(18,792,400,296)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares	8,576,402,300	9,893,099,952
Proceeds from issue of Preference Share Capital	-	1,500,000,000
Increase in Share Application Money	-	160,599,000
Long Term borrowings	30,785,123,204	8,669,056,471
Short Term borrowings	9,000,000,000	-
Miscellaneous Expenditure	(96,711,826)	(9,551,934)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	48,264,813,678	20,213,203,489
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	3,023,781,599	1,420,803,193
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,917,849,982	497,046,789
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,941,631,581	1,917,849,982
	3,023,781,599	1,420,803,193

Notes to Cashflow Statement :

1 Cash and cash equivalents include:

Cash on hand	331,277	571,854
With Scheduled banks:		
Current Accounts	2,585,137,673	1,494,356,086
Fixed Deposit	737,800,000	343,000,000
Margin Money Deposit against Bank Guarantee	1,617,956,260	77,500,000
With Non-Scheduled Bank:		
Current Account	406,370	2,422,042
	4,941,631,581	1,917,849,982

- 2 Previous figures have been restated 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.

As per our attached report of even date

For DELOITTE HASKINS & SELLS

Chartered Accountants

GAURAV J. SHAH

Partner

Membership No. 35701

Date : 19th May, 2009

Place : Ahmedabad

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*

RAJESH S. ADANI *Managing Director*

AMEET H. DESAI *Director*

RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009

Place : Ahmedabad

STATEMENT PURUSANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956

Particulars	Adani Power Maharashtra Limited	Adani Power Dahej Limited	Adani Power Rajasthan Limited	Mundra Power SEZ Limited	Adani Power (overseas) Limited
1. Financial Year of the subsidiary company ended on	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009
2. Extent of interest in subsidiary companies	76.64%	100%	100%	100%	100%
3. Net aggregate amount of the profits of the subsidiary company as far as it concerns the members of the company.					
(i) Dealt with in the company's accounts:-					
(a) for the financial year of subsidiary company	N.A	N.A	N.A	N.A	N.A
(b) for the previous financial year of the subsidiary company	N.A	N.A	N.A	N.A	N.A
(ii) Not dealt with in the company's accounts:-					
(a) for the financial year of subsidiary company	N.A	N.A	N.A	N.A	N.A
(b) for the previous financial year of the subsidiary company	N.A	N.A	N.A	N.A	N.A
4. Statement of changes under section 212(5) of the Companies Act, 1956:					
(i) Fixed Assets, Capitalized Assets & WIP	N.A	N.A	N.A	N.A	N.A
(ii) Investments	N.A	N.A	N.A	N.A	N.A
(iii) Monies Lent	N.A	N.A	N.A	N.A	N.A
(iv) Monies borrowed / Term Loan for its ongoing project from the banks/ financial institutions	N.A	N.A	N.A	N.A	N.A

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT 1956

Name of subsidiary company	Adani Power Maharashtra Limited	Adani Power Dahej Limited	Adani Power Rajasthan Limited	Mundra Power SEZ Ltd.	Adani Power (Overseas) Limited
Paid up Capital	3,018,000,000	500,000	500,000	500,000	524,127
Reserves & surplus (adjusted for debit balance in P&L account, wherever applicable)	(23,749,773)	(3,154,690)	(48,236)	(51,835)	(244,571)
Total Assets (Fixed Assets Current Assets)	3,159,787,517	404,311,172	601,520,865	476,225	279,556
Total liabilities (Debts + current liabilities + Provisions)	165,537,290	565,862	355,163	28,060	-
Investments	-	-	-	-	-
Turnover	-	-	-	-	-
Profit/(Loss) before tax (Expenditure before tax)	(23,749,773)	(3,154,690)	(48,236)	(51,835)	(244,571)
Provision for taxation	-	-	-	-	-
Profit/(Loss) after tax (Expenditure after tax)	(23,749,773)	(3,154,690)	(48,236)	(51,835)	(244,571)
Proposed Dividend	-	-	-	-	-

Consolidated Auditors' Report to the Board of Directors Adani Power Limited

We have audited the attached Consolidated Balance Sheet of Adani Power Limited (the "Company") and its Subsidiaries (collectively referred to as "the Group"), as at 31st March 2009 and also the Consolidated Statement of Expenses and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Financial Statements of one subsidiary, which reflect total assets of Rs.476,225 as at 31st March, 2009 have been audited by us.

We did not audit the financial statements of subsidiary companies Adani Power Maharashtra Limited, Adani Power Dahej Limited, Adani Power Rajasthan Limited and Adani Power (Overseas) Limited whose financial statements reflect total assets of Rs. 4,165,899,110 as at 31st March 2009; total expenses of Rs.21,649,361 and net cash in flows amounting to Rs. 639,967,745 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the Adani Power Limited's management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of the information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
- (b) in the case of the Consolidated Statement of Expenses, of the expenses for the year ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells,
Chartered Accountants

(Gaurav J. Shah)
Partner
Membership No.35701

Place: Ahmedabad
Date : 19th May, 2009

Consolidated Balance Sheet as at 31st March, 2009

(Amount in Rupees)

	Schedule	As at 31 st March, 2009	As at 31 st March, 2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	18,419,762,360	7,020,833,330
Share Application Money		598,990	410,599,000
Reserves & Surplus	2	<u>4,516,639,902</u>	<u>6,979,166,622</u>
		22,937,001,252	14,410,598,952
MINORITY INTEREST		699,422,891	-
LOAN FUNDS			
Secured Loans	3	40,896,865,231	10,111,742,028
Unsecured Loans	4	9,000,000,000	-
TOTAL		<u>73,533,289,374</u>	<u>24,522,340,980</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		3,471,726,726	183,508,473
Less: Accumulated Depreciation		<u>103,549,440</u>	<u>12,545,019</u>
Net Block		3,368,177,286	170,963,454
Capital Work in Progress	6	57,603,988,486	22,274,444,882
Project Development Expenditure	7	7,999,716,487	2,039,455,445
Construction Materials at Site	8	<u>285,428,270</u>	<u>149,054,693</u>
		69,257,310,529	24,633,918,474
INVESTMENTS	9	11,699	532,396,496
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	10	5,585,468,698	1,920,975,377
Loans and Advances	11	<u>4,163,479,909</u>	<u>1,762,446,471</u>
		9,748,948,607	3,683,421,849
LESS: CURRENT LIABILITIES AND PROVISIONS	12	<u>5,619,561,773</u>	<u>4,360,641,861</u>
NET CURRENT ASSETS		4,129,386,834	(677,220,012)
MISCELLANEOUS EXPENDITURE	13	96,711,826	33,246,022
(To The extent not written off or adjusted)			
BALANCE OF STATEMENT OF EXPENSES		49,868,486	-
TOTAL		<u>73,533,289,374</u>	<u>24,522,340,980</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 DELOITTE HASKINS & SELLS
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

Date : 19th May, 2009
Place : Ahmedabad

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*

RAJESH S. ADANI *Managing Director*

AMEET H. DESAI *Director*

RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009
Place : Ahmedabad

Consolidated Statement of Expenses for the Year ended 31st March, 2009

	Schedule	For the year ended 31st March, 2009	(Amount in Rupees) For the year ended 31st March, 2008
Expenditures			
Audit Fees		977,664	-
Preliminary Expenses (See note (B) 4 of Schedule 14)		<u>54,438,732</u>	-
Total Expenses		<u><u>55,416,396</u></u>	-
Minority Interest		<u>5,547,909</u>	-
Net Expenses carried to the Balance Sheet		<u><u>49,868,486</u></u>	-
Basic and Diluted EPS (see note (B) 10 of Schedule 14)		(0.03)	
Significant Accounting Policies and Notes on Accounts	14		

The accompanying schedules 1 to 14 form an integral part of these accounts

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

Date : 19th May, 2009
Place : Ahmedabad

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*
RAJESH S. ADANI *Managing Director*
AMEET H. DESAI *Director*
RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009
Place : Ahmedabad

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31 st March, 2009	(Amount in Rupees) As at 31 st March, 2008
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED		
2,500,000,000 Equity Shares of Rs. 10/- Each	25,000,000,000	25,000,000,000
500,000,000 Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- Each	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	<u>30,000,000,000</u>	<u>30,000,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
1,841,976,236 (As at 31st March, 2008- 552,083,333) Fully Paid up Equity Shares of Rs. 10/- Each	18,419,762,360	5,520,833,330
Nil (As at 31st March, 2008 - 150,000,000) Fully Paid up 0.01% Cumulative Compulsorily Convertible Participatory Preference Share of Rs. 10/- Each	-	<u>1,500,000,000</u>
	<u>18,419,762,360</u>	<u>7,020,833,330</u>
Of the above equity shares :		
1. 1,531,440,000 (As at 31st March, 2008 - 500,000,000) Shares are held by Adani Enterprises Ltd., the Holding Company and its nominees.		
2. 32,059,002 (As at 31st March, 2008 - Nil) Shares of Rs. 10/- each were allotted at a premium of Rs.36.78 each on conversion of 0.01% Cumulative Compulsorily Convertible Participatory Preference Shares.		
3. 787,313,868 (As at 31st March 2008 - Nil) Shares were allotted as fully paid up bonus shares by capitalization of Share Premium Account.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Premium		
As per last Balance Sheet	6,979,166,622	-
Add : Received during the year	4,231,201,980	6,979,166,622
Add : On Equity Shares issued upon conversion of Cumulative Compulsorily Convertible Participatory Preference Shares	1,179,409,980	-
Less: Transfer to Share Capital Account consequent to Issue of Bonus Shares	<u>7,873,138,680</u>	-
	<u>4,516,639,902</u>	<u>6,979,166,622</u>
SCHEDULE - 3		
SECURED LOANS		
Term Loans		
From Banks	14,829,631,204	5,559,583,984
From Financial Institution	4,165,381,968	-
Bills Discounted under Letters of Credit (To be converted into Term Loans)	<u>21,901,852,059</u>	<u>4,552,158,044</u>
	<u>40,896,865,231</u>	<u>10,111,742,028</u>
SCHEDULE - 4		
UNSECURED LOANS		
From Banks	<u>9,000,000,000</u>	-
	<u>9,000,000,000</u>	-

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009
**SCHEDULE - 5
FIXED ASSETS**

(Amount in Rupees)

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 01.04.2008	Additions during the year	Deductions during the year	As at 01.04.2008	For the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Tangible Assets								
Land Lease Hold	64,789,130	2,668,850,346	-	654,434	26,971,268	2,706,013,774	2,706,013,774	64,134,696
Building	8,921,530	28,751,241	-	21,393	28,896,662	8,754,716	8,754,716	8,900,137
Plant and Machinery	39,111,647	513,589,324	-	399,185	17,334,746	534,967,040	534,967,040	38,712,462
Furniture and Fixtures	7,571,996	12,643,175	357,954	5,689,451	4,837,751	9,560,562	9,560,562	1,882,545
Computers	29,598,725	10,525,476	119,280	2,822,447	5,711,255	31,482,953	31,482,953	26,776,278
Office Equipments	16,736,528	19,019,462	82,650	2,041,314	2,104,597	31,533,211	31,533,211	14,695,214
Electrical Installation	-	24,230	-	-	2,841	21,389	21,389	-
Vehicles	16,778,917	14,873,483	-	916,795	2,230,869	28,504,737	28,504,737	15,862,122
Total Tangible Assets	183,508,473	3,268,276,739	559,884	12,545,019	88,089,989	3,350,838,382	3,350,838,382	170,963,454
Intangible Assets								
Computer Software	-	20,501,398	-	-	3,162,495	17,338,903	17,338,903	-
Total Intangible Assets	-	20,501,398	-	-	3,162,495	17,338,903	17,338,903	-
Total Fixed Assets	183,508,473	3,288,778,137	559,884	12,545,019	91,252,484	3,368,177,285	3,368,177,285	170,963,454
Previous Year	11,935,769	171,572,704	-	1,493,634	11,051,385	170,963,454	170,963,454	-

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

	(Amount in Rupees)	
	As at 31 st March, 2009	As at 31 st March, 2008
SCHEDULE - 6		
CAPITAL WORK IN PROGRESS		
Land and Site Development	129,854,063	2,714,973,932
Building and Civil Works	3,035,259,465	1,647,926,078
Plant and Machinery (Including in Transit Rs.1,985,862,578)(As at 31st March, 2008 - Rs.492,983,945)	30,211,388,567	8,953,642,956
Electrical Installation	2,244,672,419	238,766,108
Railway Sidings	50,925,826	1,652,209
Desalination Plant	303,723,791	28,725,673
Transmission Line (Including in Transit Rs. Nil)(As at 31st March, 2008 - Rs. 31,180,938)	3,922,716,399	1,335,280,452
Coal Mine	86,727,643	79,896,573
SAP - Software and Implementation	21,775,053	11,434,577
Advances for Capital Expenditure		
Advance to Contractors / Suppliers	17,596,945,261	7,262,146,324
The amount includes -		
(a) Rs. 712,329,570 (As at 31st March, 2008 - Rs. 183,094,000) due from a Company under the same management as defined in Section 370 (1-B) - Adani Mundra SEZ Infrastructure Pvt. Ltd.) (Maximum amount due during the year - Rs. 712,329,570 (As at 31st March, 2008 - Rs. 183,094,000))		
(b) Rs. 200,000,000 (As at 31st March 2008 - Rs Nil) due from the Company under same management as defined in section 370(1-B) - Adani Infrastructure and Developers Private Limited.) (Maximum amount due during the year Rs. 200,000,000. (As at 31st March 2008 - Rs. Nil))		
	<u><u>57,603,988,486</u></u>	<u><u>22,274,444,882</u></u>

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

	(Amount in Rupees)	
	As at 31 st March, 2009	As at 31 st March, 2008
SCHEDULE - 7		
PROJECT DEVELOPMENT EXPENDITURE		
Salary and Allowances	617,735,553	153,596,699
Contribution to Provident and other Funds	29,820,602	7,730,847
Employee Welfare Expenses	145,159,607	49,733,718
Administration and Office Expenses	227,606,316	88,844,311
Communication Expenses	17,156,814	6,295,328
Interest and Finance Charges	6,034,328,486	1,216,563,645
Professional Fees	590,388,981	389,846,524
Stationery & Courier Expenses	9,363,333	4,179,947
Statutory Expenses	29,801,645	27,132,889
Auditor's Remuneration	942,806	942,806
Traveling Expenses	169,196,900	62,166,596
Sub Lease Rent for Land	3,711,426	764,896
Vehicle Running Expenses	72,286,984	32,694,606
Project Insurance	105,800,349	53,018,583
Depreciation	103,935,582	12,683,097
Provision for Taxes		
- Current Tax	56,664,870	48,756,816
- Fringe Benefit Tax	16,079,347	4,903,569
Other Miscellaneous Expenses	62,032,161	40,766,573
	8,292,011,763	2,200,621,450
OTHER INCOME		
Gain on Sale of Securities / Treasury Bills	28,112,249	28,112,249
Interest (Tax deducted at source Rs. 36,230,256) (As at 31st March, 2008 Rs. 23,335,304)	202,626,923	116,614,614
Dividend Income	34,391,603	4,180,884
Other Income	27,164,501	12,258,258
	292,295,276	161,166,005
	7,999,716,487	2,039,455,445
SCHEDULE - 8		
CONSTRUCTION MATERIALS AT SITE		
Steel, Cement and Other Materials at Site	285,428,270	149,054,693
	285,428,270	149,054,693

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

		(Amount in Rupees)	
		As at 31 st March, 2009	As at 31 st March, 2008
SCHEDULE - 9			
INVESTMENTS			
Non Trade Investments			
National Savings Certificate (Lying with Govt. Authorities)		11,699	11,699
Current Investments			
Mutual Funds			
DWS Liquid Plus Fund	23050637	10.00	-
DWS Insta Cash Fund	24974	10.00	-
DWS Money Plus Fund	30104248	10.00	-
		11,699	532,396,496
Aggregate value of unquoted Investments			
Cost		11,699	11,699
Aggregate value of quoted Investments			
Cost		-	532,396,496
Market Value		-	532,396,496
As at 31st March, 2009			
Current Investments purchased and sold during the Period:		Face Value	Units
Treasury Bills	100.00	550,000,000	-
Govt. of India Securities	100.00	18,500,000	-
State Government Securities	100.00	14,000,000	-
Mutual Fund:			
DWS Money Plus Fund- Institutional Plan	10.00	24,979,517	-
DWS Insta Cash Plus Fund Super Institutional Plan	10.00	64,870,259	-
DWS Insta Cash Plus Fund	10.00	9,980,538	-
Birla Sun Life Cash Plus Fund	10.00	59,883,228	350,000,000
Birla Sun Life Liquid Plus Fund	10.00	49,966,023	80,000,000
Birla Sun Life Short Term Fund	10.00	7,995,602	1,100,000,000
DWS Cash Plus Fund	10.00	109,785,917	500,000,000
DWS Insta Cash Plus Fund	10.00	14,970,807	600,000,000
DWS Liquid Plus Fund	10.00	64,902,646	210,000,000
DWSCredit Opportunities Cash Fund	10.00	59,880,240	200,000,000
HDFC Cash Management Fund	10.00	4,984,299	65,000,000
ICICI Prudential Floating Rate Fund	10.00	35,992,442	100,000,000
ICICI Prudential Institutional Liquid Fund	10.00	138,027,937	380,000,000
JM High Liquidity Fund	10.00	29,158,615	360,000,000
JM Money Manager Fund	10.00	9,994,703	20,000,000
Lotus India Liquid Fund	10.00	6,497,856	320,000,000
Lotus India Liquid Plus Fund	10.00	9,984,325	435,000,000
Reliance Liquid Fund	10.00	27,473,965	250,000,000
Reliance Liquidity Fund	10.00	22,992,872	250,000,000
Reliance Medium Term Fund	10.00	18,133,427	250,000,000
Reliance Money Manager Fund	1000.00	199,785	500,000,000
SBI Premier Liquid Fund	10.00	1,993,521	250,000,000
SBI Magnum Insta Cash Fund	10.00	31,044,220	250,000,000
SBI SHF Liquid Plus Fund	10.00	79,960,020	250,000,000
TATA Floater Fund	10.00	83,203,794	250,000,000
TATA Liquid Super High Investment Fund	1000.00	583,211	250,000,000

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31 st March, 2009	(Amount in Rupees) As at 31 st March, 2008
SCHEDULE - 10		
CASH AND BANK BALANCES		
Cash on Hand	437,132	692,180
BALANCES WITH BANK :		
Current Accounts	3,004,620,656	1,499,783,197
Fixed Deposits	962,454,650	343,000,000
Margin Money Deposit Against Bank Guarantee (lying with banks)	1,617,956,260	77,500,000
	<u>5,585,468,698</u>	<u>1,920,975,377</u>
SCHEDULE - 11		
LOANS AND ADVANCES		
Unsecured, Considered Good		
Interest Receivable	48,416,029	11,908,938
Prepaid Expenses	37,674,932	39,406,699
Advance to Adani Enterprises Ltd. (Against Coal Supply Agreement)*	1,500,000,000	1,500,000,000
Security Deposits	146,960,528	172,293,368
Advance Tax including Tax Deducted at Source (Net of Provision)	4,614,103	-
Advance Recoverable in cash or in kind or for value to be received	2,425,789,317	38,812,466
Balance With Salex Tax Authorities	25,000	25,000
	<u>4,163,479,909</u>	<u>1,762,446,471</u>
*Companies under the same management. Maximum amount outstanding during the period is as under: Adani Enterprises Ltd. - Rs. 1,500,000,000 (As at 31st March, 2008 - Rs. 1,500,000,000)		
SCHEDULE - 12		
CURRENT LIABILITIES		
Bills Payable under Letter of Credit	-	15,968,990
Interest Accrued but not Due	254,746,946	80,040,211
Sundry Creditors (See Note (B) 9 of Schedule 14)	5,141,979,214	4,142,309,957
Others	211,547,421	116,096,382
	<u>5,608,273,581</u>	<u>4,354,415,540</u>
PROVISIONS		
Provision for Employee Benefits	11,288,191	3,652,659
Provision for Taxation (Net of Advance Tax)	-	2,573,662
	<u>11,288,191</u>	<u>6,226,321</u>
	<u>5,619,561,773</u>	<u>4,360,641,861</u>
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
(To The extent not written off or adjusted)		
Share Issue Expenses	96,711,826	-
Preliminary Expenses	-	33,246,022
	<u>96,711,826</u>	<u>33,246,022</u>

SCHEDULE – 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

(A) Significant Accounting Policies

1) Basis of preparation of consolidated 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) Principles of consolidation

The consolidated financial statements comprise the financial statements of Adani Power Limited and its wholly owned subsidiaries.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets and liabilities after eliminating intra-group balances/transactions in full.

These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

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) Project Development Expenditure

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Project Development 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) Intangible Assets

Computer Software cost is capitalised and recognised as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than one year.

7) 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.
- iv) Cost of Leasehold land will be amortized over a period of lease.
- v) Cost of Intangible assets are amortized over a period of 5 years

8) Leases

The Company's significant leasing arrangements are in respect of operating leases for land, office premises, and residential facilities for employees and guest houses. The leasing arrangement range between 11 months and fourteen years, and are renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent expenses under "Project Development Expenditure".

9) Investments

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. Current Investments are carried at lower of cost or fair value.

10) 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.

11) 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 Statement of Expenses 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.

12) Foreign exchange transactions

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the balance sheet date are restated at the rates prevailing on that date. In case of monetary items which are covered by forward exchange contracts, the difference between the rate prevailing on the balance sheet date and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation in respect of the project cost is recognized as "Capital Work in Progress" or "Project Development Expenditure" as the case may be.

13) Employee benefits

i) Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employee through Group Gratuity scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

ii) Provident Fund:

Retirement Benefits in the form of Provident Fund and Family Pension Fund, which are defined benefit contribution schemes, are charged to the Project Development Expenditure Account for the period, in which the contributions to the respective funds accrue till the commencement of commercial production.

iii) Leave Encashment:

Provision for Leave Encashment is determined and accrued on the basis of actuarial valuation.

14) Taxes on Income

Provision for income tax is made on the basis of estimated taxable income for the year at current rates. Current Tax represents the amount of Income Tax Payable/Recoverable in respect of the taxable income/loss for the reporting period.

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

Share Issue Expenses incurred in connection with the proposed IPO of the Company is shown under Miscellaneous Expenditure (to the extent not written off or adjusted). Such expenditure would be adjusted against the Share Premium Account as and when shares will be issued after completion of the IPO. Preliminary expenses are charged to the Statement of Expenses for the period in which the expenses are incurred

16) 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.

(B) Notes on Accounts

1. Details of Subsidiaries:-

The Consolidated financial statements comprise the financial statements of the parent company, Adani Power Ltd. (APL) and the following wholly owned subsidiaries (together referred to as 'Group'):

Name of the subsidiary	Country of Incorporation	Effective Ownership in subsidiaries as at	
		31.03.2009	31.03.2008
Adani Power Maharashtra Ltd. (formerly known as Adani Power Maharashtra Pvt. Ltd.)	India	76.64%	100%
Adani Power Dahej Ltd. (formerly known as Dahej Power Pvt. Ltd.)	India	100%	100%
Adani Power Rajasthan Ltd. (formerly known as Adani Power Rajasthan Pvt. Ltd.)	India	100%	100%
Adani Power (Overseas) Limited (w. e. f. - 13 th October 2008)	United Arab Emirates	100%	-
Mundra Power SEZ Ltd (w.e.f - 27 th October 2008)	India	100%	-

2. Contingent liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	As at 31 st March, 2009	As at 31 st March, 2008
Estimated amount of contracts remaining to be executed on capital account and not provided for	211,512,228,337	162,228,515,747
Guarantees issued by the Company's bankers on behalf of the Company	4,138,000,000	3,140,000,000
Letter of Credit facilities provided by banks	6,179,524,350	4,944,200,741
Bonds submitted to Development Commissioner on behalf of Government of India	22,867,178,355	22,250,000,000

3. The Company is setting up its power project and upto 31st March, 2008 did not prepare Statement of Expenses and disclosed project related income and expenditure under the head "Project Development Expenditure". However, from 1st April, 2008, the Company has prepared Statement of Expenses wherein preliminary and common expenses have been accounted for. Under the circumstances, previous period figures have not been disclosed in the Statement of Expenses.

4. Hitherto, the Company followed accounting policy of amortizing preliminary expenditure over a period of five years. However, consequent to the withdrawal of the Guidance Note on "Treatment of Expenditure during Construction Period" by the Institute of Chartered Accountants of India, the Company has charged the preliminary expenses to the Statement of Expenses for the year ended 31st March, 2009. Accordingly, balance of Preliminary Expenses of Rs. 33,246,022 as at 31st March 2008 under "Miscellaneous Expenditure" has been charged to the Statement of Expenses for the year and as a result of this change the expenses for the period is higher by Rs. 54,438,732.

5. The Project Development Expenditure includes Director's Remuneration:-

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
Managerial Remuneration to the Director	4,564,800	3,426,600
The Above is Inclusive of :		
(a) Salary and Allowances	3,575,000	2,745,000
(b) Estimated Value of Benefits in cash or in kind provided to Director	625,000	435,000
(c) Contribution to Provident and other Funds	273,600	186,600
(d) Contribution to Gratuity Fund	91,200	60,000

6. Auditor's Remuneration includes:-

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
Audit Fees		
(a) As included in Project Development Expenditure	-	400,000
(b) As included in Statement of Expenses	965,701	-
Certification Work required to be done by the Statutory Auditors (included in Project Development Expenditure)	1,280,810	-
For other Services (Included in Project Development Expenditure)	247,765	108,867
Total	2,494,276	508,867

7. Operating Leases:-

(Amount in Rupees)

Future Minimum Lease Payments	As at 31 st March 2009	As at 31 st March 2008
Not later than one year	68,464,494	16,370,898
Later than one year and not later than five years	40,443,600	8,688,525
Later than five years	27,722,495	5,047,770

8. There are no Micro, Small and Medium Enterprises, to whom the Group 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.

9. The Group's activities during the year evolve around setting up of its power project. Considering the nature of Company's business and operation, 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).

10. Earnings Per Share (EPS):

Basic and Diluted EPS		For the Year ended 31 st March, 2009
Profit/ (Loss) attributable to equity shareholders	Rs.	(49,868,486)
Weighted average number of equity shares outstanding during the year / period	Nos.	1,735,451,286
Nominal Value of equity share	Rs.	10
Basic and Diluted EPS	Rs.	(0.03)

11. The Group operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The status of gratuity plan as required under AS-15 (revised):

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
I. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Liability at the beginning of the Year/Period	2,355,698	508,738
Current Service Cost	4,436,068	842,969
Interest Cost	540,405	110,163
Expected Return on Planed Assets	-	-
Benefits Paid	(73,415)	-
Net Actuarial losses (gain) recognised in Period	2,429,595	893,828
Liability at the end of the Year	9,688,351	2,355,698
II. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Plan assets at the beginning of the Year, at Fair value	2,058,822	305,643
Expected return on plan assets	763,951	164,706
Contributions	7,563,982	1,753,179
Benefits Paid	(73,415)	-
Actuarial gain/(loss) on plan assets	(479,224)	(164,706)
Plan assets at the end of the Year, at Fair Value	9,834,116	2,058,822
III. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Obligations at the end of the Year	9,688,351	2,355,698
Plan assets at the end of the Year, at Fair value	9,834,116	2,058,822
(Asset)/Liability recognized in balance sheet as at 31 st March 2009	(145,765)	296,876
IV. Gratuity Cost for the Year		
Current service cost	4,436,068	842,969
Interest cost	540,405	110,163
Expected return on plan assets	(763,951)	(164,706)
Actuarial Gain or Loss	2,908,819	1,058,534
Net Gratuity cost	7,121,340	1,846,960
V. Actuarial Assumptions		
Discount Rate (per annum)	7.75%	7.75%
Expected rate of return on plan assets	8.00%	8.00%
Annual Increase in Salary Cost	6.00%	6.00%

The Company has defined benefit plans for Gratuity to eligible employees, contribution for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines Past four years data for defined benefit obligation and fair value of plan

(Amount in Rupees)

Particulars	2005-06	2006-07	2007-08	2008-09
Present value of defined benefit obligations at the end of the period [independent actuary]	NA	NA	2,355,698	9,688,351
Fair value of plan assets at the end of the period	NA	NA	2,058,822	9,834,116
Net assets / (liability) at the end of period	NA	NA	(296,876)	145,765

The actuarial liability for leave encashment and compensated absences as at the period ended 31st March 2009 is Rs. 12,045,599 (As at 31st March, 2008 – Rs. 3,258,859)

12. 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

(I) Related parties:

(i) Holding Company:

Adani Enterprises Limited

(ii) Fellow Subsidiaries :

Adani Global FZE

Adani Energy Ltd.

Adani Mining Private Limited

PT Adani Global

Adani Infrastructure and Developers Pvt. Ltd

Adani Mundra SEZ Infrastructure Pvt. Ltd.

(Formerly known as Adicorp Mundra SEZ Infrastructure Pvt. Ltd.)

Aloka Real Estate Pvt. Ltd.

Adani Welspun Exploration Limited

(iii) Other parties

Which are significantly influenced by the company (either individually or with others):

Mundra Port and Special Economic Zone Ltd.

Adani Infrastructure Services Pvt. Ltd.

Adani Wilmar Ltd.

Adani Properties Pvt. Ltd.

Ezy Global

Karnavati Aviation Pvt. Ltd.

(II) Key Management Personnel :

Shri Gautam S. Adani (Chairman)

Shri Rajesh S. Adani (Managing Director)

Shri R. K .Gupta (Whole Time Director)

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(b) Transactions with related parties

Description	Name of related party	Nature of relationship	Value of transactions		(Amount in Rupees)	
			Year ended 31 st March, 2009	Year ended 31 st March, 2008	31 st March, 2009	Balance as at 31 st March, 2008
Advance for Purchase of Steel	Adani Global FZE	Fellow Subsidiary	-	38,603,065	-	-
Advance for Constructing Employee Township	Adani Mundra SEZ Infrastructure Pvt. Ltd.	Fellow Subsidiary	530,000,000	132,200,000	712,329,570 Dr.	183,094,000 Dr.
Sharing of Common Expenses	Adani Enterprises Ltd.	Holding Company	62,710,130	13,503,008	-	2,014,679 Cr.
Purchase of Bitumen			2,676	8,998,150	-	2,676 Dr.
Interest on Loan			216,986	-	-	-
Coal Purchase			1,032,928	-	-	-
Purchase of HSD			29,588,198	-	6,746,418 Cr	-
Director Appointment Fees			2,000	-	-	-
Purchase of Granite			3,050,042	-	1,735,149 Cr	-
Advance as per the terms of Coal Supply Agreement entered into			-	1,500,000,000	1500,000,000 Dr	1,500,000,000 Dr.
Loan Taken			110,000,000	-	-	-
Share Application Money			360,000,000	2,553,699,000	599,000 Cr.	360,599,000 Cr.
Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	607,128	704,757	-	-
	Adani Wilmar Limited	Other parties which are significantly influenced by the company (either individually or with others)	978,849	809,975	-	111,991 Cr.
	Mundra Port and Special Economic Zone Limited	Other parties which are significantly influenced by the company (either individually or with others)	1,294,002	-	-	-

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(Amount in Rupees)

Description	Name of related party	Nature of relationship	Value of transactions		Balance as at	
			Year ended 31 st March, 2009	Year ended 31 st March, 2008	31 st March, 2009	31 st March, 2008
Electricity Charges	Adani Wilmar Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	529,535	313,099	-	80,475 Cr.
Lease Rent, Infrastructure Usage Charges & Land Charges	Mundra Port and Special Economic Zone Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	887,650,252	4,703,423,942	663,385,438 Cr.	1,575,700,438 Cr.
Storage Charges, Terminal Handling Charges, Wharfage, Crane Hiring, Water Front Royalty, Etc.			53,570,997	3,970,765	14,037,189 Cr.	3,970,765 Cr.
Loans to Companies	Adani Energy Limited	Fellow Subsidiary	-	200,000,000	-	-
	Aloka Real Estate Pvt. Ltd.	Fellow Subsidiary	-	600,000,000	-	-
Interest on Loan from Companies	Adani Energy Limited	Fellow Subsidiary	-	3,289,917	-	-
	Aloka Real Estate Pvt. Ltd.	Fellow Subsidiary	-	4,412,184	-	-
Deposit for Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	10,000,000	-	10,000,000Dr.	-
Fuel Expenses	Adani Energy Limited	Fellow Subsidiary	41,454	68,096	-	9,736 Cr.

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(Amount in Rupees)

Description	Name of related party	Nature of relationship	Value of transactions		Balance as at	
			Year ended 31 st March, 2009	Year ended 31 st March, 2008	31 st March, 2009	31 st March, 2008
Reimbursement of Expenses	PT Adani Global	Fellow Subsidiary	-	511,518	-	-
	Adani Energy Ltd	Fellow Subsidiary	258,247	-	-	-
	Adani Infrastructure Services Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	192,499	-	-	-
	Karnavati Aviation Private Limited	Other parties which are significantly influenced by the company (either individually or with others)	26,133,384	-	-	-
Furniture Purchase	Adani Mining Pvt. Ltd.	Fellow Subsidiary	6,299,317	1,315,635	-	1,317,635 Cr.
	Adani Welspun Exploration Limited	Fellow Subsidiary	800,000	-	-	-
	Ezy Global	Other parties which are significantly influenced by the company (either individually or with others)	-	414,901	-	-
Salary & Allowances	Sri R. K. Gupta	Key Management Personnel	4,564,800	3,426,600	-	-
Advance	Adani Infrastructure and Developers Private Limited	Fellow Subsidiary	200,000,000	-	200,000,000 Cr.	-

13. Foreign Currency Transactions:-

(Amount in Rupees)

Particulars	For the Year 2008-2009	For the Year 2007-2008
(a) C.I.F. Value of Imports Capital Goods	21,943,245,167	7,260,298,451
(b) Expenditure in Foreign Currency Payment for Erection Works Professional and Consultation Charges Usance Interest and Other Charges Travelling Expenses Project Office Expenses Other Payments	717,662,220 184,608,953 314,208,726 15,531,796 52,376,797 9,632,835	47,549,215 6,077,711 65,437,747 10,106,085 26,367,581 3,200,385

14. The Company does not use derivative instruments to hedge its Foreign Currency Exposure.
Foreign currency exposure not hedged by derivative instruments.

(Amount in Rupees)

Particulars	As at 31st March, 2009	As at 31st March, 2008
(a) Capital Imports	2,581,984,275	1,868,356,393
(b) Advance to Import Creditors	11,581,781,292	5,286,897,204
(c) Bills payable	-	15,949,014
(d) Loan under letter of credit	21,901,852,059	4,552,158,044
(e) Usance Interest Accrued but not Due	208,921,902	75,745,772

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

Signature to Schedule 1 to 14

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

 Date : 19th May, 2009
Place : Ahmedabad

For ADANI POWER LIMITED
GAUTAM S. ADANI *Chairman*
RAJESH S. ADANI *Managing Director*
AMEET H. DESAI *Director*
RAHUL C. SHAH *Company Secretary*

 Date : 19th May, 2009
Place : Ahmedabad

Consolidated Cash Flow Statement for the Year ended 31st March, 2009

	Year ended 31st March, 2009	(Amount in Rupees) Year ended 31st March, 2008
(A) Cash flow from operating activities		
Loss before tax	(55,416,396)	-
Adjustment for:		
Preliminary Expenditure written off	33,246,022	
Net cash used in Operating activities (A)	(22,170,374)	-
(B) Cash flow from investing activities		
Purchase of fixed assets	(3,288,218,253)	(171,572,704)
Capital Work in Progress	(42,462,986,489)	(17,189,066,699)
Advance to Holding Company	-	(1,500,000,000)
Sale/(Purchase) of investments	532,384,797	(532,386,114)
Loan to companies	-	-
Investment in Subsidiaries	-	-
Taxes Paid	(14,300,839)	(23,583,156)
Net cash used in investing activities (B)	(45,233,120,784)	(19,416,608,673)
(C) Cash flow from financing activities		
Proceeds from issue of Equity Shares	9,231,373,101	9,893,599,952
Proceeds from issue of Preference Share Capital	-	1,500,000,000
Increase in Share Application Money	-	809,744,188
Long Term borrowings	30,785,123,204	8,670,276,697
Short Term borrowings	9,000,000,000	-
Miscellaneous Expenditure	(96,711,826)	(33,183,576)
Net cash generated from financing activities (C)	48,919,784,479	20,840,437,261
Net increase in cash and cash equivalents (A)+(B)+(C)	3,664,493,321	1,423,828,588
Cash and cash equivalents at beginning of year/period	1,920,975,377	497,046,789
Cash and cash equivalents at end of year/period	5,585,468,698	1,920,975,377
	3,664,493,321	1,423,928,588

Notes to Cashflow Statement :

1 Cash and cash equivalents include:

Cash on hand	437,132	692,180
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With Scheduled banks:

Current Accounts	3,004,620,656	1,499,783,197
Fixed Deposit	962,454,650	343,000,000
Margin Money Deposit against Bank Guarantee	1,617,956,260	77,500,000
	5,585,468,698	1,920,975,377

2 Previous year's figures have been restated 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.

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*
RAJESH S. ADANI *Managing Director*
AMEET H. DESAI *Director*
RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009
Place : Ahmedabad

Date : 19th May, 2009
Place : Ahmedabad

**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.	: U40100GJ1996PLC030533
State Code	: 04
Balance Sheet Date	: 31-03-2009
II. Capital Raised during the year: - (Amount in Rs. Thousand)	
Public Issue - NIL	Right Issue - NIL
Bonus Issue - 7873139	Private Placement - Equity 5025790
III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)	
Total Liabilities	: 72833866
Total Assets	: 72833866
Sources of Funds:	
Paid –up Capital	: 18419762
Share Application Money	599
Reserves & Surplus	: 4516640
Secured Loans	: 40896865
Unsecured Loans	: 9000000
Deferred Tax Liability (Net)	: -
Application of Funds:	
Net Fixed Assets –	: 3256977
Capital Work in Progress	55930822
Pre-operative Expenditure	6418761
Construction Material	150502
Advance for Capital Expenditure	16226686
Investments	: 2721436
Net Current Assets	: 4230489
Miscellaneous Expenditure	: 96712
Statement of Expenses (Balance of Statement of Expenses)	: 28167
IV. Performance of Company (Amount in Rs. Thousands)	
Turnover (Including other Income)	: -
Profit/(Loss) before Tax (Total expenditure before tax)	: (28167)
Profit/(Loss) after Tax (Total expenditure after tax)	: (28167)
Earning per share (Rs.)	: (0.02)
Dividend Rate %	: -
*V. Generic Names of Three Principal products / services of Company	
Item Code No. (ITC Code)	: Not Applicable
Product Description	
Item Code No. (ITC Code)	: Not Applicable
Product Description	
Item Code No. (ITC Code)	: Not Applicable
Product Description	

***Note:** -As the company has not started any commercial activity, the clause is not applicable.

For ADANI POWER LIMITED

GAUTAM S. ADANI *Chairman*
RAJESH S. ADANI *Managing Director*
AMEET H. DESAI *Director*
RAHUL C. SHAH *Company Secretary*

Date : 19th May, 2009
Place : Ahmedabad