

NOTICE

NOTICE is hereby given that Fifteenth Annual General Meeting of the Members of Adani Power Limited will be held on Wednesday, 10th day of August, 2011 at 10.15 a.m. at J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Vijay Ranchan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Chinubhai R. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (ICAI Reg. No. 117365W), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be approved by the Board of Directors of the Company.

Special Business:

5. **To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mr. Ravi Sharma who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and Article 77 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.”

6. **To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification or any re-enactment thereof and subject to requisite approval, if required, consent of the Company be and is hereby accorded to the appointment of Mr. Ravi Sharma as a Whole Time Director of the Company for a period of 5 years w.e.f. 8th February, 2011 with payment of remuneration upto ₹ 6 Crores (Rupees Six Crores only) per annum [including salary, perks, commission, incentive and other benefits including contribution to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity Fund (including any unfunded retirement benefits as per the rules of the Company), overseas medical leave encashment etc.].”

“**RESOLVED FURTHER THAT** the Board (which includes “Remuneration Committee”) be authorized to increase remuneration payable to Mr. Ravi Sharma upto maximum limit of 25% every year over preceding year's remuneration.”

“**RESOLVED FURTHER THAT** the limits stipulated herein is the maximum limits and the Board (which includes “Remuneration Committee”) may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits as stipulated.”

“**RESOLVED FURTHER THAT** notwithstanding anything herein contained to the contrary in the Companies Act, 1956, wherein in any financial year Company has no profits or inadequate profit, Mr. Ravi Sharma will be paid minimum remuneration within the ceiling limits prescribed under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Ravi Sharma within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Ravi Sharma without any further reference to the Company in General Meeting.”

“RESOLVED FURTHER THAT Mr. Ravi Sharma shall not be paid any sitting fees for attending the meeting of Board or Committees thereof so long as he functions as Whole Time Director.”

“RESOLVED FURTHER THAT Mr. Ravi Sharma shall not be liable to retire by rotation nor shall be reckoned for determining the number of directors liable to retire by rotation, till the time he holds the office as Whole Time Director of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

7. **To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to section 16 and 94 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act 1956, the Authorised Share Capital of the Company be increased from ₹ 3000,00,00,000/- (Rupees Three Thousand Crores only) consisting of 250,00,00,000 (Two Hundred & Fifty Crores) Equity shares of ₹ 10/- each and 50,00,00,000 (Fifty Crores) Cumulative Compulsorily Convertible Participatory Preference Shares of ₹ 10/- each, to ₹ 4000,00,00,000/- (Rupees Four Thousand Crores only) consisting of 350,00,00,000 (Three Hundred & Fifty Crores) Equity shares of ₹ 10/- each and 50,00,00,000 (Fifty Crores) Cumulative Compulsorily Convertible Participatory Preference Shares of ₹ 10/- each.”

“RESOLVED FURTHER THAT clause No. V of the Memorandum of Association of the Company be altered and substituted as under:-

(V) The Authorised Share Capital of the Company is ₹ 4000,00,00,000 (Rupees Four Thousand Crores only) divided as follows:

- (i) ₹ 3500,00,00,000 (Rupees Three Thousand Five Hundred Crores only) divided into 350,00,00,000 (Three Hundred Fifty Crores) Equity Shares of ₹ 10/- each ranking pari passu with the existing Equity Shares; and
- (ii) ₹ 500,00,00,000 (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crores) Cumulative Compulsorily Convertible Participatory Preference Shares of ₹ 10/- each.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

By order of the Board

Date: 9th May, 2011
Place: Ahmedabad

Rahul C. Shah
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member. The instruments appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The register of members and share transfer books of the Company shall remain closed from Friday, 5th August, 2011 to Wednesday, 10th August, 2011 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to notify immediately any change of address:
 - to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with Bank particulars.
4. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays between 11.00 a.m. to 1.00 p.m. prior to date of Annual General Meeting.
5. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
6. Information under Clause 49 of the listing agreement(s) regarding appointment/re-appointment of Directors and explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business are annexed hereto.
7. Members are requested to bring their copy of Annual Report at the meeting.
8. Members who hold the shares in dematerialized form are requested to bring their Client ID and DP ID for easier identification of attendance at the AGM.
9. The annual listing fees of all the stock exchanges where Company's shares are listed for the year 2011-12 have been paid.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS:

Item No. 5 & 6

Mr. Ravi Sharma, was appointed as an Additional Director of the Company with effect from 8th February, 2011. Pursuant to Section 260 of the Companies Act, 1956, read with Article 77 of the Articles of Association of the Company, Mr. Ravi Sharma continues to hold office as an Additional Director until the conclusion of ensuing Annual General Meeting. As required under Section 257 of the Companies Act 1956, the Company has received a notice from a member signifying his intention to propose appointment of Mr. Ravi Sharma as a Director of the Company with the requisite deposit of ₹ 500.

Mr. Ravi Sharma is associated with the Company since May, 2010 as Chief Executive Officer (CEO). He has played vital role in development of power projects of the Company. In view of the same, the Board of Directors appointed him as Whole Time Director for a period of 5 (five) years w.e.f. 8th February, 2011.

On the recommendation of the Remuneration Committee, the Board of Directors, at its meeting held on 8th February, 2011 approved the remuneration payable to Mr. Ravi Sharma w.e.f. 8th February, 2011 subject to the approval of the shareholders.

The brief terms regarding appointment and remuneration payable to Mr. Ravi Sharma are as follows:

Tenure : From 8th February, 2011 to 7th February, 2016.

Remuneration

I. Remuneration Payable : From 8th February, 2011

II. Remuneration : Upto ₹ 6 Crores (Rupees Six Crores only) per annum [including salary, perks, commission, incentive and other benefits including contribution to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity Fund (including any unfunded retirement benefits as per the rules of the Company), overseas medical leave encashment etc.]. The Board (which includes "Remuneration Committee") is authorized to increase remuneration payable to Whole Time Director upto maximum limit of 25% every year over preceding year's remuneration.

The limit stipulated above is the maximum limits and the Board (which includes Remuneration Committee) may in its absolute discretion pay a lower remuneration and revise the same from time to time.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of Salary, perquisites and allowances specified above as minimum remuneration to the said Whole Time Director subject to the approval of Central Government or maximum limits prescribed under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The above remuneration payable to Mr. Ravi Sharma is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Director and Whole Time Director as calculated in accordance with section 198 and 309 of the Act or any amendment thereto or any other provisions as applicable.

Pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, shareholders' approval is sought for appointment of Mr. Ravi Sharma as Whole Time Director for period of 5 (five) years and payment of remuneration with effect from 8th February, 2011. The terms of appointment and remuneration given herein may be fixed, altered, varied and increased from time to time by the Board (which term shall be deemed to include

Remuneration Committee) within the aforesaid scale/limit as it may, at its discretion deem fit, so as not to exceed the limits as prescribed in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), or any amendments made thereto from time to time. The Whole Time Director so long as he functions as such shall not be paid any sitting fees for attending the meeting of Board or Committees thereof. The Whole Time Director shall not be liable to retire by rotation nor shall be reckoned for determining the number of directors liable to retire by rotation, till the time he holds the office as Whole Time Director of the Company.

The abstract pursuant to Section 302 of the Companies Act, 1956 has been already sent to the members of the Company.

None of the Directors except Mr. Ravi Sharma is interested in the said resolution.

The Board recommends this resolution for your approval.

Item No. 7

In order to broad base capital structure of the Company due to expansion of its capacity and to meet funding requirements of the Company's Project and to enable the Company to issue further shares, it is proposed to increase Authorised Share Capital of the Company from Rs. 3000,00,00,000/- (Rupees Three Thousand Crores only) consisting of 250,00,00,000 (Two Hundred & Fifty Crores) Equity shares of Rs. 10/- each and 50,00,00,000 (Fifty Crores) Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- each, to Rs. 4000,00,00,000/- (Rupees Four Thousand Crores only) consisting of 350,00,00,000 (Three Hundred & Fifty Crores) Equity shares of Rs. 10/- each and 50,00,00,000 (Fifty Crores) Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- each.

As a consequence of increase of Authorised Share Capital of the Company, the existing Authorised Share Capital Clause in Memorandum of Association of the Company be altered accordingly. The proposed increase of Authorised Share Capital requires the approval of members in general meeting u/s 16 and 94 of the Companies Act, 1956.

None of the Directors is interested in this resolution.

The Board recommends this resolution for your approval.

By order of the Board

Date: 9th May, 2011

Place: Ahmedabad

Rahul C. Shah

Company Secretary

Brief Particulars of Directors being appointed/re-appointed are as under:

Name	Mr. Vijay Ranchan	Mr. Chinubhai R. Shah	Mr. Ravi Sharma
Date of Birth	1 st October, 1942	4 th June, 1937	1 st January, 1962
Date of Appointment	12 th December, 2007	25 th April, 2008	8 th February, 2011
Qualification	M. A, IAS(Retd.)	M.A, LL.M, F.C.S	B.Tech, MBA
Directorships held in other Companies	<ul style="list-style-type: none"> • Usher Agro Ltd. • Usher Eco Power Ltd. • Shah Pulp and Paper Mills Ltd. • Adani Power Maharashtra Ltd. • Pramerica Assets Managers Pvt. Ltd. • Eywa Energy Pvt. Ltd. • Vishwa Infrastructures and Services Pvt. Limited 	<ul style="list-style-type: none"> • Apollo Hospitals International Ltd. • Arman Lease & Finance Ltd. • Abellon Clean Energy Ltd. • Cadila Pharmaceuticals Ltd. • Doshion Ltd. • GSEC Ltd. • Gujarat NRE Coke Ltd. • Gulmahor Greens-Golf & Country Club Ltd. • Meghmani Organics Ltd. • Meghmani Finechem Ltd. • Nirma Ltd. • Saline Area Vitalization Enterprise Ltd. • Shilp Gravures Ltd. 	<ul style="list-style-type: none"> • Adani Power Maharashtra Ltd. • Adani Power Rajasthan Ltd. • Adani Power Dahej Ltd. • Adani Pench Power Ltd. • Mundra Power SEZ Ltd. • Kutchh Power Generation Ltd. • Phi Televentures Pvt. Ltd. • Phi Enterprises Pvt. Ltd. • Indian Mobile Data Core Pvt. Ltd.
Memberships/ Chairmanships of Committees in other Companies	<p>Audit Committee</p> <ul style="list-style-type: none"> • Usher Agro Ltd. • Shah Pulp and Paper Mills Ltd. 	<p>Audit Committee</p> <ul style="list-style-type: none"> • Arman Lease & Finance Ltd. • Cadila Pharmaceuticals Ltd. • Gujarat NRE Coke Ltd. • Meghmani Organics Ltd. • Shilp Gravures Ltd. <p>Shareholders/ Investors Grievance Committee</p> <ul style="list-style-type: none"> • Arman Lease & Finance Ltd. • Meghmani Organics Ltd. 	<p>Audit Committee</p> <ul style="list-style-type: none"> • Adani Power Maharashtra Ltd.

Name	Mr. Vijay Ranchan	Mr. Chinubhai R. Shah	Mr. Ravi Sharma
Brief Profile covering experience, achievements etc.	<p>Mr. Vijay Ranchan, holds master's degree in arts (English Literature) from Punjab University. He is a retired Indian Administrative Service Officer. He has previously worked for Gujarat Agro Industries Corporation, Gujarat Industrial Investment Corporation, Gujarat Fisheries Central Co-operation Association, Gujarat Industries Power Company Limited, Gujarat State Power Corporation, Gujarat Fisheries Development Corporation, Gujarat Mineral Development Corporation and Gujarat Industrial Development Corporation.</p>	<p>Mr. Chinubhai R. Shah obtained MA degree with first position from Gujarat university and obtained first position in LL.M. examination with distinction. He was subsequently admitted as a fellow member of the ICSI. Life fellowship was conferred on him by All India Management Association in recognition of his outstanding contribution to the professional management movement. He worked for more than 30 years at top position in industry and holds directorship in many well-known companies. He taught at the IIM, Ahmedabad regular MBA classes for more than 12 years and was a member of the board of governors of IIM, Ahmedabad. He was twice elected as president of ICSI and also served as the President of All India Management Association. For many years he was the president of the Gujarat Investors & Shareholders Association and was a member of the primary and secondary market advisory committees of SEBI. He was a public trustee on the board of Ahmedabad Stock Exchange for 5 years. He served on the direct tax advisory committee of the ministry of finance and company law advisory committee of MCA.</p>	<p>Mr. Ravi Sharma is B.Tech in Electrical Engineering from IIT, Rourkee and MBA from IMT, Gaziabad. He has more than 25 years industry experience including more than 10 years as CEO with Indian Corporate as well as MNC. He has held responsibilities at policy as well as operational level with infrastructure and communication industry for India, South Asia & Asia. He has served as Managing Director/ Director on Boards of several companies. Before joining Adani Power Ltd., he has worked with Alcatel- Lucent, BT, UB Group and Videocon.</p>
Shares held in the Company	5000	5000	Nil

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India's Uniquely Synergetic Power Force



ADANI

Adani Power Limited

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.

Forward Looking Statement

This Annual Report contains forward looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

15TH ANNUAL REPORT 2010 - 2011

Company Information

Board of Directors

Mr. Gautam S. Adani, Chairman
Mr. Rajesh S. Adani, Managing Director
Mr. Ravi Sharma, Whole Time Director
Mr. B. B. Tandon, IAS (Retd.)
Mr. Vijay Ranchan, IAS (Retd.)
Mr. Chinubhai R. Shah

Company Secretary

Mr. 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
Dena Bank
Deutsche Bank
Development Credit Bank Ltd.
ICICI Bank Ltd.
Indian Infrastructure Finance Co. Ltd.
Indian Overseas Bank
IndusInd Bank Ltd.
Industrial Development Bank of India
Jammu & Kashmir Bank Ltd.
Life Insurance Corporation of India

Oriental Bank of Commerce
Power Finance Corporation Ltd.
Punjab National Bank
Punjab & Sind Bank
Rural Electrification Corporation Ltd.
Small Industries Development Bank of India
State Bank of Bikaner & Jaipur
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
United Bank of India
Yes Bank Ltd.

Registrar and Transfer Agent

M/s Karvy Computershare Private Limited
Plot No 17-24
Vittal Rao Nagar, Madhapur,
Hyderabad-500 081
Andhra Pradesh, India
Phone: +91-040-44655000
Fax: +91-040-23420814

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Fifteenth Annual Report and the audited accounts for the financial year ended 31st March, 2011.

Financial Highlights:

The financial highlights of the Company for the year ended 31st March, 2011 is summarized below:

(₹ in Crores)

Particulars	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Income from operations	2106	435
Other Income	19	6
Total Income	2125	441
Operating & Administrative Expenses	1071	226
Operating Profit before Interest and Tax	1054	215
Interest and Financial Charges	230	12
Profit Before Tax	824	204
Provision for tax (including deferred tax)	300	33
Profit After Tax	524	171
Surplus brought forward from previous year	168	(3)
Balance carried to Balance Sheet	692	168

Operational Highlights:

Your Company together with its subsidiaries currently has nine power projects with a combined installed capacity of 16,500 MW, out of which 1980 MW has been commissioned, 7260 MW is under implementation and 7260 MW is at the planning stage. Your Company alongwith its subsidiaries is implementing various transmission line projects of about 3,000 km length.

Your Company intends to sell the power generated from these projects under a combination of long term Power Purchase Agreements and on merchant basis.

The detailed Operational Performance of the Company has been comprehensively discussed in the Management Discussion and Analysis Report which forms part of Directors' Report.

Dividend:

In order to conserve resources for operational purposes, your Directors have not recommended any dividend on equity shares for the year under review.

Utilization of Proceeds of IPO:

The statement of projected utilization of the IPO proceeds as per Prospectus dated 5th August, 2009 against actual utilization as on 31st March, 2011 is as follows:

(₹ in Crores)

Proceeds received from IPO	3016.52		
Objects of the Issue	Projected Utilization of IPO proceeds	Actual Utilization till 31.03.11	Addition/ Deletion
To part finance the construction and development of Mundra Phase IV Power Project for 1,980 MW	1153.00	1152.97	(0.03)
Funding equity contribution in Adani Power Maharashtra Ltd. to part finance the construction & development cost of power project for 1,980 MW at Tiroda, Maharashtra	1040.00	1040.00	0.00
General corporate purposes	759.00	769.62	10.62
Issue Expenses	64.52	53.93	(10.59)
TOTAL	3016.52	3016.52	0.00
Total funds unutilized as at 31st March, 2011	Nil		

Subsidiary Companies:

Your Company has 11 subsidiaries at the end of the year which are as follows:

- 1) Adani Power Maharashtra Ltd.
- 2) Adani Power Rajasthan Ltd.
- 3) Adani Power Dahej Ltd.
- 4) Adani Pench Power Ltd.
- 5) Mundra Power SEZ Ltd.
- 6) Kutchh Power Generation Ltd.
- 7) Adani Power (Overseas) Ltd., UAE
- 8) Adani Shipping PTE Ltd., Singapore
- 9) Adani Power PTE Ltd., Singapore
- 10) Rahi Shipping PTE Ltd., Singapore
- 11) Vanshi Shipping PTE Ltd., Singapore

After 31st March, 2011, Aanya Maritime Inc, Panama and Aashna Maritime Inc, Panama were set up as subsidiaries of the Company.

The Statement pursuant to Section 212(1) (e) of the Companies Act, 1956, containing details of subsidiaries of the Company forms part of the Annual Report.

In terms of general exemption granted by the Ministry of Corporate Affairs, vide General Circular No. 2/2011 dated 8th February, 2011, copies of the Balance Sheet, Profit & Loss Account, report of the Board of Directors and report of the auditors of each of the Subsidiary Companies have not been attached to the accounts of the Company for the year ended 31st March, 2011.

Accordingly, the annual report of the Company contains the consolidated audited financial statements prepared pursuant to clause 41 of the listing agreement and prepared in accordance with the accounting standards prescribed by the Institute of Chartered Accountants of India (ICAI).

Further the Company hereby undertakes that the annual accounts of the subsidiary companies and related detailed information will be made available to the shareholders of holding company and subsidiary companies on making request at any point of time. The annual accounts of subsidiary companies will also be kept open for inspection by any shareholder during working hours at the Company's registered office and that of the respective subsidiary concerned.

Fixed Deposits:

During the year under review, your Company has not accepted any deposits from public under Section 58A of Companies Act, 1956.

Corporate Governance and Management Discussion and Analysis Report:

A separate report on Corporate Governance compliance and a Management Discussion and Analysis Report as stipulated by the Clause 49 of the Listing Agreement forms part of the Annual Report along with the required Certificate from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement.

In compliance with Corporate Governance requirements as per Clause 49 of the Listing Agreement, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Corporate Social Responsibility:

Adani Group carries on social welfare activities through a trust namely, "Adani Foundation".

The Foundation is active in four major areas:

- Education
- Community Health
- Livelihood Development
- Rural Infrastructure Development

Considering the need to bridge gap for requirement of health care services AF have increased one more Mobile Medical Van for Mundra taluka. Now AF treats more than 8000 patients via Mobile Medical Vans and 1500 patients via three Rural Clinics every month.

AF strives to bring about change in quality of life of communities by working through Sustainable Livelihood Activities and providing quality education which otherwise has become unaffordable now a days.

AF also undertakes Skill Development Trainings for specialized services and entrepreneurship for rural youth – men and women. Good number of Youth has been trained in Diesel Engine Repair & Maintenance, Automobile Repair & Maintenance, Beauty Parlor Trainings and Sewing & Garment Making. Many poor & needy women were supported to start their entrepreneurial venture leading them to be self sustainable.

Health, Safety & Environment (HSE)

The HSE Management System of your company is top driven, efficient, effective and adheres to the statutory requirements. Top management of company is committed for maintaining highest standard of Health and Safety. Your company also meets all applicable statutory requirements and is committed to environment conservation and prevention of pollution. The need for electricity generation to be clean and safe has never been more obvious. Environmental and health consequences of electricity generation are important issues, alongside the affordability of the power which is produced. Production of electricity from any form of primary energy has some environmental effect and some risk.

Your company has well structured HSE set up for managing HSE functions and issues of the organization. At corporate level the HSE setup is headed by senior executives reporting to CEO and at plant level senior functional head reporting directly to plant head respectively.

Greatest emphasis is given to safety measures for minimizing accidents. Accidents are investigated and analyzed for root cause so that re- occurrence can be prevented. A comprehensive HSE manual has been developed for use by operating and HSE personnel. Specialized Personnel Protective Equipments have been standardized and provided to operating personnel for use in the work areas. Regulatory authorities and government agencies carry out inspection/ audits with an aim for overall improvement in the HSE performance at regular frequency.

Directors:

➤ **Appointment of Additional Director:**

During the year under review, Mr. Ravi Sharma was appointed as an Additional Director w.e.f 8th February, 2011 on the Board of the Company. Pursuant to Section 260 of Companies Act, 1956 and Articles of Association of the Company, Mr. Ravi Sharma holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member of the Company signifying his candidature for the office of the Board of Directors of the Company.

➤ **Appointment of Whole Time Director:**

During the year under review, Mr. Ravi Sharma was appointed as a Whole Time Director for period of five years w.e.f 8th February, 2011.

➤ **Resignation of Director:**

During the year under review, Mr. S. K Tuteja resigned w.e.f 12th February, 2011, Mr. R. K Madan resigned w.e.f 21st March, 2011 and Mr. Ameet H. Desai resigned w.e.f 31st March, 2011.

➤ **Retirement by rotation:**

As per Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vijay Ranchan and Mr. Chinubhai R. Shah are liable to retire by rotation and being eligible offer themselves for re-appointment.

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

A brief resume of directors being appointed / re-appointed with the nature of their expertise, their shareholding in the Company as stipulated under Clause 49 of the Listing Agreement is appended as an annexure to the notice of the ensuing Annual General Meeting.

Directors' Responsibility Statement:

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

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
2. Reasonable and Prudent Accounting Policies have been adopted in preparation of the Financial Statements. The Accounting Policies have been consistently applied except for the changes mentioned in Notes forming part of Accounts.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

Additional information to Shareholders:

Your company provides all the information on the Company's business, matters of interest to the investors like financial information, investor presentations, press releases, etc. on its website www.adanipower.com.

Insurance:

Assets of your Company are adequately insured against various perils.

Auditors:

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

Auditors' Report:

The Notes on accounts as referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations.

Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees forms part of this report as Annexure. However, as permitted by section 219 (1)(b) (iv) of the companies Act, 1956 this annual report is being sent to all shareholders excluding aforesaid information. Any member interested in obtaining such particulars may write to Company Secretary.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are appended herewith as Annexure I and forms part of this Annual Report.

“Group” For Inter-Se Transfer of Shares:

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising of the “Group” are given in Annexure II attached herewith and forms part of this Annual Report for the purpose of the Securities and Exchange Board of India (Substantial Acquisition and Takeover) Regulations 1997.

Clean Development Mechanism (CDM):

As you are aware, your Company has registered its first two units of 660 MW each of phase III of Mundra Power Project & two units of 660MW each of Tiroda Power Project with United Nations Framework Convention on Climate Change (UNFCCC) as Clean Development Mechanism (CDM) Project. This is the world's first project based on Super-critical technology to get registered as CDM Project under UNFCCC.

Awards & Recognitions

Your Company had been bestowed with various awards like “The Most Admired Developer in Power Sector” by KPMG & Infrastructure Today's “Infrastructure Excellence Award 2011” by CNBC TV18 and “Best Corporate in Power Sector” by Infra' 2011. Your Company is the only Company in power sector to have received such an award and industry recognition.

Acknowledgement:

Your Directors place on record their appreciation for assistance and co-operation received from various ministries and department of Government of India, Government of Gujarat, other State Governments, financial institution, banks, shareholders, directors, executives, officers of the Company. The management would also like to express great appreciation for the commitment and contribution of its employees for their committed services without which the good results would not have been possible.

For and on behalf of the Board of Directors

Date: 9th May, 2011
Place: Ahmedabad

Gautam S. Adani
Chairman

ANNEXURE - I TO THE DIRECTORS' REPORT

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956.

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out as under:

A. Conservation Of Energy:

a) Measures taken for conservation of energy:

- Installing supercritical units - Conserve coal
- Implementing coal igniters /micro oil guns - Conserve oil
- Optimize aux power consumption
- Implementing VFDs
- Improving combustion efficiency
- Minimize system leakages
- Optimizing cycle chemistry
- Operating sliding pressure mode
- Automation with DCS system

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

The Energy Audit (Thermal & Electrical) has been carried out for further improvement of the plant performance.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- Heat Rate improvement
- With above measures the Auxiliary & Internal Power Consumption has been reduced
- Reduction of Specific Coal consumption

d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto

Not applicable to the Company

B. Technology Absorption:

e) Specific areas in which R & D carried out by the company and benefits arrived out of it

In the year 2010-11, following projects have been taken up to improve the performance and reliability of the plant.

- (i) Introduction of Plasma igniters for unit startup to reduce the oil consumption.
- (ii) Air cannon system implementation to improve the coal feeding reliability.
- (iii) Reduction of Drift in Cooling Towers by introducing additional eliminators.
- (iv) Reliability improvement of equipments in switchyards in the prevalent Costal conditions.
- (v) Sea water based Electro Chlorination Plant has been installed to generate hypo chloride solution for cooling water applications.

(vi) Implemented BTF aware system for maintenance of workstations.

(vii) Rigorously implemented electrical protection system.

f) Future plan of action

The abovementioned R&D activities are planned to be continued for the year 2011-12

g) Technology absorption, Adaptation and Innovation

- Supercritical Boiler Technology implemented
- The technology absorbed/adapted FGD system based on Sea Water has been planned for Mundra Phase – IV to reduce SO_x emission
- RO plant to utilize sea water for plant uses

h) Benefits derived as a result of the above efforts.

- Higher Efficiency
- Lower fuel consumption.
- Reduction of emission.

C. Details of Foreign Exchange Earning & Outgo during the year:-

₹ in Crores

Foreign Exchange earnings	Nil
Foreign Exchange outgo	749.99

ANNEXURE - II TO THE DIRECTORS' REPORT

The following is the list of persons Constitution "Group" for the purpose of availing exemption from applicability of the provisions of regulations 10 to 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said Regulations") as provided in Clause 3(1)(e) of the said Regulations:

Sr. No	Name of entity
1.	Accurate Finstock Pvt. Ltd.
2.	Adani Agri Fresh Ltd.
3.	Adani Agri Logistics Ltd.
4.	Adani Agro Pvt. Ltd.
5.	Adani Cements Ltd.
6.	Adani Commodities
7.	Adani Developers Pvt. Ltd.
8.	Adani Energy Ltd.
9.	Adani Enterprises Ltd.
10.	Adani Estates Pvt. Ltd.
11.	Adani Exports
12.	Adani Gas Ltd.
13.	Adani Global FZE
14.	Adani Global Ltd.
15.	Adani Global Pte. Ltd.
16.	Adani Hazira Port Pvt. Ltd.
17.	Adani Infra (India) Ltd.
18.	Adani Infrastructure and Developers Pvt. Ltd.
19.	Adani Land Developers Pvt. Ltd.
20.	Adani Landscapes Pvt. Ltd.
21.	Adani Logistics Ltd.
22.	Adani Mining Pvt. Ltd.
23.	Adani Mundra SEZ Infrastructure Pvt. Ltd.
24.	Adani Murmugao Terminal Port Pvt. Ltd.
25.	Adani Pench Power Ltd.
26.	Adani Petronet (Dahej) Port Pvt. Ltd.
27.	Adani Power (Overseas) Ltd., Dubai
28.	Adani Power Dahej Ltd.
29.	Adani Power Maharashtra Ltd.
30.	Adani Power Pte. Ltd., Singapore
31.	Adani Power Rajasthan Ltd
32.	Adani Properties Pvt. Ltd.

Sr. No	Name of entity
33.	Adani Shipping (India) Pvt. Ltd.
34.	Adani Shipping PTE Ltd.
35.	Adani Shipyard Pvt. Ltd.
36.	Adani Textile Industries
37.	Adani Welspun Exploration Ltd.
38.	Adani Wilmar Ltd.
39.	Advance Exports
40.	Asset Trade & Investment Pvt. Ltd.
41.	B2B India Pvt. Ltd.
42.	Bhavik B. Shah
43.	Chemoil Adani PTE Ltd.
44.	Chemoil Adani Pvt. Ltd.
45.	Chendipada Collieries Pvt. Ltd.
46.	Columbia Chrome (India) Pvt Ltd.
47.	Concord Trade & Investment Pvt. Ltd.
48.	Crown International
49.	CSPGCL AEL Parsa Collieries Ltd.
50.	Ezy Global
51.	Gautam S. Adani
52.	Gautam S. Adani Family Trust
53.	Gautambhai S. Adani HUF
54.	Hazira Infrastructure Pvt. Ltd.
55.	Hazira Road Infrastructure Pvt. Ltd.
56.	I Gate India Pvt. Ltd.
57.	Jeet G. Adani
58.	Karan G. Adani
59.	Karnavati Aviation Pvt. Ltd.
60.	Kunal D. Shah
61.	Kutchh Power Generation Ltd.
62.	m to M Traders Pvt. Ltd.
63.	Mahaguj Power Ltd.

Sr. No	Name of entity
64.	Maharashtra Eastern Grid Power Transmission Company Ltd.
65.	Mahasukh S. Adani
66.	Mahasukh S. Adani Family Trust
67.	Mahasukh S. Adani HUF
68.	Mansi K. Shah
69.	Miraj Impex Pvt. Ltd.
70.	MPSEZ Utilities Pvt. Ltd.
71.	Mundra International Airport Pvt. Ltd.
72.	Mundra LNG Ltd.
73.	Mundra Port & Special Economic Zone Ltd.
74.	Mundra Power SEZ Ltd.
75.	Mundra SEZ Textile & Apparel Pvt. Ltd.
76.	Namrata P. Adani
77.	Param P. Adani
78.	Parsa Kente Collieries Ltd.
79.	Pranav V. Adani
80.	Priti G. Adani
81.	Priti R. Shah
82.	PT Adani Global
83.	PT Aneka Sumber Bumi, Indonesia
84.	PT Kapuas Coal Mining
85.	PT Coal Indonesia, Indonesia
86.	Pushpa V. Adani
87.	Rahi R. Adani
88.	Rahi Shipping Pte. Ltd.
89.	Rajasthan SEZ Pvt. Ltd.
90.	Rajesh S. Adani
91.	Rajesh S. Adani Family Trust
92.	Rajeshbhai S. Adani HUF

Sr. No	Name of entity
93.	Rakesh R. Shah
94.	Ranjan V. Adani
95.	Riddhi V. Adani
96.	S. B. Adani Family Trust
97.	SBFT Holding Trust
98.	Sagar R. Adani
99.	Sarguja Rail Corridor Pvt. Ltd.
100.	Shanti Builders
101.	Shanti Construction
102.	Shanti Corporation
103.	Shantigram Estate Management Pvt. Ltd.
104.	Shantigram Utility Services Pvt. Ltd.
105.	Shantikrupa Estates Pvt. Ltd.
106.	Shantikrupa Services Pvt. Ltd.
107.	Sharmishta Sanghavi
108.	Shilin R. Adani
109.	Surekha B. Shah
110.	Suvarna M. Adani
111.	Swayam Realtors and Traders Ltd.
112.	Vanshi R. Adani
113.	Vanshi Shipping Pte. Ltd.
114.	Vasant S. Adani
115.	Vasant S. Adani Family Trust
116.	Vasantbhai S. Adani HUF
117.	Ventura Power Investment Pvt. Ltd.
118.	Vinod N. Sanghavi
119.	Vinod S. Adani
120.	Vinod S. Adani Family Trust
121.	Vinodbhai S. Adani HUF

MANAGEMENT DISCUSSION AND ANALYSIS

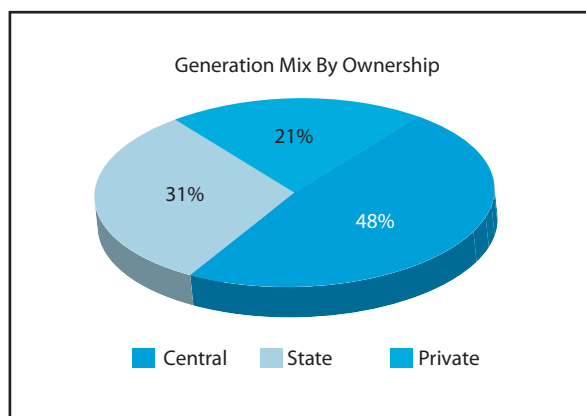
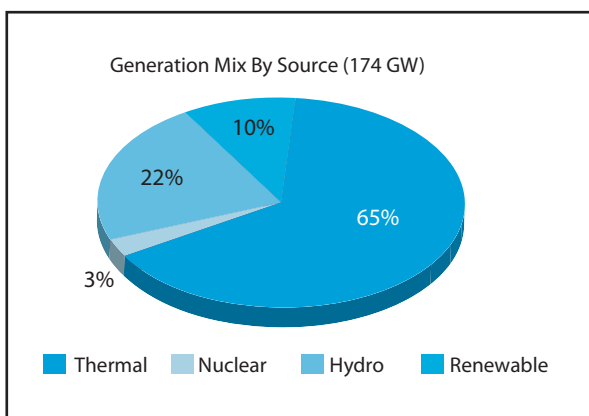
1. SECTOR OVERVIEW

1.1 Power Generation in India

After a lacklustre performance in the Ninth Plan when the GDP grew only at 5.5% per annum, a growth of 7.6% in the Tenth Plan was impressive. Also, for the FY04-07, a GDP growth higher than 8% per annum was achieved. With this consistently high growth rate on a sustainable basis, India has emerged as one of the fastest growing economy in the world. In order to attain an envisaged GDP growth rate of about 9% for the Eleventh Plan and the Government target of double digit growth rate for the Twelfth Plan, power sector has to be given adequate support and fillip to make such GDP growth rate feasible.

The total power generation in the country during FY11 was 811.1 Billion Units (BUs) as against the target of 830.8 BUs, about 2.37% below target¹. The annual growth in the energy generation during the year has been 5.55% against the CAGR of 5.17% during the period 2001-02 to 2010-11¹. The installed generation capacity in the country, as on 31st March, 2011 was 1,73,626 MW¹.

The primary source of fuel for power generation in India is still coal. The current generation capacity mix by source & by ownership is given in the following chart.



Source: Central Electricity Authority (CEA)

1.2 Details of Capacity Addition

The Indian power sector has historically been characterized by demand-supply gap which has been increasing over the years. During the Eleventh Plan period (FY08-12) the Government of India (GoI) was targeting capacity addition of 78,577 MW¹. As per Central Electricity Authority (CEA) assessment, a total capacity addition of 62,374 MW is likely with a high level of certainty, and an additional capacity of 12,590 MW may materialize on best effort basis during the 11th Plan. The actual addition has been only 41,297 MW¹ (as on 31st Mar, 2011) and it is estimated that final addition for the plan will not be more than 55,000 MW. In FY11, peak energy deficit was at 10.3%¹ as per CEA's provisional numbers, which is projected to further rise in coming years. As per the report on 17th Electric Power Survey (EPS) of India published by CEA, the projected peak electricity demand in FY17

¹ Central Electricity Authority (CEA)

will be 2,18,209 MW. As per the estimates of CEA, the capacity addition target for the Twelfth Plan (FY13-17) should be about 1,07,000 MW to meet the demand prospects of the 17th EPS, which by all account is unlikely to happen.

1.3 Fuel Availability for Power Generation

With about 93,918 MW¹, i.e. 54.1% of the installed capacity, contributed by coal based power plants, coal remains a key fuel for power generation. In FY11 CIL's production was flat at 431 million tons, indicating domestic coal deficit may increase in upcoming years. Inadequate infrastructure to liquidate coal inventories at various mines is another concern. Considering the worsening coal scenario, Government is putting more thrust towards coal production from captive coal blocks allocated to various companies. Recently government has also published draft policy for auctioning of coal blocks. Various state electricity boards have already initiated the process to invite private companies for mining development & operations (MDO) of captive coal blocks allocated to them. Government is also monitoring captive coal block development vigilantly. It has recently issued show cause notices to the developers and suggested de-allocation of captive coal blocks for the companies unable to demonstrate progress as per stipulated timeline. Considering futuristic scenario there will be increasing dependence on coal produced from captive coal blocks and coal imports.

Coal linkage policy for the 12th Plan power projects has been finalized by the Ministry of Power defining the sector-wise priority and the pre-qualification criteria for coal linkage². As per this policy 60% of the coal available would be earmarked for the Central and State sector projects, including the projects based on tariff based competitive bidding (Case-II), 35% of the coal available will be earmarked for the Independent Power Projects (IPP) and balance 5% will be earmarked for the Captive Power Projects (CPP).

1.4 Present Industry scenario

Increasing share of Merchant power in overall Power Generation

Merchant Power proportion as a percentage of overall generation is increasing steadily, from 4.6% of overall generation in FY06 to 10.1% in FY11³. Further, overall market size of merchant power has increased from 27.4 billion units in FY06 to 81.5 billion units in FY11. This depicts the sustainability of merchant power on a long term basis.

Project Implementation challenges

Power project implementation is a herculean task considering various clearances from statutory authorities, land acquisition, rehabilitation and resettlement issues, local protests, funding availability due to sectoral exposure norms & scarcity of skilled manpower. In spite of such challenges in project implementation, highest capacity addition will be achieved in 11th Plan period.

SEB Financial health

State Electricity Board's financial position is a concern reflected by power sector underperformance. The huge financial burden reflects under recoveries arising from energy sold, lack of tariff revision initiative, high transmission & distribution losses & inadequate planning of future energy requirement. This was the major factor attributing towards recent softness in merchant power prices. However, several positive developments are changing the overall scenario. Many state electricity boards viz. Andhra Pradesh, Madhya Pradesh,

² MoP Office Memorandum dated Oct 21, 2009

³ Central Electricity Regulatory Commission (CERC)

Orissa, Punjab, Rajasthan etc have filed tariff revision petition to increase their tariff across various consumer categories. Some of these states are filing such tariff revision petition after several years. Further, many states are trying to reduce their transmission & distribution losses as part of overall reforms which will also improve the financial situation of state electricity boards.

Restructured – Accelerated Power Development & Reforms Programme (R-APDRP)

The APDRP launched in the 10th Plan was continued in the 11th Plan also. It was modified and renamed as R-APDRP with the main objective of bringing about actual, demonstrable reduction in Aggregate Technical & Commercial (AT&C) losses, thus improving the quality and reliability of power supply.

Apart from this, the introduction of open access, formulation of guidelines for Competitive Bidding of tariff, setting up of and increasing the powers of Central and State Regulatory Commissions, re-structuring of State Electricity Boards (SEBs) into separate generation, transmission and distribution entities, and facilitation of trading of surplus capacity has invited more players to the power sector, and expected to improve operational efficiency of the power sector in its entirety.

2. OPPORTUNITIES AND CONCERNS

2.1 Opportunities

With the increase in the per capita income levels there will be substantial increase in the per capita electricity demand. The National Electricity Policy (NEP) aims at providing a per capita electricity availability of 1000 kWh by FY12; the per capita electricity consumption was 733 kWh (FY09)¹. Considering the demand-supply gap, the Gol plan of providing “Power for All” by FY12 and keeping in mind the objectives of the NEP 2005 and the demand projected by the 17th EPS, there will be number of opportunities for the private sector in the power generation.

In order to provide affordable power to consumers, large size power projects have been planned and are being developed at various locations. The company is in advanced stages of implementing 4620 MW coal based power project at Mundra in Gujarat, 3300 MW coal based power project at Tiroda in Maharashtra and 1320 MW coal based power project at Kawai in Rajasthan. The company may evaluate Ultra Mega Power Projects (UMPPs), coal based power projects with a capacity of 4000 MW or above, as and when they come up for bidding.

Inter-regional transmission capacity target of 37,750 MW by FY12⁴ and the creation of a national power grid provide large opportunities in the transmission sector for private sector, both through Joint Ventures (JVs) and equity participation. Additional 60,000 circuit km of transmission network is expected by FY12⁵. The company has followed an integrated approach to generation and transmission for timely evacuation.

With the initiatives taken under R-APDRP to reduce losses and improve the distribution infrastructure, improvement in quality of power supply is expected. Bidding for the privatization of distribution in states that have unbundled their State Electricity Boards (SEBs), or plan to do so in the next 2-3 years, provides the private sector with an attractive opportunity in the distribution sector. Also, the successful implementation of the franchisee model in the near future may create more opportunities for private sector participation.

⁴ Power Grid Corporation of India Ltd. (PGCIL)

⁵ The Investment Commission of India Website

2.2 Concerns

The macroeconomic factors like the growth of the Indian economy, interest rates, as well as the political and economic environment have a significant effect on the business environment and the sector as a whole.

The major grievances of private sector have been long process of clearances, securing fuel linkages and delays in land acquisition. Inadequate domestic supply of quality fuel, viz. coal results in higher costs of generation. Constraints in the availability of long term infrastructure funding for sectors like power due to company, group & sector exposure norms of various Banks & Financial Institution is impacting the sector.

The graduation from the regulated regime to a competitive scenario has made developers conscious of the costs incurred (both capital and operating costs) and delays in equipment delivery schedules due to inadequate manufacturing capacity in the country.

Most of the state utilities are loss-making. New policies have boosted the security of utilities' revenue directly impacting both their willingness and ability to pay for the power purchased. Over the long term, unless AT&C losses are reduced, the ability of state utilities to meet their obligations will be of grave concern, though price revision, increased purchasing power and T&D reforms are contributing to mitigate such risks.

Adverse changes in the government policies or regulations, the taxes levied by the central or state governments or removal of tax concessions, exemptions or incentives, or claims by tax authorities may affect the financial condition and operational results of various companies in the sector.

Considering the proposed capacity addition and the capital intensive nature of power projects, high level of debt financing will be required. The company, sector and group level exposures of various banks and insurance companies need to be increased in order to adequately fund the proposed capacity addition.

3. KEY HIGHLIGHTS

- The company has commissioned Unit – 3 & Unit – 4 of Mundra Phase I & II power project having the capacity of 330 MW each during the year
- Adani Power Limited has commissioned India's first supercritical unit at its Mundra Phase III power project with the capacity of 660 MW
- Mundra III power project (1320 MW) has been registered with United Nations Framework Convention on Climate Change (UNFCCC) and is eligible for generating and selling Certified Emission Reductions (CERs) under the Kyoto Protocol's Clean Development Mechanism (CDM) project.
- Adani Power Maharashtra Limited Phase I power project (1320 MW) has been registered with United Nations Framework Convention on Climate Change (UNFCCC) and is eligible for generating and selling Certified Emission Reductions (CERs) under the Kyoto Protocol's Clean Development Mechanism (CDM) project.
- Adani Shipping, a wholly-owned subsidiary, received the delivery of two newly built capsized vessels to transport the coal.

4. REVIEW OF COMPANY'S BUSINESS

The company together with its subsidiaries currently has nine power projects with a combined installed capacity of 16,500 MW, out of which 1,980 MW has been commissioned, 7,260 MW is under implementation and 7,260 MW is at the planning stage. The company intends to sell the power generated from these projects under a combination

of long-term PPAs and on merchant basis. The company gets synergistic benefit of the integrated value chain of Adani Group.

It would be interesting to note that as per planning commission report, private sector will add about 15,000 MW of capacity during the 11th plan period (2007- 2012), out of which Adani Power was suppose to add 1320 MW of capacity. However, as on date the Company has operational capacity of 1980 MW and by end of this plan period, the Company is likely to achieve 6000 MW of capacity, which is roughly 40% of total capacity to be added by the private sector in this plan period. Therefore, the Company has emerged as one of the most promising private sector companies with strong project execution capability. The company will add highest capacity amongst the private sector power companies in 11th plan period.

A. The power projects of **4620 MW** capacity being developed at **Mundra, Gujarat** are as follows:

1. Mundra Phase I and II Power Project (Mundra I and II) is having four coal-fired, sub-critical generation units of 330 MW each, with combined capacity of 1,320 MW. The last two 330 MW units of Mundra Phase I and II power project were commissioned in August 2010 & December 2010. For the period between April 2010 to March 2011, Phase I and II operated at an average PLF of 85% generating 7241 million units of electricity & during the last quarter ending March'11 Ph I & II power project achieved PLF of 92%. A power off-take agreement has been executed with Gujarat Urja Vikas Nigam Limited (GUVNL) for supply of 1000 MW for a period of 25 years.
2. Mundra Phase III Power Project (Mundra III) is having two coal-fired, super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. Phase III power project's first unit of 660 MW was commissioned in February 2011, which is India's first supercritical unit.
3. Mundra Phase IV Power Project (Mundra IV) will have three coal fired, super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. The entire capacity is expected to be fully commissioned by April 2012. Power off-take agreements have been executed with Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) for the supply of a total of 1,424 MW of power for a term of 25 years.

In addition, environmental clearances for 4620 MW Mundra Power Projects have been received from Ministry of Environment & Forest (MoEF), GoI. Land requirement for implementation of all the Mundra Power Projects has been fulfilled. In order to meet consumptive and cooling water requirements sea water is utilised. A dedicated 433 km double circuit 400 kV transmission line with a capacity to wheel up to 1,000 MW of power, connecting to the grid of the Power Grid Corporation of India Limited (PGCIL) at Dehgam, Gandhinagar has been commissioned in July 2009 for evacuation of surplus power from the Mundra Power Project. Construction of a dedicated 986 km 500 kV high voltage direct current transmission line with a capacity to wheel up to 2,500 MW of power, from Mundra IV up to Haryana Vidyut Prasaran Nigam Limited (HVPNL) substation at Mohindergarh, Haryana, is under progress. Entire 4620 MW capacity is expected to be commissioned by FY12.

B. The power projects of **3300 MW** capacity being developed at **Tiroda, Maharashtra** are as follows:

1. Tiroda I and II Power Project (Tiroda I and II), being developed by Adani Power Maharashtra Limited (APML), a subsidiary of the company, will have three coal fired, super-critical generation units of 660 MW each, with a combined capacity of 1,980 MW. The BTG package and the BoP package for the power

project have been awarded. A power off-take agreement has been executed with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for sale of 1,320 MW of electricity for a term of 25 years.

2. Tiroda III Power Project (Tiroda III), which is also being developed by APML, will have two coal-fired, super-critical generation units of 660 MW each, with a combined capacity of 1,320 MW. The BTG package and the BoP package for the power project have been awarded. A power off-take agreement has been executed with MSEDCL for sale of 1,200 MW of electricity for a term of 25 years at a tariff having a non-escalable component and an escalable component for fuel & fuel transportation with yearly escalation as notified by CERC escalation indexes from time to time.

In addition, sufficient land for implementing the Tiroda power projects has been taken on lease on a long term basis. Water requirement for both the projects has been fulfilled. The environmental clearances for the power projects have been received from MoEF, GoI. Construction of a 200 km 440 kV double circuit transmission line with a capacity to wheel 1,000 MW of power, from Tiroda to Warora in Maharashtra, is under progress. Coal requirement for Tiroda I and II power project has been fulfilled from domestic sources and an application for domestic coal linkage to meet the coal requirement of Tiroda III power project has been made. In FY12, a capacity of 1320 MW is expected to be commissioned and by FY14 entire 3300 MW capacity is expected to be commissioned.

- C. The power project of **1320 MW** capacity being developed at **Kawai, Rajasthan** is as follows:

Kawai Power Project, being developed by Adani Power Rajasthan Limited (APRL), a wholly-owned subsidiary, will have two super-critical generation units of 660 MW each, with a combined capacity of 1,320 MW. The BTG package and the BoP package for the power project have been awarded. A power purchase agreement has been executed with Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited for the sale of 1,200 MW power for a term of 25 years at a tariff having a non-escalable component and an escalable component for fuel & fuel transportation with yearly escalation as notified by CERC escalation indexes from time to time.

In addition, land and water requirement for the implementation of the Kawai power project has been fulfilled. The environmental clearance for the power project has been recommended by Expert Appraisal Committee, MoEF, GoI. An application for domestic coal linkage to meet the coal requirements of the Kawai power project has been made. Entire 1320 MW capacity is expected to be commissioned by FY14.

- D. The power project of **1320 MW** capacity being developed at **Chhindwara, Madhya Pradesh** is as follows:

Chhindwara Power Project, being developed by Adani Pench Power Limited, a wholly-owned subsidiary, pursuant to a Letter of Intent (LoI), from Madhya Pradesh Power Trading Company Limited (M.P. Tradeco) to set up a 1,320 MW thermal power project based on super critical technology. The terms of reference have been obtained from MoEF, GoI. A notice inviting tenders for EPC works has been floated.

In addition, land and water required for the implementation of the Chhindwara power project have been fulfilled. An application for coal linkage to meet the requirements of the Chhindwara power project has been made.

E. The power project of **2640 MW** capacity under planning at **Dahej, Gujarat** is as follows:

Dahej Power Project, proposed to be developed by Adani Power Dahej Limited, a wholly-owned subsidiary, will be a coal-based power project with an aggregate capacity of 2,640 MW. The terms of reference have been obtained from MoEF, GoI. A notice inviting tenders for EPC works has been floated. An application for coal linkage to meet the requirements of the Dahej power project has been made.

F. The power project of **3300 MW** capacity under planning at **Bhadreshwar, Gujarat** is as follows:

Bhadreshwar Power Project, proposed to be developed by Kutchh Power Generation Limited, a wholly-owned subsidiary, will be a coal-based power project with an aggregate capacity of 3,300 MW. The terms of reference have been obtained from MoEF, GoI. A notice inviting tenders for EPC works has been floated. An application for coal linkage to meet the requirements of the Bhadreshwar power project has been made.

5. COMPETITION

With the developments in the last seven years, the power sector has attracted large number of private companies. Considering the huge demand-supply gap and with the gradual shift to a competitive bidding scenario, both in the generation and transmission sector, the competition is going to further increase, with most of the companies striving to reduce costs, both operating and capital.

6. MANAGEMENT CONTROL, INTERNAL CONTROL AND INTERNAL AUDIT SYSTEMS

Internal Audit Program is designed in consultation with the Statutory Auditors and is cleared by the Audit Committee. The Internal Audit program reviews the quality of planning, execution and effectiveness of all ongoing projects to ensure that project management controls are adequate. It also ensures adherence to policies and systems.

The Internal Control System comprises of approved structural Delegation of Authority (DOA) coupled with laid down Standard Operating Procedures (SOP) for all the operation and servicing departments. The Internal Control Systems are periodically reviewed and amendments are made, if required.

7. FINANCIAL PERFORMANCE OF THE COMPANY

7.1 Standalone Financial Performance

During FY11, the company recorded a total income of ₹ 2,125.07 Crores, of which income from the sale of power was ₹ 2,106.43 Crores and other income was ₹ 18.64 Crores.

For the year FY11, Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) was ₹ 1,215.78 Crores.

For the year FY11, Depreciation was ₹ 180.37 Crores, Net Interest and Finance charges were ₹ 230.28 Crores and Profit before Tax (PBT) was ₹ 823.77 Crores.

Profit After tax (PAT) was ₹ 523.75 Crores, with a Net Profit margin of 25% and basic Earnings per Share (EPS) of ₹ 2.40 and Cash Earnings Per Share (CEPS) of ₹ 4.53.

As on 31st March, 2011 the Networth of the company was ₹ 6,320.66 Crores.

Net Block of the company was ₹ 7,809.30 Crores on account of capitalization of Mundra Phase II (660 MW) and Unit – 1 of Phase-III power project (660 MW).

7.2 Consolidated Financial Performance

During FY11, the company recorded a total income of ₹ 2,153.15 Crores, of which income from operations was ₹ 2,135.19 Crores and other income were ₹ 17.96 Crores.

For the year FY11, EBIDTA was ₹ 1,220.45 Crores.

For the year FY11, Depreciation was ₹ 188.57 Crores, Net Interest and Finance charges were ₹ 236.64 Crores and PBT was ₹ 813.20 Crores.

PAT was ₹ 513.57 Crores, with a Net Profit margin of 24% and basic EPS of ₹ 2.36 and Cash Earnings per Share (CEPS) of ₹ 4.52.

Net Block of the company was ₹ 8,747.24 Crores on account of capitalization of Mundra phase II (660 MW), Unit -1 Phase III power project (660 MW) & capitalization of fleet.

8. CAUTIONARY STATEMENT

Statements made in the report describing the company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of governance

Corporate Governance is about commitment to conduct business through fair, transparent and ethical practices and compliant with existing rules and regulations of the country. At Adani Group, governance standards are initiated by senior management which percolate down throughout the organization. The Company believes that best board practices, transparent disclosure, employee empowerment and appropriate whistle blower policy are necessary for creating shareholder value.

Sound corporate governance is critical to enhance and retain trust of stakeholders. The Board of Directors fully supports corporate governance practices in your Company with appropriate checks and balances at right places and at right intervals. The Company has complied with all the requirements of listing agreement and listed below is the status with regard to same.

2. Board of Directors

The Board being representative of shareholders have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected.

a) Composition and Category of the Board:

The Board comprises of six members. There are four non-executive directors including the Chairman of the Company. The two executive directors include the Managing Director and Whole Time Director. Of the four non-executive directors, three are independent directors. No Director is related to each other except Mr. Gautam S. Adani and Mr. Rajesh S. Adani, who are related to each other as brothers. All the independent directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.

b) Details of memberships of the Directors in other Boards and in Board Committees as on 31st March, 2011 are as under:

None of the Directors on the Company's Board is a Director in more than 15 public companies and Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding position held by them in Committees of other Companies and also directorship on other Companies.

Name of Director	Category	Other Directorship	Details of Committee	
			Chairman	Member
Mr. Gautam S. Adani	P - NE	4	1	-
Mr. Rajesh S. Adani	P - E	7	2	3
Mr. Ameet H. Desai *	E - NI	N.A	N.A	N.A
Mr. Ravi Sharma @	E - NI	6	-	1
Mr. R. K. Madan **	NE - NI	N.A	N.A	N.A
Mr. S. K. Tuteja ***	NE - I	N.A	N.A	N.A
Mr. B. B. Tandon	NE - I	14	1	8
Mr. Vijay Ranchan	NE - I	3	-	2
Mr. Chinubhai R. Shah	NE - I	13	4	3

* Resigned w.e.f 31st March, 2011

@Appointed w.e.f 8th February, 2011

** Resigned w.e.f 21st March, 2011

*** Resigned w.e.f 12th February, 2011

P - NE: Promoter Non Executive

P - E: Promoter Executive

E - NI: Executive Non Independent

NE - NI: Non Executive Non Independent

NE - I: Non Executive Independent

c) Number of Board Meetings held and the dates on which held

The Board met four times during the year under review on 30th April, 2010, 4th August, 2010, 25th October, 2010 and 8th February, 2011. The maximum time-gap between any two consecutive meetings did not exceed 4 months.

d) Attendance of Directors:

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on 21 st August, 2010
	Held	Attended	
Mr. Gautam S. Adani	4	4	Yes
Mr. Rajesh S. Adani	4	4	Yes
Mr. Ameet H. Desai *	4	4	Yes
Mr. Ravi Sharma @	4	1	No
Mr. R. K. Madan **	4	4	No
Mr. S. K. Tuteja ***	4	4	Yes
Mr. B. B. Tandon	4	4	No
Mr. Vijay Ranchan	4	3	No
Mr. Chinubhai R. Shah	4	4	Yes

* Resigned w.e.f 31st March, 2011

@ Appointed w.e.f 8th February, 2011

** Resigned w.e.f 21st March, 2011

*** Resigned w.e.f 12th February, 2011

e) Circulation of Information and Board material:

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board Meetings. The agenda and the relevant papers for the Board Meeting are circulated in advance to facilitate the Board members to take the informed decision. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. However, in case of urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting.

f) Disclosures regarding appointment/re-appointment of Directors:

Mr. Vijay Ranchan and Mr. Chinubhai R. Shah are Directors retiring by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Ravi Sharma has been appointed as an Additional Director and Whole Time Director for a period of five years with effect from 8th February, 2011 subject to approval of members. He will not retire till the time he holds the office as Whole Time Director of the Company.

The Board has recommended the appointment of Mr. Ravi Sharma as Whole Time Director and re-appointment of Mr. Vijay Ranchan and Mr. Chinubhai R. Shah, retiring Directors.

The brief resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

3. Code of Conduct:

Company's Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. The Code is available on the website of the Company www.adanipower.com. All Board Members and Senior Management personnel have affirmed compliance of the Code.

The Managing Director has confirmed the compliance of the Code and as required under sub-clause I (D) of clause 49 of the listing agreement given a declaration as under:

“In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics applicable to them, for the year 2010-11.”

Date : 7th May, 2011

Place: Ahmedabad

Rajesh S. Adani

Managing Director

4. Committees of the Board

A) Audit Committee:

a) Constitution of Audit Committee:

The Audit Committee was constituted in the meeting of the Board of Directors held on 26th December, 2005 and subsequently reconstituted from time to time to comply with the statutory requirements.

b) Composition of Audit Committee:

The Audit Committee of the Board comprises of four members, out of which three members are Independent Directors namely Mr. Chinubhai R. Shah, Mr. B. B. Tandon and Mr. Vijay Ranchan one member is Non Independent Director namely Mr. Rajesh S. Adani.

c) Terms of reference:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information.
- 2) Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fees.
- 3) Approval of payments to the statutory auditors for any other services rendered by them.
- 4) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.
- 5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
- 6) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
- 7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 8) Discussion with internal auditors any significant findings and follow up there on.
- 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there

is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- 10) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 12) Reviewing the functioning of the whistle blower mechanism, in case the same is existing.
- 13) Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.
- 14) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

d) Number of Audit Committee meetings held and dates on which held:

During the year under review Audit Committee meeting was held four times on 30th April, 2010, 4th August, 2010, 25th October, 2010 and 8th February, 2011.

e) Attendance of each member at the Audit Committee meetings held during the year

Name	No. of Meetings during the year	
	Held	Attended
Mr. S. K. Tuteja*	4	4
Mr. B. B. Tandon	4	4
Mr. Chinubhai R. Shah §	4	4
Mr. Ameet H. Desai **	4	4
Mr. Vijay Ranchan @	-	-
Mr. Rajesh S. Adani @	-	-

* Ceased to be member of Committee w.e.f. 12th February, 2011

§ Appointed as Chairman of Committee w.e.f 22nd March, 2011

** Ceased to be member of Committee w.e.f. 22nd March, 2011

@ Appointed as member of Committee w.e.f 22nd March, 2011

Chief Financial Officer (CFO), Sr. Vice President - Finance, representatives of Statutory and Internal Auditors are invited to the meeting of the Audit Committee.

Mr. Rahul C. Shah, Company Secretary and Compliance Officer acts as Secretary of the Committee.

The Chairman of the Committee was present at the last Annual General Meeting held on 21st August, 2010.

B) Remuneration Committee:

a) Constitution of Remuneration Committee:

The Remuneration Committee was constituted in the meeting of the Board of Directors held on 15th March, 2006 and subsequently reconstituted from time to time to comply with the statutory requirements.

b) Composition of Remuneration Committee:

The Remuneration Committee of the Board comprises of four members, out of which three members are Independent Directors namely Mr. B. B. Tandon, Mr. Vijay Ranchan and Mr. Chinubhai R. Shah and one member is Non Independent Director namely Mr. Gautam S. Adani.

c) Terms of reference:

- 1) Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.
- 2) Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- 3) Framing suitable policies and systems to ensure that there is no violation, by an Employee or the Company of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
- 4) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

d) Number of meetings held and dates on which held:

During the year under review Remuneration Committee meeting was held two times on 25th October, 2010 and 8th February, 2011.

e) Attendance of each member at the Remuneration Committee meetings held during the year:

The composition of the Remuneration Committee and details of Meetings attended by the Directors are given below:

Name	No. of Meetings during the year	
	Held	Attended
Mr. B. B. Tandon	2	2
Mr. Vijay Ranchan	2	2
Mr. S. K. Tuteja *	2	2
Mr. Gautam S. Adani	2	2
Mr. Chinubhai R. Shah @	-	-

* Ceased to be member of Committee w.e.f 12th February, 2011

@ Appointed as member of Committee w.e.f 22nd March, 2011

Mr. Rahul C. Shah, Company Secretary and Compliance Officer acts as Secretary of the Committee.

f) Remuneration Policy:

The Company's remuneration policy is driven by success and performance of the Company. The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Remuneration Committee decides on the remuneration payable to the Managing Director / Whole Time Director / Executive Director out of the profits of the financial year and within the ceilings prescribed under the Companies Act 1956 based on the performance of the Company. The Board in consultation with the Remuneration Committee decides the Remuneration payable to Managing Director / Whole Time Director/ Executive Director.

During the year 2010-11, the Company paid sitting fees of ₹ 10,000 per meeting to its Independent Non Executive Directors for attending meetings of the Board and Committees of the Board. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings. The Company pays commission of ₹ One Lac P.M. payable quarterly to all Independent Non Executive Directors, w.e.f 1st April, 2010, which is within the ceiling of 1% of net profit of the Company as computed under the applicable provisions of the Companies Act 1956.

g) Details of Remuneration:

i. Executive Directors:

Details of remuneration paid to Executive Director and Whole Time Director during the financial year 2010-2011 is as under:

(₹ in Crores)			
Name	Salary & Allowances	Perquisites & Allowances (including Contribution to PF & Gratuity)	Total
Mr. Ameet H. Desai *	4.85	0.14	4.99
Mr. Ravi Sharma @	0.30	0.03	0.33

* Resigned w.e.f. 31st March, 2011

@ Appointed w.e.f. 8th February, 2011

ii) Non-Executive Directors:

The details of sitting fees paid to Non-Executive Independent Directors during the financial year 2010-2011 is as under:

(₹ in Crores)		
Name	Sitting Fees	Commission
Mr. Chinubhai R. Shah	0.02	0.12
Mr. Vijay Ranchan	0.01	0.12
Mr. B. B. Tandon	0.01	0.12
Mr. S. K. Tuteja *	0.01	0.11

* Ceased to be member of Committee w.e.f. 12th February, 2011.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

iii) Details of shares of the Company held by Directors as on 31st March, 2011 are as under:

Name	No. of shares held
Mr. Chinubhai R. Shah	5,000
Mr. Vijay Ranchan,	5,000
Mr. B. B. Tandon,	5,000

The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

C) Shareholders/Investors Grievance & Share transfer Committee:

a) Constitution of Shareholders / Investors Grievance & Share transfer Committee:

The Shareholders / Investors Grievance & Share Transfer Committee was constituted in the meeting of the Board of Directors held on 12th December, 2007 and subsequently reconstituted from time to time to comply with the statutory requirements.

b) Composition of Shareholders / Investors Grievance & Share transfer Committee:

The Shareholders / Investors Grievance & Share transfer Committee of the Board comprises of three members, out of which two members are Independent Directors namely Mr. Vijay Ranchan and Mr. Chinubhai R. Shah and one member is Non Independent Director namely Mr. Rajesh S. Adani.

c) Terms of reference:

- i) Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
- ii) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.
- iii) To approve request received for transfer, transmission, demat etc. of securities of the Company.

d) Number of meetings held and dates on which held:

During the year under review Shareholders/Investors Grievance & Share Transfer Committee meeting was held nine times on 5th April, 2010, 30th April, 2010, 6th May, 2010, 28th June, 2010, 4th August, 2010, 1st September, 2010, 25th October, 2010, 8th February, 2011 and 19th March, 2011.

e) Attendance of each member at the Shareholders / Investors Grievance & Share Transfer Committee meetings held during the year:

Name	No. of Meetings	
	Held	Attended
Mr. Vijay Ranchan,	9	6
Mr. Chinubhai R. Shah	9	9
Mr. Rajesh S. Adani	9	9
Mr. Ameet H. Desai *	9	9

* Ceased to be member of Committee w.e.f 22nd March, 2011

Mr. Rahul C. Shah, Company Secretary and Compliance Officer acts as Secretary of the Committee.

f) Investor Grievance Redressal:

Details of complaints received and redressed during the year:

Number of complaints received and resolved during the year under review for the IPO of the Company and their breakup are as under:

Nature of complaint	No. of complaint received	No. of complaint resolved	Pending complaints
Non receipt of electronic credit of share	178	178	Nil
Non receipt of refund orders	182	182	Nil
Non receipt of Dividend Warrant	1	1	Nil
Non receipt of Annual Report	1	1	Nil
Non receipt of interest on Refund Order	1	1	Nil
Total	363	363	Nil

5. Subsidiary Companies: Monitoring Framework

All subsidiary companies of the Company are Board managed with their Board having the rights and obligation to manage such companies in the best interest of their stakeholders.

None of the subsidiaries of the Company other than Adani Power Maharashtra Limited comes under the purview of the Material Non-Listed Subsidiary as per criteria given in clause 49 of Listing Agreement. The Company has nominated Mr. Vijay Ranchan, Independent Director of the Company as Director on the Board of Adani Power Maharashtra Limited. The Company is not required to nominate an Independent Director on the Board of any other Subsidiary Companies. The Audit Committee of the Company reviews the Financial Statements and Investments made by unlisted subsidiary companies and the minutes of the unlisted subsidiary companies are placed at the Board Meeting of the Company.

6. General Body Meetings:
a) The last three Annual General Meetings were held as under:

Financial Year	Date	Location of Meeting	Time	No. of special Resolutions passed
2009-10	21.08.2010	J.B. Auditorium, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad- 380 015	10.30 a.m.	2
2008-09	29.06.2009	"Shikhar", Nr. Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009	11.00 a.m.	–
2007-08	25.09.2008	"Shikhar", Nr. Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009	1.00 p. m.	–

b) Special resolution passed through postal ballot

No special resolution was passed through postal ballot during 2010-11. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

7. Disclosures:

- a) There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in financial section of this Annual Report.
- b) In the preparation of the financial statements, the Company has followed the Accounting Policies and Practices as prescribed in the Accounting Standards and has been consistently applied except for the changes, if any, mentioned in Notes forming part of Account.
- c) The implementation of the risk assessment and minimization procedure containing the project/potential risk areas, its intensity, its effects, causes and measures taken by the Company are reviewed by the Committee periodically.
- d) The details of utilization of the proceeds of Initial Public Offer (IPO) are disclosed to the Audit Committee and the Board. The details of the utilization of Proceeds of IPO are mentioned in the Directors' Report.
- e) Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.
- f) There has been no instance of non-compliance by the Company on any matter related to capital markets since listing (i.e. 20th August, 2009) and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.
- g) The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31st March, 2011 in compliance with Clause 49 of Listing Agreement.
- h) A Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial audit report confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- i) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

8. Means of Communication:
a) Financial Results:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as 'The Indian Express' in English and 'Financial Express' in Gujarati and are displayed on the website of the Company www.adanipower.com.

b) News Releases, Presentation etc. :

Official news releases, press releases and presentation made to analysts, institutional investors etc. are displayed on the website of the Company www.adanipower.com.

c) Website:

The Company's website www.adanipower.com contains a separate dedicated section namely "Investor Relations" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company www.adanipower.com in a downloadable form.

9. General Shareholders Information:

a) Day, date, time and venue of the 15th Annual General Meeting:

Wednesday, 10th August, 2011 at 10.15 a.m. at J.B. Auditorium, AMA Complex, ATIRA Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015.

b) Registered Office:

"Shikhar", Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009

c) Financial Year:

The financial year of the Company is 1st April to 31st March and financial results will be declared as per the following schedule.

Particulars	:	Tentative Schedule
Quarterly Results		
Quarter ending 30 th June, 2011	:	By 13 th August, 2011
Quarter ending 30 th September, 2011	:	By 14 th November, 2011
Quarter ending 31 st December, 2011	:	By 14 th February, 2012
Annual Results		
Year ending 31 st March, 2012	:	Within 60 days from 31 st March, 2012

d) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Friday, 5th August, 2011 to Wednesday, 10th August 2011 (both days inclusive) for the purpose of 15th Annual General Meeting.

e) Unclaimed Shares lying in the Escrow Account:

The Company entered into the Capital Market with Initial Public Offer of 30,16,52,031 equity shares of ₹ 10/- each at a premium of ₹ 90/- per share through 100% Book Building process in August 2009. In light of SEBI's notification No. SEBI/CFD/DIL/LA/2009/24/04 on 24th April, 2009, the Company has opened a separate demat account in order to credit the unclaimed shares which could not be allotted to the rightful shareholder due to insufficient / incorrect information or any other reason. The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares. The details of Unclaimed Shares as on 31st March, 2011 issued pursuant to Initial Public offer (IPO) are as under:

Sr. No.	Particulars	Cases	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account (i.e. Adani Power Limited unclaimed shares demat suspense account) lying at the beginning of the year i.e. 1 st April, 2010	257	42530
2.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	81	15536
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	61	10991
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31 st March, 2011	196	31539

f) Listing on Stock Exchanges:

The Company's shares are listed on the following Stock Exchanges:

Name of Stock Exchange	Address	Code
Bombay Stock Exchange Limited	Floor 25, P.J Towers, Dalal Street, Mumbai - 400 001	533096
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	ADANIPOWER

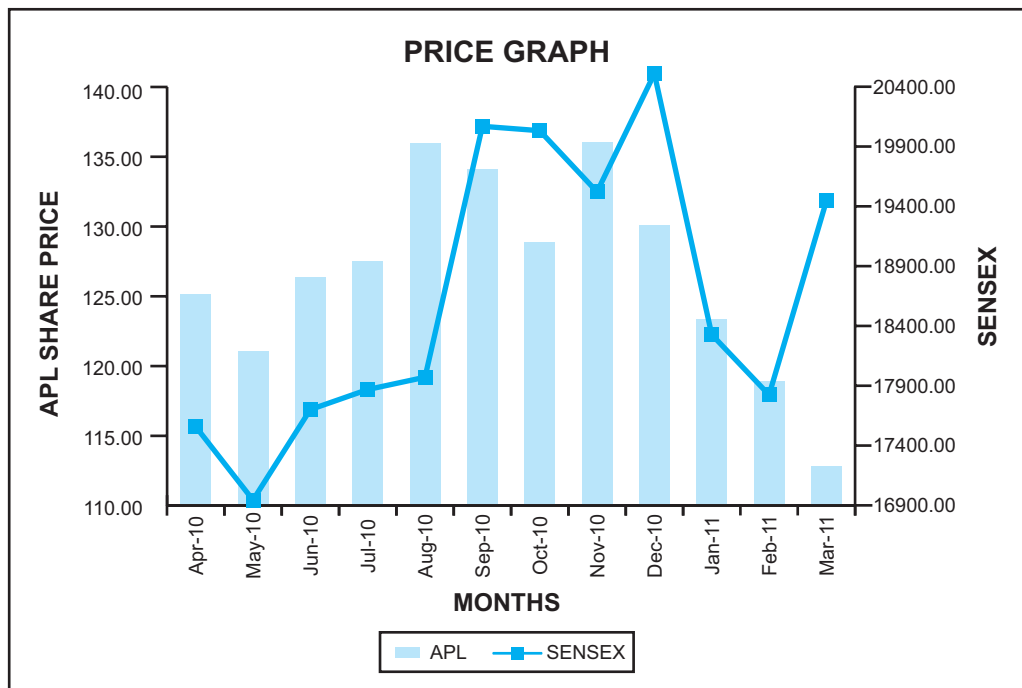
Annual Listing Fees for the year 2011-12 have been paid by the Company to BSE and NSE.

g) Market Price Data:

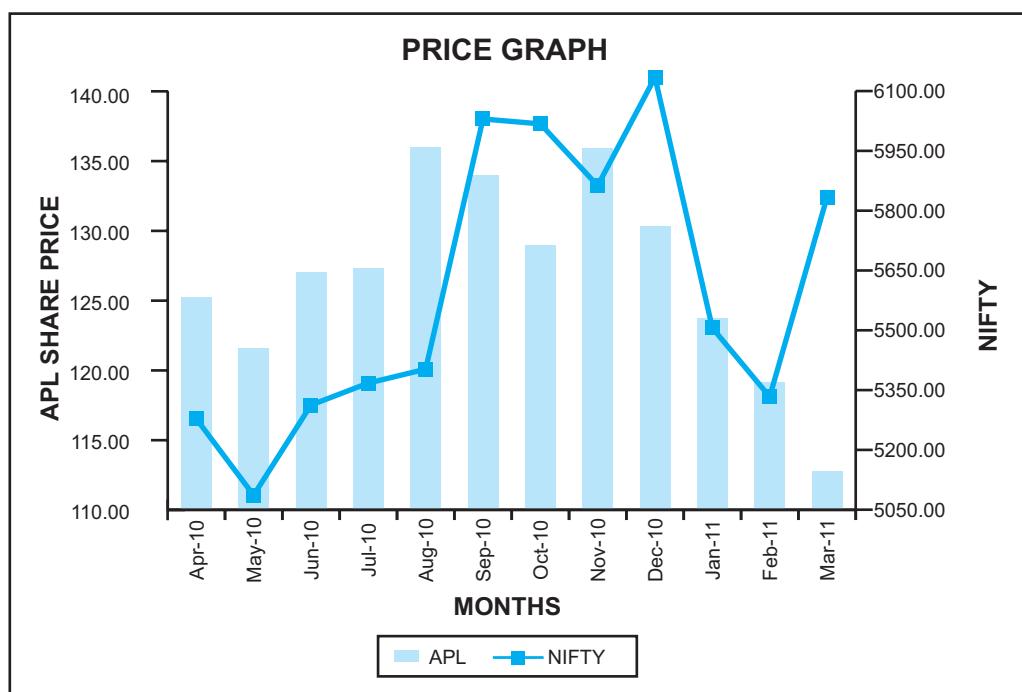
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2010	128.80	113.90	128.90	113.65
May, 2010	128.00	114.00	127.90	112.00
June, 2010	127.00	114.75	127.95	114.55
July, 2010	133.80	122.85	133.90	122.80
August, 2010	144.45	128.20	144.60	128.10
September, 2010	144.55	131.20	145.90	125.20
October, 2010	140.50	127.55	140.90	127.00
November, 2010	144.40	121.00	144.85	120.05
December, 2010	139.80	122.15	139.30	122.20
January, 2011	131.85	120.05	131.85	118.10
February, 2011	127.75	113.60	127.90	114.00
March, 2011	118.90	107.50	119.15	108.00

h) Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:

BSE Sensex



NSE Nifty



i) Registrar & Transfer Agents:

Name & Address: M/s Karvy Computershare Private Limited
 Unit: Adani Power Limited
 Plot No 17-24, Vittal Rao Nagar,
 Madhapur, Hyderabad - 500 081
 Andhra Pradesh, India
 Telephone No.: +91-040-44655000
 Fax: +91-040-23420814
 E-mail: einward.ris@karvy.com
 Website: www.karvycomputershare.com

j) Share Transfer Procedure:

As on 31st March, 2011, 99.99% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories without intervention of the Company. For transfer of physical shares, the transfer document should be lodged with Karvy Computershare Private Limited at the address mentioned in this Annual Report. The transfer of shares in physical form is processed within 30 days from the date of receipt, if the documents are complete in all respects. Shareholders' / Investors' Grievance & Share Transfer Committee is empowered to approve transfer.

All the transactions related to share transfer, change of address, dividend, share certificate etc., should be addressed to R&T Agent of the Company at the address mentioned in this Annual Report at first page of Annual Report.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company obtained a certificate from a Practicing Company Secretary on half yearly basis, for compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

k) Shareholding (as on 31st March, 2011):
(i) Distribution of Shareholding as on 31st March, 2011:

No. of shares	No. of shares	% to capital	Total no. of accounts	% to total accounts
1-500	33823058	1.55	219046	96.34
501-1000	3586683	0.16	4425	1.95
1001-2000	2763224	0.13	1811	0.80
2001-3000	1674818	0.08	650	0.29
3001-4000	1028397	0.05	283	0.12
4001-5000	1642133	0.08	341	0.15
5001-10000	2892296	0.13	374	0.16
10000 & above	2132624591	97.83	434	0.19
Total	2180035200	100.00	227364	100.00

(ii) Shareholding Pattern as on 31st March, 2011:

Category	No. of shares held		Total No. of Shares	% Holding
	Physical	Electronic		
Promoter Group	54000	1602264997	1602318997	73.50
Mutual Funds /UTI	-	11773004	11773004	0.54
Financial Institutions /Banks	-	15615467	15615467	0.72
Foreign Institutional Investors	-	215328272	215328272	9.88
Other Bodies Corporate	-	80919315	80919315	3.71
Trusts	-	16915	16915	0.00
Non Resident Indians	-	1151545	1151545	0.05
Foreign Nationals	-	1316868	1316868	0.06
Foreign Bodies Corporate	-	193139342	193139342	8.86
Directors & their relatives	-	15000	15000	0.00
Clearing members	-	377013	377013	0.02
Indian Public	9079	58054383	58063462	2.66
Total	63079	2179972121	2180035200	100.00

l) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.99% of the share capital are dematerialized as on 31st March, 2011.

The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Limited' in dematerialized form.

m) Outstanding GDRs / ADRs / Warrants or any convertible instrument, conversion and likely impact on equity:

Nil

n) Site location:

Adani Power Limited, Village: Tunda & Siracha, Taluka: Mundra, Dist: Kutchh, Gujarat – 370 435

o) Address of Correspondence:

- i) Mr. Rahul C. Shah,
Company Secretary & Compliance Officer
10 A, Sambhav Building,
Judges Bungalows Road,
Bodakdev,
Ahmedabad -380 015
Tel.: 91 79 2555 7601
Fax: 91 79 2555 7155
E-mail: rcshah@adanigroup.com
- ii) For transfer/dematerialization of shares, change of address of members and other queries.
M/s Karvy Computershare Private Limited
Unit : Adani Power Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Andhra Pradesh, India
Tel: +91-40-44655000
Fax: +91-40-23420814
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

p) Non-mandatory Requirements:

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

(1) Remuneration Committee:

Your Company has a Remuneration Committee to recommend appointment / re-appointment and to recommend / review remuneration of the Managing Director / Whole Time Director / Executive Director.

(2) Shareholders Right:

The quarterly, half yearly and annual results of your Company with necessary report thereon are published in newspapers and posted on Company's website www.adanipower.com. The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com

(3) Audit Qualifications:

There are no qualifications in the Auditor's Report on the financial statements to the shareholders of the Company.

(4) Training of Board Members:

There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experienced professional persons.

(5) Whistle Blower Policy:

The employees of your Company have access to senior management for any counseling or consultation in case they notice any fraud or misdoing by other employee.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Adani Power Limited

We have examined the compliance of conditions of Corporate Governance by Adani Power Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Chirag Shah
Company Secretary

Samdani Shah & Associates,
Company Secretaries,
C.P. No. 3498

Date : 9th May, 2011
Place : Ahmedabad

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
 - a) There have been no significant changes in internal control system during the year.
 - b) There have been no significant changes in accounting policies during the year except for the changes disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Date : 7th May, 2011
Palce : Ahmedabad

Rajesh S. Adani
Chief Executive Officer

Prabal Banerji
Chief Financial Officer

AUDITORS' REPORT

To
The Members of
Adani Power Limited

1. We have audited the attached Balance Sheet of **ADANI POWER LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

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

GAURAV J. SHAH
Partner
(Membership No. 35701)

Date : 9th May, 2011
Place : Ahmedabad

ANNEXURE TO THE AUDITORS' REPORT

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

1. Having regard to the nature of the Company's business/activities/results, clauses (x), (xiii) and (xiv) of CARO are not applicable.
2. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and the going concern status of the Company is not affected.
3. In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has granted interest-bearing loans aggregating ₹ 2,547.83 crores to four subsidiaries and interest-free loans aggregating ₹ 292.00 crores to a subsidiary during the year. At the year-end, the outstanding balances of such interest-bearing and interest-free loans aggregated ₹ 908.62 crores and ₹ 116.00 crores respectively and the maximum amount involved during the year of such interest-bearing and interest-free loans were ₹ 2,586.20 crores and ₹ 172.00 crores respectively.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of the Order are not applicable to the Company.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

 - (a) The Company has taken loans aggregating ₹ 4,103.00 crores from its holding Company and a fellow subsidiary during the year. At the year-end, the outstanding balance of such loans taken aggregated ₹ 764.60 crores and the maximum amount involved during the year was ₹ 3,668.38 crores.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.
5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
6. According to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of Companies Act, 1956 which were required to be entered in the register maintained under that section.

ANNEXURE TO THE AUDITORS' REPORT

7. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
9. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of Electricity Generation and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
10. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax and Custom Duty which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in crores)
Customs Laws	Customs Duty	Honourable High Court of Gujarat	From July, 2009 to September, 2010	119.97
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2008-09	0.46

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by the others from banks or financial institutions.
14. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
15. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
16. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year.
18. The Management has disclosed the end use of money raised by public issues and we have verified the same.
19. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No.117365W)

GAURAV J. SHAH

Partner
(Membership No. 35701)

Date : 9th May, 2011

Place : Ahmedabad

Balance Sheet as at 31st March, 2011

(₹ in Crores)

	Schedule	As at 31 st March, 2011	As at 31 st March, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,180.04	2,180.04
Reserves and Surplus	2	4,142.67	3,619.59
		6,322.71	5,799.63
LOAN FUNDS			
Secured Loans	3	15,031.33	9,200.60
Unsecured Loans	4	2,314.73	563.50
DEFERRED TAX LIABILITY (Refer Note (B) 17 of Schedule 18)		312.01	11.99
TOTAL		23,980.78	15,575.72
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	8,071.06	2,719.20
Less: Depreciation		261.76	66.33
Net Block		7,809.30	2,652.87
Capital Work-in-Progress	6	11,641.61	9,787.45
Project Development Expenditure	7	894.78	878.92
Construction Materials at Site	8	119.97	117.09
		20,465.66	13,436.33
INVESTMENTS	9	1,670.58	746.58
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	10	276.33	9.52
Sundry Debtors	11	416.48	256.30
Cash and Bank Balances	12	856.86	1,026.67
Loans and Advances	13	1,942.27	1,342.50
		3,491.94	2,634.99
LESS: CURRENT LIABILITIES AND PROVISIONS	14	1,647.40	1,242.18
NET CURRENT ASSETS		1,844.54	1,392.81
TOTAL		23,980.78	15,575.72
Significant Accounting Policies and Notes on Accounts The accompanying Schedules 1 to 18 form an integral part of these accounts	18		

As per our attached report of even date

For **DELOITTE HASKINS & SELLS**
Chartered Accountants**GAURAV J. SHAH**
Partner
Membership No. 35701Date : 9th May, 2011
Place : AhmedabadFor **ADANI POWER LIMITED****GAUTAM S. ADANI** Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company SecretaryDate : 9th May, 2011
Place : Ahmedabad

Profit and Loss Account for the year ended 31st March, 2011

(₹ in Crores)

	Schedule	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
INCOME			
Revenue from Power Supply		2,106.43	434.86
Other Income	15	18.64	6.07
Total Income		2,125.07	440.93
EXPENDITURE			
Fuel Cost		704.36	166.83
Generation, Transmission, Administration and Other Expenses	16	186.29	23.44
Depreciation and Amortisation		180.37	35.35
Interest and Finance Charges	17	230.28	11.81
Total Expenditure		1,301.30	237.43
PROFIT BEFORE TAX		823.77	203.50
Provision for Taxation			
Current Tax		–	–
Deferred Tax		300.02	32.70
PROFIT AFTER TAX		523.75	170.80
Balance Brought Forward from the Previous Year		167.98	(2.82)
BALANCE CARRIED TO BALANCE SHEET		691.73	167.98
Earnings Per Share (EPS) (Face Value ₹ 10 per share)			
Basic & Diluted EPS (₹)		2.40	0.82
Cash EPS (₹) (Refer Note (B) 16 of Schedule 18)		4.53	1.12
Significant Accounting Policies and Notes on Accounts	18		
The accompanying Schedules 1 to 18 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 : 9th May, 2011
Place : Ahmedabad

For **ADANI POWER LIMITED**

GAUTAM S. ADANI Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company Secretary

Date : 9th May, 2011
Place : Ahmedabad

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

(₹ in Crores)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit and Loss Account	823.77	203.50
Adjustments for:		
Depreciation and Amortisation	180.37	35.35
Gain on Foreign Exchange Fluctuation (Net)	(17.34)	(6.07)
Gain on Sale of Fixed Assets	(0.66)	-
Interest and Finance Charges	316.83	37.67
Interest Income received	(86.55)	(25.86)
Cash generated from Operating activity before Working Capital change	1,216.42	244.59
Adjustments for changes in Working Capital		
Increase in Trade and Other Receivables	(160.18)	(256.30)
Increase in Trade Liabilities	94.71	5.00
Increase in Inventories	(266.81)	(9.52)
Cash generated/(used) from operations	884.14	(16.23)
Less: Taxes paid	-	(0.10)
NET CASH FROM OPERATING ACTIVITIES (A)	884.14	(16.33)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and CWIP	(6,166.73)	(5,951.41)
Sale of fixed assets	56.72	-
Interest Income received	86.55	25.86
Investments in Subsidiaries	(914.01)	(474.44)
Investments in Bonds	(10.00)	-
Advances to Subsidiaries	(760.62)	(611.64)
NET CASH USED IN INVESTING ACTIVITIES (B)	(7,708.09)	(7,011.63)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares	-	3,393.41
Long Term borrowings	8,444.55	5,110.92
Repayments of Long Term borrowings	(1,990.82)	-
Short Term borrowings	1,691.73	748.50
Repayments of Short Term borrowings	(563.50)	(1,100.00)
Issue Expenses paid	(0.67)	(66.50)
Interest and Finance Charges paid	(927.15)	(525.86)
NET CASH FROM FINANCING ACTIVITIES (C)	6,654.14	7,560.47
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(169.81)	532.51
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,026.67	494.16
CASH AND CASH EQUIVALENTS AT END OF YEAR	856.86	1,026.67
	(169.81)	532.51

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

(₹ in Crores)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Notes to Cash flow Statement :		
1. Cash and cash equivalents include:		
Cash on hand	0.02	0.06
With Scheduled banks:		
Current Accounts	340.02	183.65
Unclaimed share application money lying in escrow account	0.87	1.47
Fixed Deposits	110.00	570.61
Margin Money Deposits against Bank Guarantee	405.82	270.16
With Non-Scheduled Bank:		
Current Account	0.13	0.72
	856.86	1,026.67
2. Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.		
3. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.		

As per our attached report of even date

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

Date : 9th May, 2011
Place : Ahmedabad

For **ADANI POWER LIMITED**

GAUTAM S. ADANI Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company Secretary

Date : 9th May, 2011
Place : Ahmedabad

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

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED		
2,500,000,000 Equity Shares of ₹ 10/- each	2,500.00	2,500.00
500,000,000 Cumulative Compulsorily Convertible Participatory Preference Shares of ₹ 10/- each	500.00	500.00
	3,000.00	3,000.00
ISSUED, SUBSCRIBED AND PAID UP		
2,180,035,200 (As at 31 st March, 2010 - 2,180,035,200) Fully Paid up Equity Shares of ₹ 10/- each	2,180.04	2,180.04
	2,180.04	2,180.04
Of the above equity shares :		
1. 1,531,440,000 (As at 31 st March, 2010 - 1,531,440,000) Shares are held by Adani Enterprises Ltd., the Holding Company and its nominees.		
2. 787,313,868 Shares were allotted during the year 2008-09 as fully paid up bonus shares by capitalization of Share Premium Account.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Premium Account		
As per last Balance Sheet	3,451.61	451.66
Add : On Equity Shares issued during the year	–	3,055.41
Less: Share issue expenses written off (net off tax)	0.67	55.46
	3,450.94	3,451.61
Balance in Profit and Loss Account	691.73	167.98
	4,142.67	3,619.59

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 3		
SECURED LOANS		
Term Loans		
From Banks		
Rupee Loan	2,749.43	2,152.65
Foreign Currency Loan	2,652.21	–
From Financial Institutions	756.16	447.18
Bills Discounted under Letters of Credit (to be converted into Loans)	8,215.62	6,423.05
Bills Discounted under Letters of Credit (Working Capital facilities)	657.91	177.72
	15,031.33	9,200.60
The above borrowings are secured by:		
<ol style="list-style-type: none"> Term Loans from banks aggregating to ₹ 3,427.14 Crores (As at 31st March, 2010 - ₹ 1,545.22 Crores) and from financial institution ₹ 460.00 Crores (As at 31st March, 2010 - ₹ 171.02 Crores) and Bills Discounted under Letters of Credit from a bank of ₹ NIL (As at 31st March, 2010 - ₹ 1,093.53 Crores) are secured/to be secured by first mortgage and charge on all immovable and movable assets, both present and future of Phase I & Phase II, on <i>pari passu</i> basis. Bills Discounted under Letters of Credit from a bank of ₹ NIL (As at 31st March, 2010 - ₹ 300.00 Crores) (Subordinate Debt) is secured by second mortgage and charge on all immovable and movable assets, both present and future of Phase I & Phase II. Term Loans from Banks aggregating to ₹ 551.85 Crores (As at 31st March, 2010 - NIL) are secured/ to be secured by first <i>pari passu</i> charge on revenue and receivables of Phase I and Phase II and second <i>pari passu</i> charge on other project immovable and movable assets of Phase I and Phase II. Bills Discounted under Letters of Credit from a bank of ₹ 478.21 Crores (As at 31st March, 2010 - ₹ 177.72 Crores) is secured by first mortgage and charge on all immovable and movable assets, both present and future of Phase I & Phase II, on <i>pari passu</i> basis. Term Loans from banks aggregating to ₹ 886.41 Crores (As at 31st March, 2010 - ₹ 438.72 Crores) and from financial institution ₹ 296.16 Crores (As at 31st March, 2010 - ₹ 276.16 Crores), and Bills Discounted under Letters of Credit from banks aggregating to ₹ 2,688.90 Crores (As at 31st March, 2010 - ₹ 2318.87 Crores) are secured by first mortgage and charge on all immovable and movable assets, both present and future of Phase III, on <i>pari passu</i> basis. Term Loans from banks aggregating to ₹ 89.71 Crores (As at 31st March, 2010 - ₹ 68.71 Crores) (Subordinate Debt) are secured by second mortgage and charge on all immovable and movable assets, both present and future of Phase III, on <i>pari passu</i> basis. Bills Discounted under Letters of Credit from a bank of ₹ 179.70 Crores (As at 31st March, 2010 - ₹ Nil) is to be secured by first mortgage and charge on all immovable and movable assets, both present and future of Phase III, on <i>pari passu</i> basis. Bills Discounted under Letters of Credit from banks aggregating to ₹ 4,765.27 Crores (As at 31st March, 2010 - ₹ 2556.89 Crores) are secured by first mortgage and charge on all immovable and movable assets, both present and future of Phase IV, on <i>pari passu</i> basis. Term Loans from banks aggregating to ₹ 326.53 Crores (As at 31st March, 2010 - ₹ 100.00 Crores) (Subordinate Debt) are secured by second mortgage and charge on all immovable and movable assets, both present and future of Phase IV, on <i>pari passu</i> basis. Term Loan from a bank of ₹ 120.00 Crores (As at 31st March, 2010 - ₹ NIL), and Bills Discounted under Letters of Credit from banks aggregating to ₹ 761.45 Crores (As at 31st March, 2010 - ₹ 153.76 Crores) are secured by first charge by way of hypothecation on all movable assets, both present and future of Transmission Line Project. The above Secured Loans are further secured by pledge of 326,786,778 (Previous Year 886,106,331) Equity Shares of the Company through execution of Pledge Agreement with Adani Enterprise Limited as under. <ol style="list-style-type: none"> First charge for Secured Loans from banks aggregating to ₹ 8,636.74 Crores (As at 31st March, 2010 - ₹ 8,400.43 Crores); and Second charge for Secured Loans from banks aggregating to ₹ 416.24 Crores (As at 31st March, 2010 - ₹ 468.71 Crores). Out of above Loans, payable within 12 months is ₹ 1,546.23 Crores (As at 31st March, 2010 - ₹ 259.68 Crores) 		
SCHEDULE - 4		
UNSECURED LOANS		
From Banks	715.00	468.50
From Holding Company	764.60	15.00
From a Company	–	80.00
Bills Discounted under Letters of Credit	743.00	–
Bills Discounted under Letters of Credit (Working Capital facilities)	92.13	–
Out of above loans, Payable within twelve months is ₹ 1571.73 Crores (As at 31 st March, 2010 - ₹ 548.50 Crores)		
	2,314.73	563.50

FIXED ASSETS

(₹ in Crores)

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION AND AMORTISATION			NET BLOCK		
	As at 1 st April, 2010	Additions During the year	Deductions during the year	As at 31 st March, 2011	As at 1 st April, 2010	For the year	Deductions during the year	As at 31 st March, 2011	As at 31 st March, 2010
Tangible Assets									
Land (Lease Hold)	276.73	-	-	276.73	13.46	11.34	-	24.80	263.27
Freehold Land	1.70	-	-	1.70	-	-	-	-	1.70
Building	187.25	71.74	-	258.99	5.88	5.38	-	11.26	181.37
Plant and Machinery	2,221.51	5,311.00	56.67	7,475.84	41.84	179.59	5.13	216.30	2,179.67
Furniture and Fixtures	4.20	1.33	-	5.53	1.32	0.84	-	2.16	3.37
Railway Siding	5.13	1.26	-	6.39	0.13	0.31	-	0.44	5.95
Computers	5.60	2.57	-	8.17	1.56	1.09	-	2.65	5.52
Office Equipments	6.47	2.52	-	8.99	0.68	0.43	-	1.11	7.88
Electrical Installation	4.89	17.97	-	22.86	0.13	0.84	-	0.97	21.89
Vehicles	3.67	0.19	0.05	3.81	0.60	0.35	0.02	0.93	3.07
Total Tangible Assets	2,717.15	5,408.58	56.72	8,069.01	65.60	200.17	5.15	260.62	7,808.39
Intangible Assets (Other than internally generated)									
Computer Software	2.05	-	-	2.05	0.73	0.41	-	1.14	0.91
Total Intangible Assets	2.05	-	-	2.05	0.73	0.41	-	1.14	0.91
Total Fixed Assets	2,719.20	5,408.58	56.72	8,071.06	66.33	200.58	5.15	261.76	2,652.87
Previous Year	335.52	2,383.83	0.15	2,719.20	9.83	56.51	0.01	66.33	2,652.87

Notes:

- Additions during the year to Plant and Machinery are after adjustment of foreign exchange fluctuation gain of ₹ 188.06 Crores (Previous Year loss of ₹ 119.57 Crores) capitalized in accordance with the Company's (Accounting Standards) Amendment Rules, 2009.
- Additions during the year include ₹ 628.65 Crores (Previous year ₹ 400.62 Crores) capitalised/allocated from Project Development Expenditure Account on commissioning of the projects.
- Depreciation of ₹ 5.24 Crores (Previous Year ₹ 7.18 Crores) relating to the Project Assets has been transferred to Project Development Expenditure (Schedule - 7).
- Depreciation of ₹ 14.97 Crores (Previous Year ₹ 13.98 Crores) relating to the Project Assets has been capitalised and has been included in the additions during the year.

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 6		
CAPITAL WORK-IN-PROGRESS		
Land and Site Development	0.20	0.20
Building and Civil Works	56.44	186.32
Plant and Machinery (Including in Transit ₹ 141.00 Crores) (As at 31 st March, 2010 - ₹ 565.70 Crores)	9,174.67	7,984.54
Electrical Installation	18.81	168.76
Railway Sidings	0.20	1.65
Desalination Plant	55.86	54.05
Transmission Line (Including in Transit NIL) (As at 31 st March, 2010 - ₹ 45.41 Crores)	1,930.74	446.82
Coal Mine	8.70	8.70
Advances for Capital Expenditure		
Advance to Contractors / Suppliers	395.99	936.41
	11,641.61	9,787.45
SCHEDULE - 7		
PROJECT DEVELOPMENT EXPENDITURE		
Salaries, Wages and Allowances	46.53	68.04
Contributions to Provident and other Funds	1.90	2.99
Employee Welfare Expenses	11.09	15.83
Sub-Lease Rent for Land	0.49	0.76
Project Insurance	0.19	6.26
Professional Fees	39.56	28.70
Auditor's Remuneration	0.02	0.09
Statutory Expenses	1.30	3.43
Communication Expenses	1.43	1.85
Administration and Office Expenses	27.95	40.90
Stationery and Courier Expenses	0.57	0.84
Vehicle Running Expenses	1.88	3.26
Travelling Expenses	13.15	18.42
Other Miscellaneous Expenses	1.13	1.00
Depreciation	22.29	17.05
Interest and Finance Charges	802.28	715.77
Provision for Taxes		
- Current Tax	-	2.83
- Fringe Benefit Tax	0.57	1.18
	972.33	929.20
OTHER INCOME		
Gain on Sale of Securities/Treasury Bills	-	0.80
Interest (Tax deducted at source ₹ 2.22 Crores) (As at 31 st March, 2010 ₹ 3.02 Crores)	77.55	34.39
Dividend	-	7.62
Miscellaneous Income	-	7.47
	77.55	50.28
	894.78	878.92

(₹ in Crores)

				As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 8					
CONSTRUCTION MATERIALS AT SITE					
Steel, Cement and Other Materials at Site (Includes in transit NIL) (As at 31 st March, 2010 ₹ 0.22 Crores)				119.97	117.09
				119.97	117.09
SCHEDULE - 9					
INVESTMENTS					
Long Term Investments	Number of Equity shares		Face value per Equity share	As at	As at
Trade, Unquoted In Equity Shares (Fully Paid up) In Subsidiary Companies	As at 31st March, 2011	As at 31st March, 2010		31st March, 2011	31st March, 2010
Adani Power Maharashtra Limited	1,614,653,787	705,500,000	10.00	1,614.65	705.50
Adani Power Dahej Limited	50,000	50,000	10.00	0.05	0.05
Share Application Money Pending Allotment				40.64	40.64
Adani Power Rajasthan Limited	4,900,000	50,000	10.00	4.90	0.05
Adani Power (Overseas) Limited	4	2	(20000 AED)	0.11	0.05
Share Application Money Pending Allotment				—	0.05
Adani Pench Power Limited	50,000	50,000	10.00	0.05	0.05
Kutchh Power Generation Limited	50,000	50,000	10.00	0.05	0.05
Mundra Power SEZ Limited	50,000	50,000	10.00	0.05	0.05
Adani Shipping PTE Ltd.	1,000	1,000	(1 SGD)	0.08	0.08
Adani Power PTE Ltd. (* ₹ 46,790) (As at 31 st March, 2010 - ₹ 46,790)	1,000	1,000	(1 USD)	*	*
Non-Trade, Unquoted				**	**
National Savings Certificate (Lying with Govt. Authorities) (** ₹ 42,699) (As at 31 st March, 2010 - ₹ 31,699)					
Current Investments					
Trade, Quoted					
BOND-YES BANK LTD FOR 15 YEARS				10.00	-
				1,670.58	746.58
Aggregate value of quoted Investments - Cost				10.00	-
- Market Value				10.00	-
Aggregate value of unquoted Investments - Cost				1,660.58	746.58

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 10		
INVENTORIES		
Coal, Oil, Stores and Spares (Includes in transit ₹ 0.35 Crores) (As at 31 st March, 2010 ₹ 1.66 Crores)	276.33	9.52
	276.33	9.52
SCHEDULE - 11		
SUNDRY DEBTORS (UNSECURED)		
Considered Good		
Debtors outstanding for more than six months	–	–
Other Debt	416.48	256.30
	416.48	256.30
SCHEDULE - 12		
CASH AND BANK BALANCES		
Cash on Hand	0.02	0.06
Balances with Scheduled banks in :		
Current Accounts	340.02	183.65
Unclaimed share application money lying in escrow account	0.87	1.47
Fixed Deposits	110.00	570.61
Margin Money Deposit Against Bank Guarantee (Lying with banks)	405.82	270.16
Balances with Non-scheduled bank in :		
Current Account (Maximum Balance outstanding during the year in current account with Bank of China - is ₹ 1.00 Crores (Previous Year - ₹ 0.84 Crores))	0.13	0.72
	856.86	1,026.67
SCHEDULE - 13		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Interest Receivable	13.71	7.50
Prepaid Expenses	65.38	2.47
Advance to Holding Company, Adani Enterprises Ltd. (Against Coal Supply Agreement) (Maximum amount outstanding during the year ₹ 150 Crores (Previous Year ₹ 150 Crores))	–	150.00
Advances to Subsidiaries (Refer Note (B) 22 of Schedule 18)	1,432.34	671.72
Security Deposits	14.93	18.49
Advances Recoverable in cash or in kind or for value to be received	407.03	485.40
Advance Tax including Tax Deducted at Source (Net of Provision)	8.88	6.92
	1,942.27	1,342.50
SCHEDULE - 14		
CURRENT LIABILITIES		
Equity Share Application Money Refundable	0.87	1.47
Interest Accrued but not due	81.31	33.16
Sundry Creditors (See Note (B) 12 of Schedule 18)	1,406.62	1,142.44
Other Liabilities	157.39	62.02
	1,646.19	1,239.09
PROVISIONS		
Provision for Employee Benefits (Net)	1.21	3.09
	1.21	3.09
	1,647.40	1,242.18

Schedules forming part of the Profit and Loss Account for the year ended 31st March 2011

(₹ in Crores)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
SCHEDULE - 15		
OTHER INCOME		
Gain on Foreign Exchange Fluctuation (Net)	17.34	6.07
Gain on Sale of Fixed Assets	0.66	-
Miscellaneous Income	0.64	-
	18.64	6.07
SCHEDULE - 16		
GENERATION, TRANSMISSION, ADMINISTRATION AND OTHER EXPENSES		
STAFF COST		
Salaries, Wages and Allowances	27.36	4.20
Contributions to Provident and other Funds	1.14	0.11
Employee Welfare Expenses	1.27	0.23
	29.77	4.54
OPERATION EXPENSES		
Stores and Spares	10.30	0.26
Repairs and Maintenance		
Plant and Machinery	4.84	0.12
Others	0.09	0.02
Insurance Expenses	5.14	-
	20.37	0.40
TRANSMISSION EXPENSES		
ADMINISTRATION AND OTHER EXPENSES		
Rent	1.42	0.02
Rates and Taxes	48.77	-
Legal and Professional Expenses	1.23	0.53
Discount on Prompt Payment of Bills	37.95	8.30
Directors' Sitting Fees	0.05	0.03
Director's Commission	0.46	-
Audit Fees	0.30	0.18
Miscellaneous Expenses	6.60	1.35
Donation	8.75	0.15
	105.53	10.56
	186.29	23.44
SCHEDULE - 17		
INTEREST AND FINANCE CHARGES		
Interest on fixed period loans		
Term Loans -		
Rupee Loan	175.33	33.56
Foreign Currency Loan	39.43	-
Interest on Letters of Credit and others	82.63	4.11
Finance and other Charges	19.44	-
Less:		
Interest Income	86.55	25.86
(TDS Deducted at source ₹ 0.71 Crores) (Previous year ₹ 2.27 Crores)		
	230.28	11.81

SCHEDULE – 18

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, in accordance with the Generally Accepted Accounting Principles (GAAP) and provisions of the Companies Act, 1956.

2) Use of estimates

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

3) 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 is allocated to the respective fixed assets on completion of construction/ erection of the capital project/ fixed assets.

5) Intangible Assets

Computer Software cost is capitalized and recognized as Intangible Assets in terms of Accounting Standard -26 “Intangible Assets” based on materiality, accounting prudence and significant economic benefits expected to flow there from 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 ₹ 5,000/- are written off in the year of purchase.
- iv) Cost of Lease hold land is amortized over the period of lease.
- v) Costs of Intangible assets are amortized over a period of 5 years.

7) Leases

Assets acquired on leases where a significant portion of risks and rewards incidental to ownership is retained by the lessor are classified as operating lease.

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 permanent in the opinion of the management. Current Investments are carried at lower of cost or fair value.

9) Revenue Recognition

- i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exist.
- ii) Interest income is accounted for on an accrual basis. Dividend income is accounted for when the right to receive income is established.

- iii) Delayed payment charges and interest on delayed payment for power supply are recognized, on grounds of prudence, as and when recovered.

10) Inventories

Inventories are valued at weighted average cost or net realizable value, whichever is lower.

11) 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.

12) Impairment of assets

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

13) 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 differences either on settlement or on translation are recognized in the Profit and Loss Account except in respect of the project cost, same are recognized as "Capital Work-in-Progress".
- v) Pursuant to the Companies (Accounting Standards) Amendment Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences in respect of accounting periods commencing on or after December 7, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origin). As a result of such exchange differences, so far as they relate to the acquisition of depreciable capital assets, have been adjusted to the cost of such assets and would be adjusted over the balance life of the assets.

14) Derivative Transactions

Pursuant to the announcement on accounting for derivatives issued by The Institute of Chartered Accountants of India, the Company, in accordance with the principle of prudence as enunciated in AS – 1, "Disclosure of Accounting Policies", provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any net unrealized gains arising on such mark to market are not recognized as income.

15) 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 till the

commencement of commercial production or to the Profit and Loss Account for the period, in which the contributions to the respective funds accrue.

iii) Leave Encashment:

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

16) 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.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In view of the Company availing tax deduction under Section 80IAB of the Income Tax Act, 1961, deferred tax is recognized in respect of timing difference, which originates during the tax holiday period but reverse after the tax holiday period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidences that they can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets be realized.

17) 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:

(₹ in Crores)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
Guarantees issued by the Company's bankers on behalf of the Company	694.54	511.38
Letter of Credit facilities provided by banks	836.29	1,712.85
Bonds submitted to Development Commissioner on behalf of Government of India	3,860.94	3,771.42

2. Capital Commitments not provided for are estimated at ₹ 4,507.27 Crores (31st March, 2010 – ₹ 7,302.69 Crores)

3. 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. In view thereof, 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.

4. The IPO proceeds have been utilized as per objects of the issue as stated in the prospectus as under:

(₹ in Crores)

Amount Received from IPO in August, 2009				3,016.52
Funding to part finance the construction and development cost of following identified projects:	Projected	Transfer	Total Projected	Utilisation of funds upto 31st March, 2011
Mundra Phase - IV (3x660 MW) *	1,153.00	(0.03)	1,152.97	1,152.97
Investment in Subsidiary namely "Adani Power Maharashtra Limited" by way of equity	1,040.00	-	-	1,040.00
General Corporate Purposes	759.00	10.62	769.62	769.62
Issue Expenses *	64.52	(10.59)	53.93	53.93
Total	3,016.52			3,016.52

* No further expenditure is required to be incurred and therefore the balance amount has been transferred to General Corporate Purposes.

5. The Government of India has levied Customs Duty of ₹ 100 per 1000 kwh on Electrical Energy removed from Special Economic Zone to Domestic Tariff Area vide notification dated 6th September, 2010. In accordance with the provisions of the Power Purchase Agreement (PPA), impact of any change in law which becomes effective subsequent to Bid Deadline is allowed to be recovered from the Procurer with approval of appropriate Regulatory Commission. The Company has already applied to Gujarat Electricity Regulatory Commission (GERC) for approval of necessary adjustment of tariff on account of levy of the said Custom Duty and the same is expected to be approved shortly. Accordingly, in view of the Company's entitlement to claim such revenue, as per the provisions of the PPA, the Company has recognized the revenue of ₹42.75 Crores in the current year.
6. During the year, the Company's Power Generating Units of 1320 MW (Previous Year – 660 MW) commenced commercial operations resulting into total power generating capacity to 1980 MW.
7. Total number of electricity units sold during the year 6769.40 MUs (Previous Year – 1172.10 MUs)
8. The Project Development Expenditure includes Directors' Remuneration:

(₹ in Crores)

Particulars	For the Year 2010-2011	For the Year 2009-2010
Managerial Remuneration to the Directors	5.32	0.42
The above is inclusive of :		
Salary and Allowance	5.15	0.32
Estimated Value of Benefits in cash or in kind provided to Directors	0.01	0.06
Contribution to Provident and other Funds	0.12	0.03
Contribution to Gratuity Fund	0.04	0.01

9. Computation of net profit as per Section 349 read with Section 309 (5) and Section 198 of the Companies Act, 1956:
(₹ in Crores)

Particulars	For the Year 2010-11	For the Year 2009-10
Net Profit as per Profit and Loss Account (A)	523.75	170.80
Add: Provision for Taxation	300.02	32.70
Depreciation (as per accounts)	180.37	35.35
Managerial Remuneration (included in Project Development Expenditure)	–	–
Directors' Fee	0.05	0.03
Directors' Commission	0.46	–
Loss/(Profit) on Sale of Fixed Assets	(0.66)	–
Total (B)	480.24	68.08
Less: Depreciation (as per Section 350)	180.37	35.35
Total (C)	180.37	35.35
Net Profit as per Section 198 of the Companies Act, 1956 (A) + (B) – (C)	823.62	203.53
Maximum permissible remuneration to executive director and whole time director under section 198 of the Companies Act, 1956 at 10% of the profits computed above	82.36	20.35
Restricted as per service agreement to	5.32	0.42
Maximum permissible remuneration to non-executive directors under section 198 of the Companies Act, 1956 at 1% of the profits computed above	8.24	2.03
Restricted to as actually agreed to	0.46	–

10. Auditor's Remuneration includes:

(₹ in Crores)

Particulars	For the Year 2010-2011	For the Year 2009-2010
Audit Fees	0.30	0.18
Certification Work required to be done by the Statutory Auditors for the purpose of IPO (adjusted against Share Premium Account)	–	0.33
For other Services (Included in Project Development Expenditure)	0.16	0.06
Total	0.46	0.57

11. Operating Leases:

Lease rentals charged to Profit & Loss Account or Project Development Expenditure for lease agreements for right to use Office Premises, Land, Employees' Accommodation and Fleet are:

(₹ in Crores)

Future Minimum Lease Payments	As at 31 st March, 2011	As at 31 st March, 2010
Not later than one Year	123.93	7.23
Later than one year and not later than five years	451.97	4.48
Later than five years	315.76	2.20

The lease agreements are executed for a period ranging between 1 year to 14 years with a renewal clause and also provide for termination by either party by giving a prior notice.

12. 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.
13. The Company entered into an agreement (PPA) dated 2nd February, 2007 with Gujarat Urja Vikas Nigam Limited (GUVNL) for supply of Power on long-term basis subject to certain conditions to be complied within stipulated time. Amongst others, one of the conditions was pertaining to tie-up of fuel supply based on coal to be provided by Gujarat Mineral Development Corporation (GMDC). This agreement did not materialize. Consequent to the same, the Company had terminated the PPA and has offered to pay the liquidated damages. However, GUVNL has contested the termination and approached Gujarat Energy Regulatory Commission (GERC) to resolve the matter. GERC held that the agreement cannot be terminated. Against the decision of GERC, the Company filed an appeal before Appellate Tribunal for Electricity (APTEL). Pending the matter before APTEL and being sub-judice, no effect has been given in these financial statements.
14. The Company has taken various derivatives to hedge its loans. The outstanding position of derivative instruments as at 31st March, 2011 is as under:

(₹ in Crores)

Nature	Particulars of Derivatives as at 31 st March, 2011	Particulars of Derivatives as at 31 st March, 2010	Purpose
Principal Only Swap	1,588.90	145.86	Hedging of Loans
Cross Currency Swap	161.71	-	Hedging of Loans
Forward Cover	33.74	-	Hedging of working capital loans

The details of foreign currency exposures not hedged by derivative instruments as at 31st March, 2011 and 31st March, 2010 are as under:

(₹ in Crores)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
(a) Import Creditors	934.74	753.85
(b) Loans under Letter of Credit	9,613.79	6,600.77
(c) Usance interest accrued but not due	57.38	30.79

15. The Company is engaged in power generation and setting up of power project. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. There is no reportable secondary segment i.e. geographical Segment.
16. Earnings Per Share (EPS):
- (A) EPS as per AS-20.

Basic and Diluted EPS		For the Year 2010-2011	For the Year 2009-2010
Profit attributable to equity shareholders	(₹ in Crores)	523.75	170.80
Weighted average number of equity shares outstanding during the year	Nos.	2,180,035,200	2,070,472,531
Nominal Value of equity share	₹	10.00	10.00
Basic and Diluted EPS	₹	2.40	0.82

(B) Cash EPS

Cash EPS		For the Year 2010-2011	For the Year 2009-2010
Cash Profit	(₹ in Crores)	986.80	232.78
Weighted average number of equity shares outstanding during the year	Nos.	2,180,035,200	2,070,472,531
Nominal Value of equity share	₹	10.00	10.00
Cash EPS	₹	4.53	1.12

17. Components of Deferred Tax Liability/(Assets) are as under: (₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
(A) Deferred Tax Liability -		
Difference between book and tax depreciation	584.42	32.70
(B) Deferred Tax Asset -		
Tax benefit on share issue expenses set off against share premium	15.54	20.71
Unabsorbed Depreciation	256.87	–
Net Deferred Tax Liability (A-B)	312.01	11.99

18. Value of fuel, stores and spare parts consumed:

(₹ in Crores)

	For the Year 2010-2011	Percentage	For the Year 2009-10	Percentage
(i) Imported	689.49	98.35%	163.62	97.92%
(ii) Indigenous	11.57	1.65%	3.47	2.08%
Total	701.06	100.00%	167.09	100.00%

19. The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees on 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):

(₹ in Crores)

Particulars	For the Year 2010-2011	For the Year 2009-2010
I. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Liability at the beginning of the Year	1.41	0.87
Current Service Cost	0.92	0.58
Interest Cost	0.19	0.11
Past Vested Benefit	0.06	–
Liability Transferred out	(1.37)	–
Net Actuarial losses (gain) recognised	0.37	(0.15)
Liability at the end of the Year	1.58	1.41
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	1.94	0.98
Expected return on plan assets	0.29	0.15
Contributions	1.65	0.84
Actuarial gain/(loss) on plan assets	(0.29)	(0.03)
Transfer to Other Company	(1.37)	–
Plan assets at the end of the year, at Fair Value	2.22	1.94

(₹ in Crores)

Particulars	For the Year 2010-2011	For the Year 2009-2010
III. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Obligations at the end of the year	1.58	1.41
Plan assets at the end of the year, at Fair value	2.22	1.94
Assets/(Liability) recognized in balance sheet as on 31 st March,2011	0.64	0.53
IV. Gratuity Cost for the Year		
Current service cost	0.92	0.58
Interest cost	0.19	0.11
Expected return on plan assets	(0.29)	(0.15)
Actuarial Gain/(Loss)	0.66	(0.12)
Past Service Cost-vested benefit recognized during the year	0.06	-
Net Gratuity cost	1.54	0.42
V. Actuarial Assumptions		
Discount Rate (per annum)	8.25%	8.00%
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. The contributions for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines.

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

(₹ in Crores)

	2007-08	2008-09	2009-10
Present value of defined benefit obligations at the end of the year [independent actuary]	0.24	0.87	1.41
Fair value of plan assets at the end of the year	0.21	0.98	1.94
Net assets / (liability) at the end of year	(0.03)	0.11	0.53

The actuarial liability for leave encashment and compensated absences as at the year ended 31st March, 2011 is ₹ 1.85 Crores. (As at 31st March, 2010 – ₹ 1.93 Crores)

20. 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/ Step down subsidiaries : Adani Power Maharashtra Ltd.
 Adani Power Dahej Ltd.
 Adani Power Rajasthan Ltd.
 Adani Pench Power Ltd.
 Adani Power (Overseas) Ltd.
 Mundra Power SEZ Ltd.
 Kutchh Power Generation Ltd.
 Adani Shipping PTE Ltd.
 Adani Power PTE Ltd.
 Rahi Shipping PTE Ltd.
 Vanshi Shipping PTE Ltd.

- (II) Other related parties
- (i) Holding Company : Adani Enterprises Ltd.
 - (ii) Fellow Subsidiaries : Adani Infrastructure and Developers Pvt. Ltd.
Adani Mundra SEZ Infrastructure Pvt. Ltd.
Adani Mining Pvt. Ltd.
Adani Gas Ltd.
Chemoil Adani Pvt. Ltd.
Adani Infra (India) Ltd.
Mundra Port & Special Economic Zone Ltd.
Karnavati Aviation Pvt. Ltd.
Adani Global PTE Ltd.
Adani Global FZE
 - (iii) Other Parties which are significantly influenced by the Company (either individually or with other) : Adani Wilmar Ltd.
Adani Properties Pvt. Ltd.
Adani Renewable Energy LLP
Shanti Builders - Partnership Firm
Adani Infrastructure Service Pvt. Ltd.
- (III) Key Management Personnel : Mr. Gautam S. Adani (Chairman)
Mr. Rajesh S. Adani (Managing Director)
Mr. Ameet H. Desai (Executive Director)
(upto 30th March, 2011)
Mr. Ravi Sharma (Whole-Time Director and CEO)
(from 8th February, 2011)

(b) Transactions with Related Parties

(₹ in Crores)

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
Coal Purchased	Adani Global FZE	Fellow Subsidiary	-	9.79	-	9.79 Cr.
	Adani Global PTE Ltd		-	147.78	-	137.06 Cr.
Advance for Constructing Employee Township	Adani Mundra SEZ Infrastructure Pvt. Ltd.	Fellow Subsidiary	7.16	69.12	17.35 Dr.	2.12 Dr.
Advance given as per the terms of Coal Supply Agreement entered into	Adani Enterprises Ltd.	Holding Company	-	-	-	150.00 Dr.
Purchase of Assets	Adani Enterprises Ltd.	Holding Company	-	0.07	-	-
Purchase of Ingots			11.40	-	-	-
Share Pledge Charges			-	0.04	-	-
Open Access Charges			3.63	0.23	0.52 Cr.	-
Sale of Material			16.96	92.21	-	25.10 Cr.
Sale of Power			240.57	355.03	-	-
Sale of Fly Ash	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	0.12	-	0.12 Dr.	-
Director Appointment Fee	Mundra Power SEZ Ltd.	Subsidiary Company	*	-	*	-
Interest on Loan	Adani Enterprises Ltd.	Holding Company	85.74	0.66	78.95 Cr.	0.38 Cr.
	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	4.65	-	1.74 Cr.	-
Reimbursement of Expenses	Adani Enterprises Ltd.	Holding Company	0.18	3.57	0.68 Cr.	0.79 Cr.
	Adani Gas Limited	Fellow Subsidiary	0.01	0.01	*	0.01 Cr.
	Adani Mundra SEZ Infrastructure Pvt. Ltd.		0.92	-	0.24 Cr.	-
	Karnavati Aviation Pvt. Ltd.		9.99	6.30	0.44 Cr.	-
	Adani Mining Pvt. Ltd.		-	0.03	-	-
	Adani Infra India Ltd.		0.26	-	0.01 Dr.	-
	Mundra Port and Special Economic Zone Ltd.		1.46	0.67	0.04 Cr.	-
	Adani Wilmar Ltd.	Other parties which are significantly influenced by the company (either Individually or with other)	0.05	0.05	*	0.01 Cr.

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
	Adani Infrastructure Services Pvt. Ltd.		-	0.08	-	-
	Chemoil Adani Pvt. Ltd.	Fellow Subsidiary	-	0.02	-	0.02 Cr.
	Adani Power Rajasthan Limited	Subsidiary Company	0.03	-	0.03 Dr.	-
	Mundra Power SEZ Ltd		-	*	-	*
Purchase of HSD	Adani Enterprises Ltd.	Holding Company	-	1.54	-	-
Purchase of Granite	Chemoil Adani Pvt. Ltd.	Fellow Subsidiary	86.22	47.25	26.29 Cr.	4.92 Cr.
Purchase of Material	Adani Enterprises Ltd.	Holding Company	0.28	2.05	-	0.29 Cr.
Share Application Money – Pending Allotment	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	0.28	0.24	-	-
	Adani Power Dahej Limited	Subsidiary Company	-	-	40.64 Dr.	40.64 Dr.
Employee Loan Transfer	Adani Power (Overseas) Limited		-	0.05	-	0.05 Dr.
	Adani Enterprises Ltd	Holding Company	(*)	0.04	*	-
	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	0.04	0.01	0.04 Cr.	-
Loan Taken	Adani Infra India Ltd	Fellow Subsidiary	2.63	-	1.89 Dr.	-
	Adani Enterprises Ltd.	Holding Company	3638.00	181.00	685.65 Cr.	15.00 Cr.
	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	465.00	-	-	-
Loan Given	Adani Power Rajasthan Ltd.	Subsidiary Company	763.65	49.99	553.55 Dr.	110.07 Dr.
	Adani Shipping PTE Limited		193.59	289.31	407.69 Dr.	289.31 Dr.
	Adani Power PTE Limited		(135.42)	140.37	-	135.42 Dr.
	Adani Power (Overseas) Ltd		0.03	-	0.03 Dr.	-
	Kutchh Power Generation Limited		731.55	0.55	8.70 Dr.	0.55 Dr.
	Adani Power Maharashtra Limited		292.00	-	116.00 Dr.	-
	Adani PENCH Power Limited		385.20	0.10	95.70 Dr.	0.10 Dr.
	Adani Power Dahej Limited		667.43	136.27	182.50 Dr.	136.27 Dr.
Interest on Loan given	Kutchh Power Generation Limited	Subsidiary Company	12.83	-	12.83 Dr.	-
	Adani Power Rajasthan Ltd.		28.47	-	28.47 Dr.	-
	Adani PENCH Power Limited		7.24	-	7.24 Dr.	-
	Adani Power Dahej Limited		19.63	-	19.63 Dr.	-

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
Project Work	Adani Infrastructure and Developers Pvt. Ltd.	Fellow Subsidiary	0.56	0.56	-	0.50 Cr.
	Adani Infra India Ltd		32.74	-	14.06 Cr.	-
	Shanti Builders	Partnership Firms	0.49	-	0.49 Dr.	-
Deposit for Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the Company (either Individually or with other)	-	-	1.00 Dr	1.00 Dr
Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the Company (either Individually or with other)	0.07	0.06	*	-
	Adani Wilmar Limited		0.01	0.05	-	0.01 Cr.
Dredging Charges	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	2.15	43.24	2.24 Cr	-
Horticulture			0.27	0.04	0.02 Cr	-
Lease Hold Land			-	77.00	-	-
Sale of Asset	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	0.88	0.14	0.79 Dr	-
	Adani PENCH Power Limited	Subsidiary Company	0.20	-	0.20 Dr	-
	Adani Power Rajasthan Limited		8.83	-	8.05 Dr	-
	Adani Power Dahej Limited		0.05	-	-	-
	Adani Power Maharashtra Ltd.		45.08	-	0.82 Dr	-
Investment	Adani Power Maharashtra Ltd.	Subsidiary Company	909.15	474.20	1,614.65 Dr	705.50 Dr.
	Adani Power Rajasthan Limited		4.85	-	4.90 Dr.	0.05 Dr.
	Mundra Power SEZ Limited		-	-	0.05 Dr.	0.05 Dr.
	Adani Power Dahej Limited		-	-	0.05 Dr.	0.05 Dr.
	Kutchh Power Generation Limited		-	0.05	0.05 Dr.	0.05 Dr.
	Adani PENCH Power Limited		-	0.05	0.05 Dr.	0.05 Dr.
	Adani Shipping PTE Ltd.		-	0.08	0.08 Dr.	0.08 Dr.
	Adani Power PTE Limited		-	0.01	0.01 Dr.	0.01 Dr.

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
Adani Renewable Energy LLP	Other parties which are significantly influenced by the company (either Individually or with other)		*	-	*	-
Investment	Adani Power (Overseas) Ltd.	Subsidiary Company	0.05	-	0.11 Dr.	-
Lease Rent, Infrastructure Usage Charges & Land Charges	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	2.16	0.04	0.01 Cr.	-
Storage Charges, Terminal Handling Charges, Wharf age, Crane Hiring, Water Front Royalty, etc.	Mundra Port and Special Economic Zone Ltd.		147.07	22.45	51.43 Cr	-
Salary & Allowances	Shri R. K. Gupta	Key Management Personnel	-	0.43	-	-
	Shri Ameet Desai		4.99	-	-	-
	Shri Ravi Sharma		0.34	-	-	-

(Figures below ₹50,000 are denoted by *)

21. Foreign Currency Transactions:-

(₹ in Crores)

Particulars	For the Year 2010-2011	For the Year 2009-2010
(a) C.I.F. Value of Imports		
Capital Goods	7,486.31	6,164.37
(b) Expenditure in Foreign Currency		
Payment for Erection Works	2.25	78.89
Professional and Consultation Charges	2.60	19.31
Usance Interest and Other Charges	167.44	99.80
Travelling Expenses	2.59	12.31
Project Office Expenses	4.03	8.86
Other Payments	0.36	0.92

 22. The following are the details of loans and advances of the Company outstanding at the end of the year in terms of Securities and Exchange Board of India's circular dated 10th January, 2003

(₹ in Crores)

Loans and Advances to Subsidiaries	Outstanding amount as at		Maximum amount outstanding during the year	
	31 st March, 2011	31 st March, 2010	31 st March, 2011	31 st March, 2010
Adani Power Maharashtra Limited	116.00	-	172.00	-
Adani Power Rajasthan Limited	582.02	110.07	770.20	110.07
Adani Power Dahej Limited	202.13	136.27	736.10	172.97
Adani Shipping PTE Limited	407.69	289.31	476.23	289.31
Adani Power PTE Limited	-	135.42	135.42	140.37
Kutchh Power Generation Limited	21.53	0.55	732.05	0.55
Adani Pench Power Limited	102.94	0.10	347.85	0.10
Adani Power (Overseas) Limited	0.03	-	0.03	-

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

Signature to Schedule 1 to 18

As per our attached report of even date

 For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

 Date : 9th May, 2011
Place : Ahmedabad

 For **ADANI POWER LIMITED**
GAUTAM S. ADANI Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company Secretary

 Date : 9th May, 2011
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. : L40100GJ1996PLC030533
State Code : 04
Balance Sheet Date : 31-03-2011

II. Capital Raised during the year

Public Issue - NIL Right Issue - NIL
Bonus Issue - NIL Private Placement - NIL

III. Position of Mobilization and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities	239,807,614.11
Total Asstes	239,807,614.11
Sources of Funds:	
Paid -up Capital	21,800,352.00
Share Application Money	-
Reserves & Surplus	41,426,429.07
Secured Loans	150,313,329.37
Unsecured Loans	23,147,391.03
Deferred Tax Liabilities (Net)	3,120,112.64
Application of Funds:	
Net Fixed Assets	78,093,037.15
Capital Work in Progress	116,416,132.58
Project Development Expenditure	8,947,757.10
Construction Materials at Site	1,199,707.52
Investments	16,705,898.07
Net Current Assets	18,445,081.68

IV. Performance of Company (Amount in ₹ Thousands)

Turnover (Including other Income)	21,250,579.11
Total Expenditure	13,013,224.83
Profit before tax	8,237,354.27
Profit after tax	5,237,119.21
Earning per share (₹)	2.40
Cash Earning per share (₹)	4.53
Dividend Rate %	-

V. Generic Names of Three Principal products / services of Company (As per monetary terms)

Item Code No. (ITC Code)	: Not Applicable
Product Description	Power Generation
Item Code No. (ITC Code)	: Not Applicable
Product Description	: Not Applicable
Item Code No. (ITC Code)	: Not Applicable
Product Description	: Not Applicable

For **ADANI POWER LIMITED**

GAUTAM S. ADANI	Chairman
RAJESH S. ADANI	Managing Director
PRABAL BANERJI	Chief Financial Officer
RAHUL C. SHAH	Company Secretary

Date : 9th May, 2011

Place : Ahmedabad

Statement Pursuant to Section 212(1)(e)
of the Companies Act 1956, relating to Subsidiary Companies

Particulars	(₹ in Crores)									
	Adani Power Maharashtra Limited	Adani Power Rajasthan Limited	Adani Power Dahej Limited	Adani Power Limited	Adani Power SEZ Limited	Adani Power Pte Limited	Adani Shipping Pte Limited	Adani Power Overseas Limited	Rahi Shipping Pte Limited	Vanshi Shipping Pte Limited
1. Financial Year of the subsidiary company ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
2. Extent of interest in subsidiary companies	74.00%	100%	100%	100%	100%	100%	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	(1.61)	(2.09)	*	(0.01)	*	(0.04)	(2.35)	(0.01)	(0.45)	(0.19)
(b) for the previous financial year of the subsidiary company	(0.49)	(0.05)	*	*	*	*	(0.11)	(0.01)	(0.01)	(0.01)
(ii) Not dealt with in the company's accounts:										
(a) for the financial year of subsidiary company	(0.39)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(b) for the previous financial year of the subsidiary company	(0.11)	N.A	N.A	N.A	N.A	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, Capitalised Assets & WIP	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(ii) Investments	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(iii) Monies Lent	N.A	N.A	N.A	N.A	N.A	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	N.A	N.A	N.A	N.A	N.A

(Figures below ₹ 50,000 are denoted by *)

AUDITORS' REPORT

To,
The Board of Directors of
Adani Power Limited

1. We have audited the attached Consolidated Balance Sheet of **ADANI POWER LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 11,294.81 crores as at 31st March, 2011, total revenues of ₹ 28.74 crores and net cash inflows amounting to ₹ 239.71 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company and its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - ii. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

GAURAV J. SHAH
Partner
(Membership No. 35701)

Date : 9th May, 2011
Place : Ahmedabad

Consolidated Balance Sheet as at 31st March, 2011

(₹ in Crores)

	Schedule	As at 31 st March, 2011	As at 31 st March, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	2,180.04	2,180.04
Reserves and Surplus	2	4,107.28	3,597.98
		6,287.32	5,778.02
MINORITY INTEREST		566.26	102.33
LOAN FUNDS			
Secured Loans	3	20,413.19	10,022.00
Unsecured Loans	4	4,089.53	563.50
DEFERRED TAX LIABILITY (Refer Note (B)15 of Schedule 19)		312.01	11.99
TOTAL		31,668.31	16,477.84
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	9,028.34	2,854.92
Less: Depreciation		281.10	67.80
Net Block		8,747.24	2,787.12
Capital Work-in-Progress	6	21,824.24	11,437.95
Project Development Expenditure	7	1,514.60	1,149.43
Construction Materials at Site	8	352.02	181.70
		32,438.10	15,556.20
INVESTMENTS	9	10.01	0.01
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	10	283.61	9.52
Sundry Debtors	11	417.41	256.30
Cash and Bank Balances	12	1,255.07	1,165.39
Loans and Advances	13	584.41	940.62
		2,540.50	2,371.83
LESS: CURRENT LIABILITIES AND PROVISIONS	14	3,320.30	1,450.20
NET CURRENT ASSETS / (LIABILITIES)		(779.80)	921.63
TOTAL		31,668.31	16,477.84
Significant Accounting Policies and Notes on Accounts	19		
The accompanying Schedules 1 to 19 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. 35701Date : 9th May, 2011
Place : AhmedabadFor **ADANI POWER LIMITED****GAUTAM S. ADANI** Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company SecretaryDate : 9th May, 2011
Place : Ahmedabad

Consolidated Profit and Loss Account for the year ended 31st March, 2011

(₹ in Crores)

	Schedule	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
INCOME			
Income from Operations	15	2,135.19	434.86
Other Income	16	17.96	6.07
Total Income		2,153.15	440.93
EXPENDITURE			
Fuel Cost		721.32	166.83
Generation, Transmission, Administration and Other Expenses	17	193.42	24.22
Depreciation and Amortisation		188.57	35.35
Interest and Finance Charges	18	236.64	11.81
Total Expenditure		1,339.95	238.21
PROFIT BEFORE TAX		813.20	202.72
Provision for Taxation			
Current Tax		–	0.02
Deferred Tax		300.02	32.70
PROFIT AFTER TAX BEFORE MINORITY INTEREST		513.18	170.00
Minority Interest		0.39	0.11
PROFIT AFTER TAX		513.57	170.11
Balance brought forward from Previous Year		165.12	(4.99)
BALANCE CARRIED TO BALANCE SHEET		678.69	165.12
Earnings Per Share (EPS) (Face Value ₹ 10 per share)			
Basic & Diluted EPS (₹)		2.36	0.82
Cash EPS (₹)		4.52	1.03
(Refer Note (B) 14 of Schedule 19)			
Significant Accounting Policies and Notes on Accounts	19		
The accompanying Schedules 1 to 19 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 : 9th May, 2011
Place : Ahmedabad

 For **ADANI POWER LIMITED**
GAUTAM S. ADANI Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company Secretary

 Date : 9th May, 2011
Place : Ahmedabad

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

(₹ in Crores)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit and Loss Account	813.20	202.72
Adjustment for:		
Depreciation and Amortisation	188.57	35.35
Gain on Foreign Exchange Fluctuation (Net)	(17.31)	(24.82)
Interest and Finance Charges	255.01	37.67
Interest Income received	(18.37)	(25.86)
Cash generated from Operating activity before Working Capital change	1,221.10	225.06
Adjustment for changes in Working Capital		
Increase in Trade and other Receivables	(161.11)	(256.30)
Increase in Trade Liabilities	92.16	182.72
Increase in Inventories	(274.09)	(9.52)
Cash generated/(used) from operations	878.06	141.96
Less: Taxes paid	–	(0.12)
NET CASH FROM OPERATING ACTIVITIES (A)	878.06	141.84
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and CWIP	(13,975.92)	(7,967.88)
Interest Income received	18.37	25.86
Investments in Bonds	(10.00)	(0.01)
Taxes Paid	–	(7.34)
NET CASH USED IN INVESTING ACTIVITIES (B)	(13,967.55)	(7,949.37)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares	–	3,425.91
Proceeds from issue of Shares to Minority Shareholders	463.26	–
Long Term borrowings	13,278.49	5,932.32
Repayments of Long Term borrowings	(2,264.30)	–
Short Term borrowings	3,466.54	748.50
Repayments of Short Term borrowings	(563.50)	(1,100.00)
Issue Expenses paid	(0.67)	(66.50)
Interest and Finance charge paid	(1,200.65)	(525.86)
NET CASH FROM FINANCING ACTIVITIES (C)	13,179.17	8,414.37
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	89.68	606.84
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,165.39	558.55
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,255.07	1,165.39
	89.68	606.84

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

(₹ in Crores)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Notes to Cash Flow Statement :		
1. Cash and cash equivalents include:		
Cash on hand	0.12	0.09
Balances with Banks:		
Current Accounts	516.69	210.82
Unclaimed Share application money lying in escrow account	0.87	1.47
Fixed Deposit	128.79	610.61
Margin Money Deposit Against Bank Guarantee (Lying with banks)	608.60	342.40
	1,255.07	1,165.39
2. Previous year's figures have been restated wherever necessary, to conform to this period'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 : 9th May, 2011

Place : Ahmedabad

For **ADANI POWER LIMITED**

GAUTAM S. ADANI Chairman

RAJESH S. ADANI Managing Director

PRABAL BANERJI Chief Financial Officer

RAHUL C. SHAH Company Secretary

Date : 9th May, 2011

Place : Ahmedabad

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

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED		
2,500,000,000 Equity Shares of ₹ 10/- each	2,500.00	2,500.00
500,000,000 Cumulative Compulsorily Convertible Participatory Preference Shares of ₹ 10/- Each	500.00	500.00
	3,000.00	3,000.00
ISSUED, SUBSCRIBED AND PAID UP		
2,180,035,200 (As at 31 st March, 2010- 2,180,035,200) Fully Paid up Equity Shares of ₹ 10/- each	2,180.04	2,180.04
	2,180.04	2,180.04
Of the above equity shares:		
1. 1,531,440,000 (As at 31 st March, 2010 - 1,531,440,000) Shares are held by Adani Enterprises Ltd., the Holding Company and its nominees.		
2. 787,313,868 Shares were allotted during the year 2008-09 as fully paid up bonus shares by capitalization of Share Premium Account.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Premium		
As per last Balance Sheet	3,451.61	451.66
Add: On Equity Shares issued during the year	–	3,055.41
Less: Share issue expenses written off (net off tax)	0.67	55.46
	3,450.94	3,451.61
Foreign Currency Translation Reserve	(22.35)	(18.75)
Balance in Profit and Loss Account	678.69	165.12
	4,107.28	3,597.98

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 3		
SECURED LOANS		
Term Loans		
From Banks		
Rupee Loan	2,928.70	2,284.48
Foreign Currency Loan	3,098.71	–
From Financial Institutions	921.16	512.18
Bills Discounted under Letters of Credit (to be converted into Term Loans)	12,806.71	7,047.62
Bills Discounted under Letters of Credit (Working Capital facilities)	657.91	177.72
	20,413.19	10,022.00
(Out of above Loans, payable within 12 months is ₹ 1,588.09 Crores (As at 31 st March, 2010 - ₹ 259.38 Crores))		
SCHEDULE - 4		
UNSECURED LOANS		
From Banks	715.00	468.50
From Holding Company	2,538.91	15.00
From a Company	0.49	80.00
Bills Discounted under Letters of Credit	743.00	–
Bills Discounted under Letters of Credit (Working Capital facilities)	92.13	–
	4,089.53	563.50
(Out of above loans, Payable within twelve months is ₹ 3346.53 Crores (As at 31 st March, 2010 - ₹ 548.50 Crores))		

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 1st April 2010	Additions During the year	Deductions During the year	As at 31st March, 2011	As at 1st April, 2010	For the year	As at 31st March, 2011	As at 31st March, 2010
Tangible Assets								
Land (Lease Hold)	395.41	1.92	-	397.33	14.17	13.49	27.66	381.24
Freehold Land	3.46	22.96	-	26.42	-	-	-	3.46
Building	197.37	73.05	-	270.42	5.95	6.12	12.07	191.42
Fleet	-	728.16	-	728.16	-	8.20	8.20	-
Plant and Machinery	2,224.39	5,314.09	-	7,538.48	42.11	179.94	222.05	2,182.28
Furniture and Fixtures	4.56	3.52	-	8.08	1.48	1.55	3.03	3.08
Railway Sidings	5.13	1.26	-	6.39	0.13	0.31	0.44	5.00
Computers	6.06	5.16	-	11.22	1.70	1.44	3.14	4.36
Office Equipments	7.75	3.74	-	11.49	0.76	0.61	1.37	6.99
Electrical Installation	4.89	17.95	-	22.84	0.13	0.84	0.97	4.76
Vehicles	3.85	1.66	0.05	5.46	0.64	0.41	1.03	3.21
Total Tangible Assets	2,852.87	6,173.47	0.05	9,026.29	67.07	212.91	279.96	2,765.80
Intangible Assets (Other than internally generated)								
Computer Software	2.05	-	-	2.05	0.73	0.41	1.14	1.32
Total Intangible Assets	2.05	-	-	2.05	0.73	0.41	1.14	1.32
Total Fixed Assets	2,854.92	6,173.47	0.05	9,028.34	67.80	213.32	281.10	2,787.12
Previous Year	347.18	2,507.89	0.15	2,854.92	10.36	57.45	67.80	2,787.12

Notes:

- Additions during the year to Plant and Machinery are after adjustment of foreign exchange fluctuation gain of ₹ 188.06 Crores (Previous Year loss of ₹ 119.57 Crores) capitalized in accordance with the Company's (Accounting Standards) Amendment Rules, 2009.
- Additions during the year include ₹ 628.65 Crores (Previous year ₹ 400.62 Crores) capitalised/allocated from Project Development Expenditure Account on commissioning of the projects.
- Depreciation of ₹ 9.78 Crores (Previous Year ₹ 7.18 Crores) relating to the Project Assets has been transferred to Project Development Expenditure (Schedule - 7).
- Depreciation of ₹ 14.97 Crores (Previous Year ₹ 13.98 Crores) relating to the Project Assets has been capitalised and has been included in the additions during the year.

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 6		
CAPITAL WORK-IN-PROGRESS		
Land and Site Development	14.62	9.48
Building and Civil Works	350.07	276.18
Plant and Machinery	15,549.07	8,902.83
(Including in Transit ₹ 1,204.56 Crores) (As at 31 st March, 2010 - ₹ 822.95 Crores)		
Electrical Installation	131.43	181.74
Railway Sidings	0.20	1.65
Desalination Plant	55.86	54.05
Transmission Line	2,328.13	447.40
(Including in Transit NIL) (As at 31 st March, 2010 - ₹ 45.41 Crores)		
Coal Mine	8.70	8.70
Advances for Capital Expenditure		
Advance to Contractors/Suppliers	3,386.16	1,555.92
	21,824.24	11,437.95

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 7		
PROJECT DEVELOPMENT EXPENDITURE		
Salaries, Wages and Allowances	68.33	80.21
Contribution to Provident and other Funds	3.18	3.85
Employee Welfare Expenses	16.09	18.69
Sub Lease Rent for Land	1.92	1.62
Project Insurance	15.37	6.66
Professional Fees	59.44	38.83
Auditor's Remuneration	0.02	0.09
Statutory Expenses	1.31	3.43
Communication Expenses	1.58	1.85
Administration and Office Expenses	50.86	49.12
Stationery and Courier Expenses	1.06	1.06
Vehicle Running Expenses	6.25	4.97
Travelling Expenses	16.28	21.03
Other Miscellaneous Expenses	6.63	6.40
Depreciation	28.29	18.51
Interest and Finance Charges	1,369.13	947.31
Provision for Taxes		
- Current Tax	0.01	2.84
- Fringe Benefit Tax	0.76	1.38
	1,646.51	1,207.85
OTHER INCOME		
Gain on Sale of Securities/Treasury Bills	–	0.80
Interest (Tax deducted at source ₹ 4.91 Crores) (As at 31 st March, 2010 ₹ 3.74 Crores)	130.03	42.07
Dividend	–	7.95
Miscellaneous Income (Tax deducted at source ₹ 0.04 Crores) (As at 31 st March, 2010 ₹ 0.01 Crores)	1.88	7.60
	131.91	58.42
	1,514.60	1,149.43

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 8		
CONSTRUCTION MATERIALS AT SITE		
Steel, Cement and Other Materials at Site (Includes in transit NIL) (As at 31 st March, 2010 ₹ 0.22 Crores)	352.02	181.70
	352.02	181.70
SCHEDULE - 9		
INVESTMENTS		
Long Term Investments		
Non-Trade, Unquoted		
National Savings Certificate (Lying with Govt. Authorities)	0.01	0.01
Current Investments		
Trade, Quoted		
BOND-YES BANK LTD FOR 15 YEARS	10.00	-
	10.01	0.01
Aggregate value of quoted Investment - Cost	10.00	-
- Market value	10.00	-
SCHEDULE - 10		
INVENTORIES		
Coal, Oil, Stores and Spares (Includes in transit ₹ 0.35 Crores) (As at 31 st March, 2010 ₹ 1.66 Crores)	276.33	9.52
Marine Diesel Oil and Lubricants	7.28	-
	283.61	9.52
SCHEDULE - 11		
SUNDRY DEBTORS (UNSECURED)		
Considered Good		
Debtors outstanding for more than six months	-	-
Other Debts	417.41	256.30
	417.41	256.30
SCHEDULE - 12		
CASH AND BANK BALANCES		
Cash on Hand	0.12	0.09
BALANCES WITH BANKS:		
Current Accounts	516.69	210.82
Unclaimed share application money lying in escrow account	0.87	1.47
Fixed Deposits	128.79	610.61
Margin Money Deposit Against Bank Guarantee (Lying with banks)	608.60	342.40
	1,255.07	1,165.39

(₹ in Crores)

	As at 31 st March, 2011	As at 31 st March, 2010
SCHEDULE - 13		
LOANS AND ADVANCES		
Unsecured, Considered Good		
Interest Receivable	44.07	13.35
Prepaid Expenses	74.82	5.59
Advance to Holding Company, Adani Enterprises Ltd. (Against Coal Supply Agreement) (Maximum amount outstanding during the year ₹ 150 Crores (As at 31 st March, 2010 ₹ 150 Crores))	–	150.00
Security Deposits	18.03	20.02
Advance Recoverable in cash or in kind or for value to be received	435.52	743.86
Advance Tax including Tax Deducted at Source (Net of Provision)	11.97	7.80
Balance With Sales Tax Authorities (* ₹ 25,000/-) (As at 31 st March, 2010 ₹ 25,000/-)	*	*
	584.41	940.62
SCHEDULE - 14		
CURRENT LIABILITIES		
Equity Share Application Money Refundable	0.87	1.47
Interest Accrued but not due	104.02	35.92
Sundry Creditors (See Note (B) 11 of Schedule 19)	3,036.07	1,344.46
Other Liabilities	177.75	64.87
	3,318.71	1,446.72
PROVISIONS		
Provision for Employee Benefits (Net)	1.59	3.48
	1.59	3.48
	3,320.30	1,450.20

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

(₹ in Crores)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
SCHEDULE - 15		
INCOME FROM OPERATIONS		
Revenue from Power Supply	2,106.43	434.86
Revenue from Fleet Operations	28.76	–
	2,135.19	434.86
SCHEDULE - 16		
OTHER INCOME		
Gain on Foreign Exchange Fluctuation	17.31	6.07
Miscellaneous Income	0.65	–
	17.96	6.07
SCHEDULE - 17		
GENERATION, TRANSMISSION, ADMINISTRATION AND OTHER EXPENSES		
STAFF COST		
Salary, Wages and Allowances	29.78	4.20
Contribution to Provident and other Funds	1.14	0.11
Employee Welfare Expenses	1.27	0.23
	32.19	4.54
OPERATION EXPENSES		
Stores and Spares	10.30	0.26
Repairs and Maintenance		
Plant and Machinery	4.84	0.12
Others	0.09	0.02
Insurance Expense	5.57	–
	20.80	0.40
TRANSMISSION EXPENSES	30.62	7.94
ADMINISTRATION AND OTHER EXPENSES		
Rent	1.42	0.02
Rates and Taxes	48.77	–
Legal and Professional Expenses	4.73	1.12
Discount on Prompt Payment of Bills	37.95	8.30
Directors' Sitting Fees	0.05	0.03
Director's Commission	0.46	–
Audit Fees	0.43	0.24
Miscellaneous Expenses	6.68	1.48
Donation	9.32	0.15
	109.81	11.34
	193.42	24.22
SCHEDULE - 18		
INTEREST AND FINANCE CHARGES		
Interest on Fixed Period Loans		
Term Loan -		
Rupee Loan	175.33	33.56
Foreign Currency Loan	42.99	–
Interest on Letter of Credit and Others	17.18	4.11
Finance and Other Charges	19.51	–
Less:		
Interest Income	18.37	25.86
(TDS Deducted at source ₹ 0.71 Crores) (Previous year ₹ 2.27 Crores)		
	236.64	11.81

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 relate to Adani Power Limited (“the Company”) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-21 - “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- The operations of foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence all revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the “Foreign Currency Translation Reserve”.
- Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company’s shareholders.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate Financial Statements.
- Investments made by the parent company in subsidiary companies subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statement.
- Intragroup balances and intragroup transactions are eliminated to the extent of share of the parent company in full.

- Unrealised profits on account of intra group transactions have been accounted for depending upon whether the transaction is an upstream or a downstream transaction.

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 capitalized and recognized as Intangible Assets in terms of Accounting Standard -26 “Intangible Assets” based on materiality, accounting prudence and significant economic benefits expected to flow there from 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 ₹ 5,000/- are written off in the year of purchase.
- iv) Cost of Lease hold land is amortized over the period of lease.
- v) Costs of Intangible assets are amortized over a period of 5 years.

8) Leases

Assets acquired on leases where a significant portion of risks and rewards incidental to ownership is retained by the lessor are classified as operating lease.

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 permanent in the opinion of the management. Current Investments are carried at lower of cost or fair value.

10) Revenue Recognition

- i) Revenue (income) is recognised when no significant uncertainty as to the measurability or collectability exist.
- ii) Interest income is accounted for on an accrual basis. Dividend income is accounted for when the right to receive income is established.
- iii) Delayed payment charges and interest on delayed payment for power supply are recognised, on grounds of prudence, as and when recovered.

11) Inventories

Inventories are valued at weighted average cost or net realizable value whichever is lower.

12) 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.

13) Impairment of assets

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

14) 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 differences either on settlement or on translation are recognised in the Profit and Loss Account except in respect of the project cost, same are recognised as "Capital Work-in-Progress".
- v) Pursuant to the Companies (Accounting Standards) Amendment Rules, 2009, the company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences in respect of accounting periods commencing on or after December 7, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origin). As a result of such exchange differences so far as they relate to the acquisition of depreciable capital assets have been adjusted to the cost of such asset and would be adjusted over the balance life of the asset.

15) Derivative Transactions

Pursuant to the announcement on accounting for derivatives issued by The Institute of Chartered Accountants of India, the Company and its subsidiaries in accordance with the principle of prudence as enunciated in AS-1, "Disclosure of Accounting Policies", provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any net unrealised gains arising on such mark to market are not recognized as income.

16) Employee benefits

i) Gratuity:

The Company and its subsidiaries have an obligation towards gratuity, a defined benefit retirement plan covering eligible employee through Group Gratuity Scheme of Life Insurance Corporation of India. The Company and its subsidiaries account 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 or Profit and Loss 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.

17) 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.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In view of company availing tax deduction under Section 80IAB of the Income Tax Act, 1961, deferred tax has been recognised in respect of timing difference, which originates during the tax holiday period but reverse after the tax holiday period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidences that they can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets be realized.

18) 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 recognised 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 Limited (APL) and the following subsidiaries (together referred to as "Group")

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiary as at	
		31.03.2011	31.03.2010
Adani Power Maharashtra Limited	India	74.00%	87.26%
Adani Power Dahej Limited	India	100%	100%
Adani Power Rajasthan Limited	India	100%	100%
Adani Power (Overseas) Limited	United Arab Emirates	100%	100%
Mundra Power SEZ Limited	India	100%	100%
Adani Pench Power Limited	India	100%	100%
Kutchh Power Generation Limited	India	100%	100%
Adani Shipping Pte Limited	Singapore	100%	100%
Rahi Shipping Pte Limited	Singapore	100%	100%
Vanshi Shipping Pte Limited	Singapore	100%	100%
Adani Power Pte Limited	Singapore	100%	100%

2. Contingent liabilities not provided for in respect of:

(₹ in Crores)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
Guarantees issued by the Group's bankers on behalf of the Group	1,786.30	1,771.27
Letter of Credit facilities provided by banks	2,377.15	2,766.93
Bonds submitted to Development Commissioner on behalf of Government of India	3,860.94	3,771.43
Bond submitted to Commissioner of Customs Nhava Sheva on behalf of Government of India	8,129.64	3,120.50
Bonds executed with Deputy Commissioner of Customs and Central Excise, Bhandara for private custom Bonded Warehouse	54.37	54.37
Corporate Guarantees issued by a Group to the Banks	446.50	-

 3. Capital Commitment not provided for are estimated at ₹ 43,865.62 Crores (31st March, 2010 – ₹ 18,892.96 Crores).

 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. In view thereof, 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 IPO proceeds have been utilized as per objects of the issue as stated in the prospectus as under:
(₹ in Crores)

Amount Received from IPO in August, 2009				3,016.52
Funding to part finance the construction and development cost of following identified projects:	Projected	Transfer	Total Projected	Utilisation of funds upto 31st March, 2011
Mundra Phase - IV (3x660 MW) *	1,153.00	(0.03)	1,152.97	1,152.97
Investment in Subsidiary namely "Adani Power Maharashtra Limited" by way of equity	1,040.00	–	–	1,040.00
General Corporate Purposes	759.00	10.62	769.62	769.62
Issue Expenses *	64.52	(10.59)	53.93	53.93
Total	3,016.52			3,016.52

* No further expenditure is required to be incurred and therefore the balance amount has been transferred to General Corporate Purposes.

6. The Government of India has levied Custom Duty of ₹ 100 per 1000 kwh on Electrical Energy removed from Special Economic Zone to Domestic Tariff Area vide notification dated 6th September, 2010. In accordance with the provisions of the Power Purchase Agreement (PPA), impact of any change in law which becomes effective subsequent to Bid Deadline is allowed to be recovered from the Procurer with approval of appropriate Regulatory Commission. The Company has already applied to Gujarat Electricity Regulatory Commission (GERC) for approval of necessary adjustment of tariff on account of levy of the said Custom Duty and the same is expected to be approved shortly. Accordingly, in view of the Company's entitlement to claim such revenue, as per the provisions of the PPA, the Company has recognized the revenue of ₹ 42.75 Crores in the current year.
7. During the year, the Company's Power Generating Units of 1320 MW (Previous Year 660 MW) commenced commercial operations resulting into total power generating capacity to 1980 MW.
8. Total number of electricity units sold during the year 6769.40 MUs (Previous Year - 1172.10 MUs)
9. The Project Development Expenditure includes Director's Remuneration:-

(₹ in Crores)

	For the Year 2010-2011	For the Year 2009-2010
Managerial Remuneration to the Director	5.32	0.42
The above is inclusive of :		
Salary and Allowance	5.15	0.32
Estimated Value of Benefits in cash or in kind provided to Director	0.01	0.06
Contribution to Provident and other Funds	0.12	0.03
Contribution to Gratuity Fund	0.04	0.01

10. Operating Leases:-

Lease rentals charged to Profit & Loss Account or Project Development Expenditure for lease agreements for right to use office premises, Land, Employees' Accommodation and Fleet are:

(₹ in Crores)

Future Minimum Lease Payments	As at 31st March, 2011	As at 31st March, 2010
Not later than one Year	11.22	7.89
Later than one year and not later than five years	16.00	5.78
Later than five years	12.43	3.02

The lease agreements are executed for a period ranging between 1 year to 14 years with a renewal clause and also provide for termination by either party by giving a prior notice.

11. 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 group. This has been relied upon by the auditors.
12. The Company entered into an agreement (PPA) dated 2nd February, 2007 with Gujarat Urja Vikas Nigam Limited (GUVNL) for supply of Power on long-term basis subject to certain conditions to be complied within stipulated time. Amongst others, one of the conditions was pertaining to tie- up of fuel supply based on coal to be provided by Gujarat Mineral Development Corporation (GMDC). This agreement did not materialize. Consequent to the same, the Company had terminated the PPA and has offered to pay the liquidated damages. However, GUVNL has contested the termination and approached Gujarat Energy Regulatory Commission (GERC) to resolve the matter. GERC held that the agreement cannot be terminated. Against the decision of GERC, the Company filed an appeal before Appellate Tribunal for Electricity (APTEL). Pending the matter before APTEL and being sub-judice, no effect has been given in these financial statements.
13. The Group is engaged in power generation and setting up of power project. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. There is no reportable secondary segment i.e. geographical Segment.

14. Earnings Per Share (EPS):

(A) EPS as per AS-20

Basic and Diluted EPS		For the Year 2010-11	For the Year 2009-10
Profit attributable to equity shareholders	(₹ in Crores)	513.57	170.11
Weighted average number of equity shares outstanding during the year	Nos.	2,180,035,200	2,070,472,531
Nominal Value of equity share	₹	10.00	10.00
Basic and Diluted EPS	₹	2.36	0.82

(B) Cash EPS

Cash EPS		For the Year 2010-11	For the Year 2009-10
Cash Profit	(₹ in Crores)	984.46	213.25
Weighted average number of equity shares outstanding during the year	Nos.	2,180,035,200	2,070,472,531
Nominal Value of equity share	₹	10.00	10.00
Basic and Diluted EPS	₹	4.52	1.03

15. Component of Deferred Tax Liability/ (Assets) are as under:

(₹ in Crores)

	As at 31st March, 2011	As at 31st March, 2010
(A) Deferred Tax Liability – Difference between Book and Tax Depreciation	584.42	32.70
(B) Deferred Tax Asset – Tax Benefit on share issue expenses Set Off against share premium Unabsorbed Depreciation	15.54 256.87	20.71 -
Net Deferred Tax Liability (A-B)	312.01	11.99

16. 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):

(₹ in Crores)

	Particulars	For the Year 2010-2011	For the Year 2009-2010
I.	Reconciliation of Opening and Closing Balances of defined benefit obligation		
	Liability at the beginning of the Year	1.58	0.97
	Current Service Cost	1.04	0.66
	Interest Cost	0.21	0.13
	Expected Return on Planed Assets	–	–
	Past Vested Benefits	0.06	–
	Liability Transferred In/(Out)	(1.44)	–
	Benefits Paid	(0.01)	–
	Net Actuarial losses (gain) recognised	0.33	(0.18)
	Liability at the end of the Year	1.77	1.58
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	1.94	0.98
	Expected return on plan assets	0.29	0.15
	Contributions	1.65	0.84
	Actuarial gain/(loss) on plan assets	(0.29)	(0.03)
	Transfer to other company	(1.37)	–
	Plan assets at the end of the Year, at Fair Value	2.22	1.94
III.	Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
	Obligations at the end of the Year	1.77	1.58
	Plan assets at the end of the Year, at Fair value	2.22	1.94
	Assets/(Liability) recognized in balance sheet as on 31 st March, 2011	0.45	0.36
IV.	Gratuity Cost for the Year		
	Current service cost	1.04	0.66
	Interest cost	0.21	0.13
	Expected return on plan assets	(0.29)	(0.15)
	Actuarial (Gain) or Loss	0.62	(0.14)
	Past Service Cost – Vested Benefit recognised during the year	0.06	–
	Net Gratuity cost	1.64	0.50
V.	Actuarial Assumptions		
	Discount Rate (per annum)	8.25%	8.00%
	Expected rate of return on plan assets	8.00%	8.00%
	Annual Increase in Salary Cost	6.00%	6.00%

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

(₹ in Crores)

	2007-08	2008-09	2009-10
Present value of defined benefit obligations at the end of the year [independent actuary]	0.24	0.97	1.58
Fair value of plan assets at the end of the year	0.21	0.98	1.94
Net assets/(liability) at the end of year	(0.03)	0.01	0.36

The actuarial liability for leave encashment and compensated absences as at the year ended 31st March, 2011 is ₹ 2.04 Crores (As at 31st March, 2010 – ₹ 2.15 Crores)

17. 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) Other Related parties:

- (i) Holding Company : Adani Enterprises Limited
- (ii) Fellow Subsidiaries : Adani Global FZE
Adani Energy Ltd.
Adani Mining Private Limited
Adani Mundra SEZ Infrastructure Pvt. Ltd.
Adani Welspun Exploration Limited
Adani Gas Limited
Adani Infrastructure & Developers Private Limited
Adani Global PTE Limited, Singapore
Chemoil Adani Pvt. Ltd.
Adani Infra (India) Limited
Mundra Port & Special Economic Zone Limited
Karnavati Aviation Pvt. Ltd.
- (iii) Other parties which are significantly influenced by the company (either Individually or with other) : Adani Infrastructure Services Pvt. Ltd.
Adani Properties Pvt. Ltd.
Adani Wilmar Ltd.
Adani Renewable Energy LLP
Shantikrupa Estates Private Ltd.
(upto 28th February, 2011)
Partnership Firms
Shanti Builders

- (II) Key Management Personnel : Mr. Gautam S. Adani (Chairman)
Mr. Rajesh S. Adani (Managing Director)
Mr. Ameet H. Desai (Executive Director)
(Upto 30th March, 2011)
Mr. Ravi Sharma (Whole Time Director and CEO)
(From 8th February, 2011)

(b) Transactions with Related Parties

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
Advance for Constructing Employee Township	Adani Mundra SEZ Infrastructure Pvt. Ltd.	Fellow Subsidiary	7.16	69.12	17.35 Dr.	2.12 Dr.
Reimbursement of Expenses			0.92	-	0.24 Cr.	-
Purchase of Material	Adani Enterprises Limited	Holding Company	1.87	-	-	-
Interest on Loan			123.07	0.66	116.06 Cr.	0.38 Cr.
Purchase of Assets			-	0.07	-	-
Share Pledge Charges			-	0.04	-	-
Purchase of Granite			0.28	2.05	-	0.29 Cr.
Open Access Charges			3.63	0.23	0.52 Cr.	-
Sale of Material			32.37	102.43	-	14.88 Cr.
Sale of Power			240.57	355.03	-	-
Purchase of Ingots			11.40	-	-	-
Advance as per the terms of Coal Supply Agreement entered into			-	-	-	150.00 Dr.
Loan Taken			5479.35	181.00	2423.00 Cr.	15.00 Cr.
Advance	Adani Infrastructure and Developers Private Limited	Fellow Subsidiary	20.00	-	-	20.00 Dr.
Project Service Taken	Shantikrupa Estate Pvt. Ltd	Other parties which are significantly influenced by the company (either individually or with others)	0.56	0.56	-	0.50 Cr.
			2.42	1.46	-	0.41 Cr.
Travel Expense	Karnavati Aviation Private Limited	Fellow Subsidiary	-	0.08	-	-
Coal Purchased	Adani Global FZE	Fellow Subsidiary	-	9.79	-	9.79 Cr.
	Adani Global PTE Ltd	Fellow Subsidiary	-	147.78	-	137.06 Cr.
Purchase of HSD	Adani Enterprises Limited	Holding Company	-	1.54	-	-
	Chemoil Adani Pvt. Ltd	Fellow Subsidiary	86.22	47.25	26.29 Cr.	4.92 Cr.
Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	0.07	0.06	*	-
	Adani Wilmar Limited		0.01	0.05	-	0.01 Cr.

(₹ in Crores)

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
Dredging Charges	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	2.15	43.24	2.24 Cr.	-
Lease Hold Land			-	77.00	-	-
Sale of Asset			0.88	0.14	0.79 Dr.	-
Horticulture			0.27	0.04	0.02 Cr.	-
Sale of Fly Ash			0.12	-	0.12 Dr.	-
Purchase of Material			0.28	0.24	-	-
Lease Rent, Infrastructure Usage Charges and Land Charges			2.16	0.04	0.01 Cr.	-
Storage Charges, Terminal Handling Charges, Wharf age, Crane Hiring, Water Front Royalty, etc.			147.07	22.45	51.43 Cr.	-
Interest on Loan			4.65	-	1.74 Cr.	-
Deposit for Rent	Adani Properties Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	-	-	1.00 Dr.	1.00 Dr.
Reimbursement of Expenses	Adani Enterprises Ltd.	Holding Company	0.18	3.57	0.68 Cr.	0.79 Cr.
	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	1.46	0.67	0.04 Cr.	-
	Adani Wilmar Ltd.	Other parties which are significantly influenced by the Company (either individually or with others)	0.05	0.05	*	0.01 Cr.
	Adani Gas Limited	Fellow Subsidiary	0.01	0.01	*	0.01 Cr.
	Chemoil Adani P. Ltd.	Fellow Subsidiary	-	0.02	-	0.02 Cr.
	Adani Infrastructure Services Pvt. Ltd.	Other parties which are significantly influenced by the company (either individually or with others)	-	0.08	-	-
	Karnavati Aviation P. Ltd.	Fellow Subsidiary	9.99	6.30	0.44 Cr.	-
	Adani Mining Pvt. Ltd.	Fellow Subsidiary	-	0.03	-	-
	Adani Infra (India) Ltd.	Fellow Subsidiary	0.62	-	0.01 Dr.	-

Description	Name of Related Party	Nature of Relationship	Value of Transactions		Balance as at	
			Year ended 31 st March, 2011	Year ended 31 st March, 2010	31 st March, 2011	31 st March, 2010
Salary and Allowances	Shri R. K. Gupta	Key Management Personnel	-	0.43	-	-
	Shri Ameet Desai		4.99	-	-	-
	Shri Ravi Sharma		0.34	-	-	-
Employee Loan Transfer	Adani Enterprises Ltd.	Holding Company	*	0.04	*	-
	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	0.04	0.02	0.04 Cr.	-
Office Expense	Adani Infra (India) Limited	Fellow Subsidiary	2.64	0.01	1.90 Dr.	-
	Adani Gas Limited	Fellow Subsidiary	-	*	-	-
Advance Given	Adani Global Pte Ltd.	Fellow Subsidiary	(135.38)	135.38	-	135.38 Dr.
Purchase of Goods and Services	Adani Infra (India) Limited	Fellow Subsidiary	213.73	-	182.38 Cr.	-
	Advance Against Supply Contract		621.39	-	605.70 Dr.	-
Interest on Advances			19.73	-	19.55 Dr.	-
	Project Work		32.74	-	14.06 Cr.	-
Investment	Adani Infra (India) Ltd.	Fellow Subsidiary	0.49	-	0.49 Dr.	-
	Shanti Builders	Partnership Firms	2.74	-	2.25 Cr.	-
Loan Taken	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	*	-	*	-
	Adani Renewable Energy LLP	Other parties which are significantly influenced by Company (either individually or with others)				
Loan Taken	Adani Global Pte. Ltd.	Fellow Subsidiary	0.49	-	0.49 Cr.	-
	Mundra Port and Special Economic Zone Ltd.	Fellow Subsidiary	465.00	-	-	-

(Figures below ₹ 50,000 are denoted by *)

18. The details of financial statements of subsidiaries:

(₹ in Crores)

Name of the subsidiary company	Adani Power Maharashtra Limited	Adani Power Rajasthan Limited	Adani Power Dahej Limited	Adani Power Limited	Adani Power Generation Limited	Mundra Power SEZ Limited	Adani Power Limited	Adani Shipping Limited	Adani Power Overseas Limited	Rahi Shipping Pte Limited	Vanshi Shipping Pte Limited
Paid-up Capital	2,181.96	4.90	0.05	0.05	0.05	0.05	*	*	0.11	0.18	0.18
Reserves and Surplus (adjusted for debit amount in P&L account, wherever applicable)	(4.96)	(2.15)	(0.32)	(0.02)	(0.02)	(0.01)	(0.04)	(0.10)	(0.06)	(0.44)	(0.19)
Total Assets (Fixed Assets + Current Assets)	7,888.17	1,725.38	839.54	400.36	760.44	0.04	0.47	385.11	0.08	368.96	373.71
Total Liabilities (Debts + Current Liabilities + Provisions + Share Application Money)	5,711.17	1,722.64	839.81	400.33	760.41	*	0.51	385.56	0.03	369.23	373.73
Investments (excluding investments in subsidiaries)	-	*	*	-	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-	-	-	14.01	14.16
Loss Before Tax	(2.00)	(2.09)	*	(0.01)	(0.01)	*	(0.04)	(0.05)	(0.01)	(0.44)	(0.19)
Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-
Loss after Tax	(2.00)	(2.09)	*	(0.01)	(0.01)	*	(0.04)	(0.05)	(0.01)	(0.44)	(0.19)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-

(Figures below ₹ 50,000 are denoted by *)

Closing Exchange Rate as on 31st March, 2011 – ₹ 44.65/USD

19. The Group has taken various derivatives to hedge its loans. The outstanding position of derivative instruments as at 31st March, 2011 is as under:

(₹ in Crores)

Nature	Particulars of Derivatives as at 31 st March, 2011	Particulars of Derivatives as at 31 st March, 2010	Purpose
Principal Only Swap	1588.90	145.86	Hedging of Loans
Cross Currency Swap	161.71	-	Hedging of Loans
Forward cover	33.74	-	Hedging of working capital Loans

The details of foreign currency exposures not hedged by derivative instruments as at 31st March, 2011 and 31st March, 2010 are as under:

(₹ in Crores)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
(a) Import Creditors	1,803.57	850.20
(b) Loan under letter of credit	14,204.88	7,216.63
(c) Usance Interest accrued but not due	77.33	33.08

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

Signature to Schedule 1 to 19

As per our attached report of even date

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

GAURAV J. SHAH
Partner
Membership No. 35701

Date : 9th May, 2011
Place : Ahmedabad

For **ADANI POWER LIMITED**

GAUTAM S. ADANI Chairman
RAJESH S. ADANI Managing Director
PRABAL BANERJI Chief Financial Officer
RAHUL C. SHAH Company Secretary

Date : 9th May, 2011
Place : Ahmedabad

Dear Shareholder,

RE: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. All you have to do is to register your e-mail id with your Depository Participant (DP with whom you maintain your Demat Account) to receive communication through electronic mode.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents / notices including Annual Report and those covered under Section 219 of the Companies Act, 1956 (the Act) read with Section 53 of the Act (“these documents”) to all shareholders through electronic mode to the registered e-mail addresses of the shareholders.

Please note that these documents will also be available on the Company’s website: www.adanipower.com. Any physical copies of the same will also be available at the Registered Office in Ahmedabad for inspection during office hours.

Please note that as a shareholder, you are entitled to receive all these documents free of cost upon receipt of a requisition from you in physical form.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.

Best Regards,

Adani Power Limited

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ADANI POWER LIMITED

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

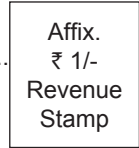
Proxy Form

Folio No.....
* DP ID
* Client ID.....

I/We of being a member / members of the above named Company hereby appoint of or failing him of as my/our proxy to vote for me/us on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held at J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 on Wednesday, the 10th August, 2011, at 10.15 a.m. and at any adjournment thereof.

Signed this day of 2011.

Signature



* Applicable in case of shares held in Demat.

Note : Proxy Form must reach the Company's Registered Office not less than 48 hours before the commencement of the Meeting.

----- (TEAR HERE) -----



ADANI POWER LIMITED

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

ATTENDANCE SLIP

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

Name of the attending member/s (in Block Letters)	Folio No.	*DP ID	*Client ID
Name of the Proxy (in Block Letters) (To be filled in by the Proxy who attends instead of the Member)			

No. of Shares held

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company held at J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 on Wednesday, the 10th August, 2011, at 10.15 a.m.

* Applicable in case of shares held in Demat.

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Member's/Proxy's/Signature

(To be signed at the time of handing over this slip)

Note : Shareholders / Proxy holders are requested to bring the Attendance Slips with them, duly filled in when they come to the meeting and hand them over at the gate, affixing signature on it.



ADANI

Adani Power Limited

“Shikhar”, Near Adani House,
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