LETTER OF OFFER
Dated March 12, 2010
For Equity Shareholders of the Company only

ADANI ENTERPRISES LIMITED

The Company was incorporated on March 2, 1993 as Adani Exports Limited, under the Companies Act, 1956. Pursuant to the change of name of the Company to Adani Enterprises Limited, the Company was issued a fresh certificate of incorporation on August 10, 2006. For details of change of name of the Company, please see the section "History and Corporate Structure" on page 56.

Registered Office: "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat
Tel No: (91 79) 2656 5555 **Fax No**: (91 79) 2656 5500
Contact Person: Parthiv Parikh, Assistant Company Secretary and Compliance Officer
Email: parthiv.parikh@adani.in **Website**: www.adanigroup.com

Tel No: (91 79) 2656 5555 Fax No: (91 79) 2656 5500

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

LETTER OF OFFER

ISSUE OF 3,11,26,659 EQUITY SHARES OF RE. 1 EACH ("EQUITY SHARES") FOR CASH AT A PREMIUM OF RS. 474 PER EQUITY SHARE AGGREGATING TO AN AMOUNT AGGREGATING TO RS. 1,478.52 CRORES BY ADANI ENTERPRISES LIMITED (THE "COMPANY" OR THE "ISSUER") TO THE EXISTING EQUITY SHAREHOLDERS OF THE COMPANY ON RIGHTS BASIS IN THE RATIO OF ONE EQUITY SHARE FOR EVERY 16 EQUITY SHARES HELD ON THE RECORD DATE I.E. MARCH 25, 2010 ("ISSUE"). THE ISSUE PRICE FOR THE EQUITY SHARES IS 475 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of the Company and the Issue including the risks involved. The securities being offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. **Investors are advised to refer to "Risk Factors" on page xi before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). The Equity Shares offered through this Letter of Offer are proposed to be listed on the BSE and the NSE. The Company has received "in-principle" approvals from BSE and NSE for listing the Equity Shares to be allotted pursuant to the Issue vide letters dated December 31, 2009 and December 22, 2009 respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the BSE.

LEAD MANAGERS TO THE ISSUE			REGISTRAR TO THE ISSUE
ICICI SECURITIES LIMITED ICICI Centre , H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460/70 Fax: (91 22) 2282 6580 E-mail: adani.rights@icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Website: www.icicisecurities.com SEBI Registration No.: INM000011179 Contact Person: Rajiv Poddar	**ENAM SECURITIES PRIVATE LIMITED** 801/ 802, Dalamal Towers Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 E-mail: adani.rights@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person: Dipali Dalal SEBI Registration No. INM000006856	**IDFC - SSKI LIMITED** Naman Chambers, C-32, G-Block, Bandra-Kurla Complex Bandra (E) Mumbai 400 051 Tel: (91 22) 6622 2600 Fax: (91 22) 6622 2501 E-mail: ael.rights@idfcsski.com Investor Grievance E-mail: complaints@idfcsski.com Contact Person: Hiren Raipancholia Website: www.idfcsski.com SEBI Registration No.: INM000011336	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot No. 17-24 Vittal Rao Nagar Madhapur Hyderabad 500 081 Tel: (91 40) 2342 0815 / 2342 0816 Fax: (91 40) 2342 0859 Email: adani.rights@karvy.com Website: www.karisma.karvy.com SEBI Registration Number: INR000000221 Contact Person: Murali Krishna

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
MARCH 31, 2010	APRIL 7, 2010	APRIL 15, 2010

TABLE OF CONTENTS

DEFINITIONS AND ABBREVIATIONS

Definitions of certain capitalized terms used in this Letter of Offer are set forth below:

Company Related Terms

Term	Description
"AEL", "the Company", "our Company" or "the Issuer"	Adani Enterprises Limited, a public limited company incorporated under the Companies Act, 1956, with its registered office at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat
Articles / Articles of Association	The articles of association of the Company
Auditors	The statutory auditors of the Company, being Dharmesh Parikh & Co. Chartered Accountants
Board of Directors/Board	The board of directors of the Company or any duly constituted committees thereof
Equity Shares	Equity shares of the Company of face value of Re. 1 each
Memorandum / Memorandum of Association	The memorandum of association of the Company
Registered Office	The registered office of the Company located at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat
"We", "us" or "our"	Adani Enterprises Limited and its subsidiaries, associates and joint ventures on a consolidated basis

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to Shareholders of the Company with respect to this Issue in accordance with SEBI Regulations
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allotees	Persons to whom Equity Shares of the Company are issued pursuant to the Issue
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the application amount in his/ her specified bank account maintained with the SCSB
ASBA Investor	Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: (a). hold the Equity Shares of the Issuer in dematerialized form as on the Record Date and has applied for Right Entitlements and / or additional Equity Shares in dematerialized form; (b). has not renounced his / her Right Entitlements in full or in part; (c). is not a Renouncee; and (d). is applying through a bank account maintained with a SCSB
Bankers to the Issue	Axis Bank Limited
Composite Application Form/CAF	The form used by an Investor to make an application for allotment of Equity Shares in the Issue
Consolidated Certificate	In case of holding of Equity Shares in physical form, the Company would issue one certificate for the Equity Shares allotted to one folio
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in/pmd/scsb.html
Designated Stock Exchange	Bombay Stock Exchange
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on

Term	Description
	http://www.sebi.gov.in/pmd/scsb.html
Draft Letter of Offer	The draft letter of offer dated December 15, 2009 filed with SEBI for its comments
Enam	Enam Securities Private Limited
Equity Shareholder / Shareholder	A holder of the Equity Shares of the Company
Investor(s)	The Equity Shareholders of the Company on the Record Date, i.e. March 25, 2010 and the Renouncees
IDFC-SSKI	IDFC-SSKI Limited
I-Sec	ICICI Securities Limited
Issue	Issue of 3,11,26,659 Equity Shares of Re. 1 each at a premium of Rs. 474 per Equity Share aggregating to Rs. 1,478.52 crores to the existing equity shareholders of the Company on rights basis in the ratio of one Equity Share for every 16 Equity Shares held on the Record Date (March 25, 2010)
Issue Closing Date	April 15, 2010
Issue Opening Date	March 25, 2010
Issue Price	Rs. 475
Issue Proceeds	The proceeds of the Issue that are available to the Company
Issue Size	The issue of 3,11,26,659 Equity Shares aggregating to Rs. 1,478.52 crores
Lead Managers	Lead Managers to the Issue, in this case being, I-Sec, Enam and IDFC-SSKI
Letter of Offer	The letter of offer to be filed with the Stock Exchanges after incorporating the SEBI comments on the Draft Letter of Offer dated December 15, 2009
Monitoring Agency	IFCI Limited
Net Proceeds	The Issue Proceeds less the Issue expenses. For further details, please see section "Objects of the Issue" on page 23
Promoters	The Promoters of the Company, being Gautam S. Adani and Rajesh S. Adani
Promoter Group	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with the SEBI Regulations and which are disclosed by the Company to the Stock Exchanges from time to time
QIBs or Qualified Institutional Buyers	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 25 crores, pension fund with minimum corpus of Rs. 25 crores, National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India
Record Date	March 25, 2010
Registrar to the Issue	Karvy Computershare Private Limited
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from Equity Shareholders
Rights Entitlement	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date
SAF(s)	Split Application Form(s)
SCSB(s)	A banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Stock Exchange(s)	BSE and NSE where the Equity Shares of the Company are presently listed

Conventional and General Terms/ Abbreviations

Term	Description
Act/Companies Act	The Companies Act, 1956, as amended
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BOLT	BSE On-Line Trading
BPLR	Benchmark Prime Lending Rate
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Code	The Code of Civil Procedure, 1908
CPCB	Central Pollution Control Board
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identity
DIPP	the Indian Department of Industrial Policy and Promotion Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECB	External Commercial Borrowings
ECB Guidelines	The ECB guidelines issued by the RBI on July 1, 2009 (RBI/2009-10/27 Master Circular No. /07 /2009-10)
ECS	Electronic Clearing Service
EGM	Extra-Ordinary General Meeting
EIA Notification	the Indian Environment Impact Assessment Notification S.O.60(E), issued on January 27, 1994 under the provisions of the Environment (Protection) Act 1986
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations framed thereunder
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with SEBI under applicable laws in India
Financial Year / Fiscal / FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Ministry of Finance, GoI
FVCI	Foreign Venture Capital Investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI under applicable laws in India
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI	Government of India
HUF	Hindu Undivided Family
IBAR	ICICI Bank Advance Rate
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
I T Act	The Income Tax Act, 1961, as amended
IFRS	International Financial Reporting Standards

Term	Description
Indian GAAP	Generally accepted accounting principles followed in India
JV	Joint Venture
LA Act	The Land Acquisition Act, 1894
LIBOR	London Interbank Offered Rate
LOA	Letter of Award
LOI	Letter of Intent
MAT	Minimum Alternate Tax
MoEF	The Ministry of Environment and Forests, Government of India
MoU	Memorandum of Understanding
Mutual Fund / MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NR	Non-Resident
NRI	Non-Resident Indian
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	The National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
p.a	Per annum
PAN	Permanent Account Number under the I T Act
PAT	Profit After Tax
PBT	Profit Before Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
Registrar of Companies / RoC	The Registrar of Companies, Gujarat, Dadra and Nagar Haveli located at RoC Bhawan, opposite Rupal Park Society, behind Ankur Bus Stand, Naranpura, Ahmedabad 380 013
Regulation S	Regulation S under the Securities Act
Rs. / Rupees / INR	Indian Rupees
SBAR	State Bank Advance Rate
SBPLR	State Bank of Travancore Prime Lending Rate
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI, as amended from time to time
Securities Act	U.S. Securities Act of 1933, as amended
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
SPCB	State Pollution Control Board
Stamp Act	The Indian Stamp Act, 1899
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
TP Act	The Transfer of Property Act, 1882
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time

Technical/Industry Related Terms

Term	Description
BOO	Build, Own and Operate
BTG	Boiler, Turbine and Generator
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission

Term	Description
CNG	Compressed Natural Gas
CTU	Central Transmission Utility as defined in the Electricity Act, 2003
DHBVNL	Dakshin Haryana Bijli Vitran Nigam Limited
EIA	Environmental Impact Assessment
Electricity Act	The Electricity Act 2003, as amended from time to time
EPC	Engineering, Procurement and Construction
GCV	Gross Calorific Value
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
GUVNL	Gujarat Urja Vikas Nigam Limited
HVDC	High Voltage Direct Current
IEX	Indian Energy Exchange Limited
KW	Kilo Watt
kWh	Kilo Watt Hour
MLDP	Mill Land Development Programme
MMT	Million Metric Tonnes
MoEF	Ministry of Environment and Forests
MW	Megawatts
NELP	New Exploration Licensing Policy formulated by the Government of India
NLDC	National Load Dispatch Centre
NTPC	National Thermal Power Corporation Limited
Open Access	Under the Electricity Act, the non discrimination provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the appropriate commission such as CERC or SERC.
PGCIL	Power Grid Corporation of India Limited
PNG	Piped Natural gas
RRVUNL	Rajasthan Rajya Vidyut Utpadan Nigam Limited
SEBs	State Electricity Boards
SERC	State Electricity Regulatory Commission
SPV	Special Purpose Vehicle
STU	State Transmission Utility as defined in the Electricity Act, 2003
Sq. Ft.	Square Feet
sq. km.	Square kilometer
Sq. metres	Square Metres
tpd	Tonnes per day
UHBVNL	Uttar Haryana Bijli Vitran Nigam Limited

OVERSEAS SHAREHOLDERS

The distribution of this Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. The Company is making this Issue of Equity Shares on a rights basis to the Equity Shareholders of the Company and will dispatch the Abridged Letter of Offer and Composite Application Form ("CAF") to the shareholders who have an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI for observations. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in the Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

European Economic Area Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), an offer of the Equity Shares to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer of Equity Shares to the public in that Relevant Member State at any time may be made:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 4,30,00,000 and (3) an annual net turnover of more than Euro 5,00,00,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

Provided that no such offer of Equity Shares shall result in the requirement for the publication by the Company pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restriction set out below.

United Kingdom Restrictions

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Equity Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Equity Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NO OFFER IN THE UNITED STATES

The rights and the securities of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the ''United States'' or ''U.S.'') or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act (''Regulation S'')), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither the Company nor any person acting on behalf of the Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who the Company or any person acting on behalf of the Company has reason to believe is, either a "U.S. person" (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. The Company is making this issue of Equity Shares on a rights basis to Equity Shareholders of the Company and the Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

The Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to the Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where the Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and the Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information and data in this Letter of Offer is derived from the Company's consolidated financial statements which are included in this Letter of Offer and set out in the section "Financial Statements" on page 69. The Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

The Company is an Indian listed company and prepares its financial statements in accordance with Indian GAAP and in accordance with the Companies Act, which differs significantly in certain respects from IFRS and US GAAP. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with US GAAP, IFRS or any accounting principles other than principles specified in the Indian Accounting Standards. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated on the basis of our consolidated financial statements prepared in accordance with Indian GAAP.

All references to "India" contained in this Letter of Offer are to the Republic of India, all references to the "US" or the "U.S." or the "USA", or the "United States" are to the United States of America, its territories and possessions, and all references to "UK" or the "U.K." are to the United Kingdom of Great Britain and Northern Ireland, together with its territories and possessions.

Currency and units of presentation

The Company prepares and publishes its financial statements in Indian Rupees. All references to "Rupees", "Indian Rupees", "INR" or "Rs." Are to Indian Rupees, the official currency of the Republic of India, all references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America, all references to "GBP" or "£" are to Great Britain Pounds, the official currency of the United Kingdom and all references to "EURO" or "€" are to the official currency of the European Union.

Please note:

One million is equal to	10,00,000/10 lacs
One billion is equal to	1,000 million/100 crores
One crore is equal to	10 million/ 100 lacs

Exchange Rates

Rupee and United States Dollar Exchange Rates

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD). No representation is made that the rupee amounts actually represent such USD amounts or could have been or could be converted into USD at the rates indicated, any other rate or at all.

Year ended March 31	Year End	Average	High	Low
2005	43.75	44.95	46.46	43.36
2006	44.61	44.28	46.33	43.30
2007	43.59	45.29	46.95	43.14

Year ended March 31	Year End	Average	High	Low
2008	39.97	40.24	43.15	39.27
2009	50.95	45.91	52.06	39.89

Month	Month End	Average	High	Low
September 2009	48.07	48.43	49.06	47.96
October 2009	46.96	46.72	47.86	45.91
November 2009	46.48	46.56	47.13	46.09
December 2009	46.89	46.82	47.23	45.96
January 2010	46.87	46.18	46.81	45.10
February 2010	46.08	46.47	46.99	45.71

Source: Reserve Bank of India

Industry and Market Data

Unless stated otherwise, industry, demographic and market data used throughout this Letter of Offer has been obtained from industry publications, data on websites maintained by private and public entities, data appearing in reports by market research firms and other publicly available information. These resources generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Accordingly, Investors should not place undue reliance on this information.

FORWARD LOOKING STATEMENTS

All statements contained in this Letter of Offer that are not statements of historical fact constitute "forward-looking statements." All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- difficulty in managing future growth and profitability as a result of the diversified business;
- lack of experience in the new lines of businesses that we propose to venture into;
- increase in the cost of raw materials and interruption in their availability;
- changes in Government policies that may affect the demand for and the supply and prices of our products;
- non availability of fuel at competitive prices;
- political and social instability in countries where we operate our business;
- fluctuation of Rupee against foreign currencies;
- increase in the interest rates with respect to our borrowings;
- financial instability in Indian financial markets; and
- adverse political, social and economic developments in India.

For a further discussion of factors that could cause the Company's actual results to differ, see sections "Risk Factors" and "Our Business" on pages xi and 41 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company nor the Lead Managers nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI/Stock Exchanges requirements, the Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing all or a part of their investment. Investors are advised to read the risk factors described below carefully before making an investment decision in this offering. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in the section entitled "Forward Looking Statements" on page x. Unless otherwise stated, the financial information used in this section is derived from our consolidated audited financial statements under Indian GAAP, as restated.

Risks related to the Company

1. We have in the past been subject to criminal litigations initiated by SEBI which were compounded pursuant to consent applications.

SEBI had filed a criminal complaint against the Company and certain Group Companies in the Court of Additional Chief Metropolitan Magistrate, Mumbai in relation to violation of various provisions of the SCRA and certain notifications issued by SEBI. In accordance with the SEBI Circular no. EFD/ED/Cir-I/2007 dated April 20, 2007, the Company had filed consent applications dated January 16, 2008 (the "Consent Applications"). Pursuant to the Consent Applications, the criminal case was compounded by the Court of Additional Chief Metropolitan Magistrate Court, Mumbai through order dated August 30, 2008 upon payment of Rs. 0.30 crores. For further details, please see the section "Outstanding Litigation and Defaults – Cases filed against the Company" on page 185.

2. The Board of Directors has approved the proposal to evaluate the possibility of merging the promoter entities of Mundra Port and Special Economic Zone Limited ("MPSEZL") with the Company, which is subject to the approval of the shareholders of the Company, other statutory, regulatory and court approvals and consents required pursuant to contractual obligations. In the event, the Company is unable to obtain any of these approvals and consents, it may fail to undertake the proposed restructuring partially or entirely.

The Board of Directors at their meeting held on October 30, 2009 approved the proposal to evaluate the possibility of merging the promoter entities of Mundra Port and Special Economic Zone Limited ("MPSEZL") with the Company and has empowered a special committee to evaluate the said proposal. In the event that the merger is successful, MPSEZL would become subsidiary of Adani Enterprises Limited. The broad aim of the Company for pursuing this merger is to transform the Company from being a trader of assets to an owner of assets.

In the event that the Company approves the merger, such merger would be subject to shareholders' approval and various statutory and regulatory approvals. Further, the Company, the promoter entities of MPSEZL and MPSEZL have entered into various agreements, specifically the loan agreements that may require the company to obtain prior consent from the lenders for the merger. If the Company is unable to obtain any of the approvals or consents mentioned above, it may not be able to undertake the merger despite such merger being in the interests of the Company.

Moreover, in the event that such merger is approved and undertaken, the Company may be unable to successfully integrate the promoter entities of MPSEZL into its operations or realise the anticipated benefits of the merger. The process of integrating the merged entities may result in unforeseen operating difficulties, absorb significant management attention and require significant financial resources that would otherwise be available for the ongoing development or expansion of the Company's existing operations. Such merger could also result in the incurrence of liabilities which could have a material adverse effect on the Company's financial condition and results of operations.

3. We are involved in various legal proceedings both as plaintiffs and defendants in which we may not prevail and which could have an adverse impact on us.

We are a party to various legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The tables below set forth the summary of the outstanding litigation involving the Company and its Subsidiaries:

Litigation against the Company

S. No.	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved
1.	Civil[*]	25	Rs. 14.29 crores
			USD 228.70 million[**@]
2.	Criminal	Nil	-
		Total	**Rs. 14.29 crores**
			USD 228.70 million[@]**

[*] Including show-cause notices issued against the Company under Customs Act, 1962 and FEMA.
[**] This amount reflects the extent of contravention of FEMA by the Company as per the show cause notice.
[@] The amount involved in the matter has been disclosed in USD because the show cause notice specifies the amount in USD.

The aggregate amount involved in the cases outstanding against the Company is Rs. 14.29 crores and USD 228.70 million. USD 228.70 million reflects the extent of contravention of FEMA by the Company as per the SCN.

Litigation against the Subsidiaries

S. No.	Name of the Subsidiary	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved
1.	Adani Power Limited	Civil	25	-
		Criminal	Nil	-
2.	Adani Agri Fresh Limited	Civil	1	Rs. 8.12 crores
		Criminal	Nil	-
3.	Adani Energy Limited	Civil	7	Rs. 8.09 crores + USD 34.40 million[*]
		Criminal	Nil	-
4.	Adani Wilmar Limited	Civil	12	Rs. 37.70 crores
		Criminal	Nil	-
			Total	**Rs. 53.91 crores+ USD 34.40 million[*]**

[*] The amount involved in the matter has been disclosed in USD because the show cause notice specifies the amount in USD.

Litigation by the Company

S. No.	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (in Rs. Crores)
1.	Civil	30	130.64
2.	Criminal*	-	9.58

S. No.	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (in Rs. Crores)
3.		**Total**	**140.22**

**Various cases filed under Section 138 of the Negotiable Instruments Act, 1881*

The aggregate amount involved in the cases filed by the Company is Rs. 140.22 crores.

Litigation by the Subsidiaries

S. No.	Name of the Subsidiary	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (in Rs. Crores)
1.	Adani Power Limited	Civil	2	-
		Criminal	Nil	-
2.	Adani Energy Limited	Civil	2	0.01
		Criminal	39	0.04
3.	Adani Wilmar Limited	Civil	1	0.64
		Criminal	Nil	-
			Total	**0.69**

For further details of the legal proceedings, please see the section "Outstanding Litigation and Defaults" on page 185.

Such litigation could divert management time and attention, and consume financial resources in their defense or prosecution. No assurance can be given that we will prevail in any such proceedings. In addition, should any new developments arise such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities.

4. ***Rajesh S. Adani, one of the Promoters and the Managing Director of the Company was arrested by the Central Bureau of Investigation on February 27, 2010 and subsequently released on bail pursuant to the order of the Gujarat High Court.***

Rajesh S. Adani, one of the Promoters and the Managing Director of the Company, was arrested by the Central Bureau of Investigation ("CBI") on February 27, 2010. On the same day, pursuant to a petition filed by Vasant S. Adani (a brother of Rajesh S. Adani), the Gujarat High Court directed the release of Rajesh S. Adani on bail, subject to certain conditions. The petition has sought, apart from the release of Rajesh S. Adani and certain other matters, the quashing of the first information report dated April 25, 2008 registered by the CBI, pursuant to which Rajesh S. Adani was allegedly arrested. The petition is currently pending before the Gujarat High Court. The aforesaid first information report pertains to alleged evasion of customs duty by the Company in relation to two consignments of naphtha and one consignment of furnace oil imported by the Company in the year 2005, the entire quantities whereof were subsequently sold by the Company to various persons. According to CBI website, the alleged evasion of customs duty has caused a loss of Rs. 1.07 crores to the Government Exchequer. For further details, please see "Outstanding Litigations and Defaults – Cases filed against the Company" on page 189.

5. ***Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate the cash required to service our debt.***

Our ability to make payments on any indebtedness and to fund our operations will depend on our subsidiaries' and affiliates' ability to generate cash in the future. Our future financial results may be subject to substantial fluctuations due to many factors, including our subsidiaries' and affiliates' future operating performance. If we are unable to meet our debt service obligations or fund our other liquidity needs, we may need to refinance all or a portion of our debt before maturity, seek additional equity capital or, subject to restrictions in our debt instruments, sell assets or interests in our subsidiaries and/or affiliates. However, we cannot assure you that, if we are unable to pay our debt, we will be able to refinance it, obtain additional equity capital or sell assets or interests, in each case on commercially reasonable terms, or at all, or otherwise to fund our liquidity needs.

6. We will rely increasingly on our subsidiaries and joint ventures to generate earnings, and any decline in the earnings of our subsidiaries and joint ventures or their ability to pay dividends to us could materially and adversely affect our results of operations.

We undertake a significant number of businesses, such as commodities trading, power generation and transmission, coal mining, gas distribution, agricultural products storage and supply, oil exploration and bunkering, through our subsidiaries and joint ventures. Furthermore, a substantial portion of our assets are be held by, and a substantial part of our earnings and cash flows is attributable to, our subsidiaries and joint ventures. We cannot assure you that our subsidiaries and joint ventures will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable us to meet our obligations, pay interest and expenses or declare dividends. If we are unable to receive dividend payments from our subsidiaries and joint ventures, our earnings and cash flow would be materially and adversely affected.

7. We may require additional debt or equity financing to meet our capital requirements.

Sources of our additional financing requirements may include commercial banks or the sale of equity or debt securities in private or public offerings. If we decide to incur more debt, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, who could place restrictions on how we operates our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders will be diluted.

Our future funding requirements will depend, in large part, on our working capital requirements and the nature of our capital expenditures. We require significant working capital to purchase, process and market our commodities inventories. An interruption of our access to short term credit or a significant increase in the cost of credit could adversely increase our interest expense and impair our ability to compete effectively in our business. We also increasingly operate an expensive network of power plants, storage facilities, port facilities and transportation assets as part of our business. We are required to make capital expenditures to maintain, upgrade and expand these facilities to keep pace with competitive developments, technological advances and changing safety standards in the industry. Significant unbudgeted increases in our capital expenditures could adversely affect our operating results. In addition, the expansion of our business and pursuit of business opportunities may require us to have access to significant amounts of capital.

8. We are subject to restrictive covenants in certain debt facilities provided to us.

There are certain restrictive covenants in our financing agreements. These restrictive covenants require us to obtain the prior written consent of lenders for, among other things, changes in our capital structure, issuance of new shares and disposing of a substantial portion of our assets. There can be no assurance we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. For further details of our financing agreements, please see the section "Financial Indebtedness" on page 178.

9. Increases in interest rates may affect our results of operations.

The majority of our borrowings, especially the borrowings undertaken by our subsidiaries such as Adani Power Limited, are subject to floating interest rates, which exposes us to interest rate risk. Further, we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements or other material agreements. We cannot assure you that we will be able to enter into interest hedging contracts or other financial arrangements on commercially reasonable terms, or any of such agreements will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

10. Our Promoters will continue to exercise significant control over our business.

Prior to the consummation of this Issue, our Promoters and Promoter Group held 74.19% of our equity share capital. As a result, our Promoters will continue to exercise significant control over our business and all matters requiring shareholder approval, including timing and distribution of dividends, election of officers and directors, our business strategy and policies, approval of significant corporate transactions such as mergers and business combinations and sale of assets. This control could impede a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control even if such transaction may be beneficial to our other shareholders.

11. Additional issuances of equity may dilute your holdings.

The Board of Directors of the Company, in its meetings held on May 20, 2009 and October 30, 2009, has approved a qualified institutions placement (the "QIP") of Equity Shares or instruments convertible into Equity Shares, in one or more tranches, up to an overall amount of Rs. 4,000 crores. The QIP has been approved by the Shareholders in the EGM held on November 27, 2009. The Company may undertake the QIP at any time after the listing of Equity Shares in the Issue at a price to be determined in accordance with the SEBI Regulations. Upon completion of the QIP, the Company's capital structure will undergo a change to the extent of allotment in the QIP. Further, as at March 6, 2010 the Company had 21,484 FCCBs outstanding convertible into 3,11,51,800 Equity Shares. Any future equity issuances by the Company either in the form of qualified institutions placement or conversion of FCCBs or pursuant to a preferential allotment shall lead to the dilution of your shareholding in the Company. Any other additional issuance of equity may also affect the trading price of the Equity Shares.

12. We have entered and may continue to enter into a substantial amount of related party transactions with our Promoters and Promoter Group entities.

We have entered and will continue to enter into a substantial amount of related party transactions with our promoters, subsidiaries, joint ventures, promoter group entities, associates, key management and enterprises having common key management personnel with us. For a list of related parties, please see the section "Financial Statements – List of Related Parties" on page 104. Related party transactions entered into by us during Fiscal 2009 have been disclosed in our audited financial statements in the section "Financial Statements – Related Party Transactions" on page 93. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, we may enter into significant levels of related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

13. Our management team and other key personnel are critical to our continued success and the loss of any such personnel could harm our business.

Our future success substantially depends on the continued service and performance of the members of our management team and other key personnel. These personnel possess technical and business capabilities that are difficult to replace. If we lose the services of any of these or other key personnel, we may be unable to replace them in a timely manner, or at all, which may affect our ability to continue to manage and expand our business. Members of our management team are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us or adequately protect us in the event of their departure or otherwise. In addition, certain of those agreements contain non-compete and other provisions that may not be enforceable. Except for our Promoters, we do not maintain any "key man" insurance for our key personnel. The loss of key members of our management team or other key personnel could have an adverse effect on our business, prospects, results of operations and financial condition.

14. Fluctuation of Rupee against foreign currencies may have a material adverse effect on our results of operations.

Whilst we report our financial results in Indian rupees, portions of our total income and expenses are denominated, generated or incurred in currencies other than Indian rupees. Further, we incur expenditures and also procure materials in a number of currencies, such as US dollar and Euro. To the extent that our income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure we recognize.

Further, our future capital expenditures, including any imported equipment and machinery, may be denominated in currencies other than Indian rupees. Therefore, a decline in the value of the Indian rupee against such other currencies could increase the Indian rupee cost of servicing our debt or making such capital expenditures. The exchange rate between the Indian rupee and various foreign currencies has varied substantially in recent years and may continue to fluctuate significantly in the future.

Whilst we use foreign currency forward and option contracts to hedge our risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions, changes in exchange rates may have a material adverse effect on our results of operations and financial condition and we cannot ensure that use of forward and option contracts would fully protect us from foreign exchange risks. In addition, risk hedging contracts are regulated by the RBI and any change in its policies with respect to such hedging contracts may impact our ability to adequately hedge our foreign currency exposures.

15. Our insurance coverage may not adequately protect us against certain operational risks and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

We maintain insurance which we believe is typical in our industry and in amounts which we believe are commercially appropriate for a variety of risks, which include risks relating to fire, burglary and natural disasters. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Even if we have availed of an adequate insurance cover, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Any such uninsured losses or liabilities could result in a material adverse effect on our business operations, financial conditions and results of operations.

16. We require certain registrations and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits for operating our businesses. Whilst we have obtained a significant number of approvals for our businesses, certain approvals which we have applied for are currently pending. Moreover, we may need to apply for additional approvals in future. Further, we may need to renew some of the approvals, which may expire, from time to time, in the ordinary course. For more information regarding the approvals we have applied for and that are currently outstanding, please see the section "Government Approvals" on page 199. If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, our ability to undertake our businesses may be adversely impacted, which could adversely affect results of operations and profitability. Furthermore, our government approvals and licenses may be subject to numerous conditions, some of which could be onerous.

There can be no assurance that we will be able to apply for any approvals, licenses, registrations or permits in a timely manner, or at all, and there can be no assurance that the relevant authorities will issue or renew any such approvals, licenses, registrations or permits in the time frames anticipated by us. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations.

17. A significant portion of Net Proceeds would be utilised for repayment of loans and hence would not result in creation of tangible assets.

We intend to use a significant portion of the Net Proceeds towards prepayment / repayment of a portion of the debt outstanding on the books of the Company, including any additional loans that we may take up. The Company proposes to utilise 86.67% of the Issue Proceeds for prepayment / repayment of debt. For further details on the use of the Issue Proceeds, please see the section "Objects of the Issue" beginning on page 23. The Issue proceeds shall not result in the creation of any tangible assets.

18. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We employ a significant number of employees and historically, we have not experienced any significant strikes or other labour disputes. In future, there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. Furthermore, efforts by labour unions may divert management's attention and result in increased costs. We may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes, thereby adversely affecting our business and results of operations.

We may enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition and results of operations. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a portion of such contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

19. We may not maintain historical dividends in the future.

While we have paid dividends in the past, there can be no assurance as to whether we will pay dividends in the future and, if so, the level of such future dividends. Our declaration, payment and amount of any future dividends is subject to the discretion of the Board, and will depend upon, among other factors, our earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws in India from time to time.

20. We have contingent liabilities and our financial condition and profitability could be adversely affected if any of these contingent liabilities materialize.

As of March 31, 2009, contingent liabilities disclosed in the notes to our consolidated financial statements was as set forth in the table below:

(Rs. in crores)

Particulars			As at March 31, 2009	As at March 31, 2008
a)	Claims against the Company not acknowledged as debts		451.47	450.10
b)	In respect of Corporate Guarantee given:-			
	(i)	To Companies under the same Management	223.04	94.29
	(ii)	For obligations to other parties	157.85	119.91
c)	Bills of Exchange Discounted		909.49	1,049.73
d)	Demand against the company not admitted as debts regarding sales tax against which appeals are pending		33.89	6.79
e)	In respect of Bank Guarantees given to Government agencies		492.71	396.51

	Particulars	As at March 31, 2009	As at March 31, 2008
f)	Bonds Submitted to Development Commissioner on behalf of Government of India	2,286.72	2,225.00
g)	Letter of Credit	1,631.10	921.25
h)	Export obligations though completed but procedural relinquishments are pending of Rs.NIL before DGFT (Previous Year Rs. 0.07) and of Rs. NIL before Customs (Previous Year Rs. 0.28).		
i)	Additional stamp duty on transfer of Land/ Immovable properties, in which liability is unascertainable.		
j)	An export obligation of Rs. 4.10 (Previous Year Rs. 6.96) is pending which is equivalent to 8 times of duty saved Rs. 1.20 (Previous Year Rs. 0.88).		
k)	Estimated amounts of contracts remaining to be executed and not provided for (Net of Advances) Rs. 22,007.33 (Previous Year Rs.16,931.23).		
l)	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from internal evaluation of the management.		
m)	Show cause notice in terms of value of export goods under section14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable. And under Section 16 of the Foreign Exchange Management Act,1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule,2000, in which liability is unascertainable.		
n)	Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company.-Amount of contingent liability is to the extent of value of Shares Pledged.		
o)	Complaint filed by Asst. Labour Commissioner, Hubli under Section 30 of The Payment of Bonus Act, 1956. Matter being contested by the company and projected liability in terms of penalty would be not more than Rs. 0.01 crore (P.Y. NIL).		

As of March 31, 2009, contingent liabilities disclosed in the notes to our standalone financial statements was as set forth in the table below:

(Rs. in crores)

	Particulars	As at March 31, 2009	As at March 31, 2008
a)	Claims against the Company not acknowledged as Debts	40.40	38.99
b)	In respect of Corporate Guarantee given:-		
	I To Companies under the same Management	223.04	94.29
	II For obligations to other parties	157.85	119.91
c)	Bills of Exchange Discounted	909.49	1,042.94
d)	Demand against the Company not admitted as debts regarding sales tax against which appeals are pending	29.26	2.16
e)	In respect of Bank Guarantees given to Government agencies.	10.63	7.48
f)	Export obligation of Rs. NIL (Previous Year Rs. 6.04) is pending which is equivalent to 8 times of duty saved Rs. NIL (Previous Year Rs. 0.76)		
g)	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims, based on internal evaluation of the management.		
h)	Show cause notice in terms of value of export goods under section14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable. And under Section 16 of the Foreign Exchange Management Act, 1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule, 2000, in which liability is unascertainable.		
i)	Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company.-Amount of contingent liability is to the extent of value of Shares Pledged.		
j)	Compliant filed by Asst. Labour Commissioner, Hubli under Section 30 of The Payment of Bonus Act, 1956. Matter being contested by the company and projected liability in terms of penalty would be not more than Rs.0.01 crore (P.Y. NIL).		

The above said contingent liabilities have not been provided for in the financial statements of the Company. If any of these contingent liabilities materialize, our profitability may be adversely affected.

21. We depend on our information technology systems in managing our supply chain, production process, logistics and other integral parts of our business.

Our information technology systems are of paramount importance to our business. We are heavily reliant on our information technology systems in connection with order booking, procurement of raw materials, accounting, production and distribution. While we are implementing SAP in some of our subsidiaries, a fully integrated ERP system, any failure in our information technology systems could result in business interruption, adversely impacting our reputation and weakening of our competitive position and could have an adverse effect on our financial condition and results of operations.

22. We do not own the trademark and logo appearing in this Letter of Offer. If we are unable to use the trademark and logo, our results of operations may be adversely affected.

The Adani trademark ("Adani Trademark") and the Adani logo (the "Adani Logo") appearing in this Letter of Offer are not owned by us. The Adani Foundation has filed an application for the registration of the Adani Trademark and presently we do not pay any royalty to Adani Foundation for using Adani Trademark and Adani Logo. We believe that the Adani Trademark and the Adani Logo are important for our business. We cannot assure you that we will be able to obtain license to use the Adani Trademark and the Adani Logo, when registered, from the Adani Foundation on commercially acceptable terms, or at all. Infringement of the Adani Trademark and the Adani Logo, for which we may not have any immediate recourse, may adversely affect our ability to conduct our business, as well as affect our reputation, and consequently, our results of operations.

23. The Company's failure to successfully adopt IFRS, with effect from April 2011 could have a material adverse effect on its stock price.

The Ministry of Corporate Affairs, Government of India ("MCA"), has announced a road map for the adoption of, and convergence with, the International Financial Reporting Standards ("IFRS") through a press note dated January 22, 2010 (the "IFRS Convergence Note"). Pursuant to the IFRS Convergence Note, all companies which (i) are a part of the Nifty 50 index of the NSE, (ii) Sensex 30 index of the BSE, or (iii) which have a networth in excess of Rs. 1,000 crores will be required to convert their opening balance sheets as at April 1, 2011 (if the financial year commences on or after April 1, 2011) in compliance with the notified accounting standards which are convergent with IFRS. Accordingly, the Company would be required to prepare its annual and interim financial statements under the accounting standards which are convergent with IFRS from April 1, 2011. As there is significant lack of clarity on the adoption of, and convergence with, IFRS and there is not yet a significant body of established practice, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2011 could have a material adverse effect on the Company's stock price.

24. The Company has made investments in its Subsidiaries and joint ventures that may involve a substantial degree of risk.

As of March 31, 2009, we have made an investment of approximately Rs. 2,156.75 crores in our Subsidiaries and joint ventures. The investments are in the form of equity shares and/ or preference shares. These investments may be illiquid and we may not be able to realise any benefits from such investments or may have to defer their realisation, potentially for a considerable period of time. Consequently, we may incur additional costs or be unable to participate in other opportunities, thereby adversely affecting our financial condition and result of operations. Further, such investments if made in alternative investment opportunities may have yielded higher returns for the Company.

25. The Company has pledged shares for loans availed by its subsidiary, Adani Power Limited.

As of March 31, 2009 the Company had pledged 53,14,36,831 equity shares of its subsidiary, Adani Power Limited as collateral security for the loans availed by Adani Power Limited. In the event that Adani Power Limited is unable to fulfill its obligations under the relevant loan agreements, the lenders will have the right to sell such equity shares and appropriate the proceeds thereof. There is no assurance that such a default will not happen in the future and any such event may have a material adverse effect on the financial condition of the Company.

26. The Company has unsecured receivables aggregating Rs. 919.31 crores due from certain subsidiaries and promoter group entities.

As at March 31, 2009, the Company had unsecured receivables considered good, outstanding for less than six months, due from certain Subsidiaries and promoter group entities. In the event that the Company is unable to recover such receivables from its Subsidiaries or promoter group entities, its financial condition may be adversely affected.

Risks Related to our Business

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

27. We may have difficulty in managing our future growth and profitability as a result of our diversified businesses.

We operate diversified businesses, on our own and /or through our subsidiaries, joint ventures and associates. The various businesses in which we are currently engaged, include power generation and transmission, coal mining, coal and power trading, gas distribution, oil and gas exploration, bunkering, real estate development, production and sale of edible oils, storage, supply and trading of agricultural products and metals and mineral trading. Consequently, our management requires considerable expertise in managing our businesses. Our ability to benefit from developments in the various sectors and other future growth will depend upon a number of factors, several of which are beyond our control. These factors include, but are not limited to, our ability to expand and develop new customer relationships, and identify and successfully compete in new markets and businesses. The failure to manage any of these factors effectively may have an adverse affect on our business, financial position and results of operations.

Operating in such varied businesses also makes forecasting future revenue and operating results difficult, which may impair our ability to manage our businesses and your ability to assess our prospects. Moreover, because we have business segments in various stages of development, the relative significance of any particular segment to our revenues or operating results may fluctuate and is difficult to predict. In addition, our cost controls, internal controls, and accounting and reporting systems must be integrated and upgraded on a continual basis to support our diversified businesses. In order to manage and integrate our diversified businesses effectively we will be required, amongst other things, to implement and continue to improve our operational, financial and management systems, to continue to develop the management skills of our managers and to continue to train, motivate and manage our employees. If we are unable to manage our growth and our diversified operations, our ability to optimise the success of our business strategy and to capitalise on future business opportunities may be adversely affected.

28. We are entering new lines of business in which we do not have adequate previous experience.

A principal focus of our strategy is to grow our businesses in India and overseas. This includes expanding or changing our geographic focus or the composition of business, entering into new strategic alliances and engaging in new lines of businesses. Additionally, we are attempting to redefine our business model by entering into asset based, high margin business and are currently investing in sectors such as power generation, coal mining and real estate.

We have entered into coal exploration and mining activities in India and Indonesia and have placed orders to purchase vessels to develop our own shipping capacity. We have not directly participated in coal mining and shipping industries earlier and do not have adequate experience in these businesses. We are also entering into new initiatives in the energy sector (including electricity generation), the agro-related sector (including warehousing and transportation) and the real estate sector (including developing commercial and residential properties) in which we have ancillary but not direct prior experience. We cannot assure you that we will able to successfully foray in these new lines of business. Any inability to effectively develop and operate the new business segments that we have entered into may have adverse impact on our financial condition and results of operations.

29. Our plans require significant capital expenditures and if we are unable to obtain the necessary funds on acceptable terms, we may not be able to fund our power projects, coal mining and exploration of hydrocarbons, which may adversely affect our business.

The development of power projects, coal mining and exploration of hydrocarbons is capital intensive and require significant capital expenditure. We may not able to fulfill all our funding requirements from the resources available to us and may need to look for additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms. We have faced and may face cost overrun during the construction of our power projects and may also face cost overruns in relation to our coal mining and hydrocarbon exploration businesses. This may require us to revise our cost estimates. Any significant change in the contemplated financial requirements and development costs may have an adverse effect on our cash flows, financial condition and results of operations.

Further, the financing agreements that we currently have or which we may enter into in the future may be unilaterally terminated by our lenders or they could decline to lend to us under such agreements. Moreover the lending arrangements are subject to various conditions and restrictive covenants and our inability to comply with such conditions or covenants, may result in cancellation of the financing facilities. Moreover, any debt we raise is required to be continuously rated by credit rating agencies. Any fall in ratings for existing debt may impact our ability to raise additional financing. Additionally, due to the number of large-scale infrastructure projects currently under development in India and increased lending by banks and institutions to these projects, we may not be able to receive adequate debt funding on commercially reasonable terms in India and may be required to seek funding internationally, which may result in exposure to higher interest rate and foreign exchange risks.

Our ability to finance our capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including tariff regulations, borrowing or lending restrictions, if any, imposed by applicable government regulations, the amount of dividends that can be paid to our shareholders and general economic and capital market conditions. We cannot assure you that we will be able to raise sufficient funds to meet our capital expenditure requirements and on terms acceptable to us. If we are unable to raise the capital required by our businesses, or experience any delays in raising such funds, there could be an adverse effect on our ability to complete our projects and on our revenues and profitability.

30. We operate in highly competitive markets in which our performance could be affected if we were unable to respond to rapid changes in the market, consumer preferences or other competitive factors.

The businesses that we are engaged in are highly competitive and we have competitors in each of our major businesses on a local, regional, national and international level. Although barriers to entry are high in a number of our businesses, we face additional competition from new entrants and from our existing customers who are becoming more involved in sourcing to satisfy their own supply requirements. Maintaining or increasing our market share will, amongst other things, depend upon our ability to anticipate and respond to various competitive factors affecting the business segments in which we operate, including our ability to improve our manufacturing process and technique, responding to pricing strategies of our competitors and adopting changes in technology efficiently. Failure by us to compete effectively could have a material adverse effect on our business and profitability. Increased competition may reduce the growth in our customer base, reduce the profit margins and the market share that we currently enjoy, and result in higher selling and promotional expenses in our trading business.

The markets for our metals, minerals, ores, agro-commodities and energy products are also price competitive and sensitive to product substitution. In many of these businesses, our competitors have greater economies of scale and are also more vertically integrated, and generally not only act as commodities merchants but also as processors, which allows them to make a higher margin. Competition with these and other suppliers, processors and distributors is based on price, quality of service and geographic location. Similarly, power trading is a highly competitive business and as of July 2009, there were 44 trading licensees in India, of which 18 held category I licenses. Our competitors include licensees and deemed licensees such as generation and distribution companies. Further, the competition in power generation sector is intense due to deregulation of the Indian power sector and implementation of favourable policies by the Government of India with the aim of increasing private sector investment.

Failure by us to compete effectively including any delay in our reactions to changes in market conditions may affect the competitiveness of our products, thereby reducing our market share, which would result in a decline in our revenues. There can be no assurance that we will be able to continue to compete successfully and the competitive environment may have an adverse effect on our business, financial position and results of operations.

31. Increased costs of raw materials and interruption in their availability may affect our operating costs.

Certain of our businesses, such as power generation, gas distribution, production and sale of edible oils and supply of agricultural products are significantly affected by the availability, supply, cost and quality of raw materials, which exposes us to market demand and supply fluctuations. Our principal raw materials for our (i) power generation business is coal, (ii) gas distribution business is CNG and PNG, (iii) edible oils business is various seeds or crude palm oil, and (iv) agro-supply business is the availability of fruits and vegetables. The prices and supply of these and other raw materials depend on factors beyond our control, which include economic conditions, competition, consumer demand, production levels, transportation costs and import duties. Further, for agricultural raw materials, there are additional risks, such as adverse weather conditions and pest infestation. Except in case of coal for our power projects, we typically do not have long-term supply contracts with respect to our raw material requirements and the supply of raw materials may not adequately meet any increased demands. Any significant change in the cost structure or disruption in the supply may affect our operations. Moreover, if we are unable to increase the cost of our products/ services commensurate with the increase in the cost of our raw materials, our profitability may be adversely affected. Furthermore, in the event that our primary suppliers curtail or discontinue the supply of such materials to us in the quantities that we need or at prices that are competitive, our operations and financial conditions would be adversely affected.

32. Changes in technology may render the current technologies adopted by us obsolete or require us to make substantial capital investments.

Our businesses depend upon the technology adopted by us, especially for our power generation, coal mining, gas distribution, oil and gas exploration, bunkering and storage of agricultural products. For example, all our power projects under development are coal-based thermal plants based on either sub-critical or super-critical technology. In the event of technological advancement in production of electricity through alternative means, such as wind, solar or nuclear energy, which may result in electricity production at lower cost compared to the cost of producing electricity through coal-based thermal plants, we may not be able sell electricity at optimum prices and may have to incur losses. The storage of agricultural products is also dependent on usage of appropriate technology to maintain controlled atmospheric storage conditions.

As a result, technologies currently being developed, or which may be developed in the future, if employed by our existing competitors or new entrants, may adversely impact our competitiveness. The development and application of new technologies involves time, substantial cost and risks. Our competitors may be able to deploy new technologies prior to us. We cannot predict how emerging and future technological changes will affect our operations or the competitiveness of our services. If we fail to obtain timely access to, or successfully implement new technologies and equipment, our business, operations and financial condition may be adversely affected.

33. Some of the business segments in which we operate are highly cyclical and subject to seasonal fluctuations.

Our commodities trading business may be adversely affected by changes in the supply and demand of agricultural and industrial commodities and raw materials that are caused by market fluctuations outside of our control. These include global and regional economic conditions, developments in international trade, supply and demand for commodities, weather patterns, crop yields, foreign exchange fluctuations, armed conflicts, embargoes and strikes, among other factors. These can negatively affect the creditworthiness of our customers and suppliers and may adversely affect the business, results of operations and financial position of our business.

34. We operate in highly regulated industries.

We operate in the agricultural, energy, real estate and commodities industries, several aspects of which are highly regulated. Agricultural trade flows are significantly affected by government policies and regulations. Government policies affecting the energy and agricultural industries and commodities, such as taxes, tariffs, duties, subsidies, import and export restrictions and food safety and hygiene can influence industry profitability. Future government policies may adversely affect the demand for and the supply and prices of our products and markets and restrict our ability to do business in our existing and target markets which could have an adverse effect on our business, financial position and results of operations.

The vessels that we intend to acquire or manage have to operate within the rules, international conventions and regulations adopted by the International Maritime Organization, an agency of the United Nations, as well as the environmental protection laws, health and safety regulations and other marine protection laws in each of the jurisdictions in which our vessels will operate. Failure to comply with these rules may subject us to increased liability, invalidate or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports which could have an adverse effect on our business, financial position and results of operations.

35. We conduct international trading operations and we are exposed to the risks of doing business in several different, often emerging markets, countries.

Our trading, coal mining and oil and gas exploration businesses are international in nature and we also propose to operate shipping vessels worldwide. As a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

- social, political or regulatory developments that may result in an economic slowdown in any of these regions;
- legal and contractual uncertainty due to the overlap of different legal regimes, and problems in asserting contractual or other rights, across international borders or due to other reasons;
- potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate and increase of withholding and other taxes;
- potential tariffs and other trade barriers;
- changes in regulatory requirements;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- terrorist attacks and other acts of violence or war.

The occurrence of any of these events could have an adverse effect on our business, prospects, results of operations and financial condition.

36. We generally do not have long-term contracts with our customers.

Except in case of long-term PPAs for our power business and coal mining service agreements for the mining business, purchases by our customers are generally through purchase orders on a short-term basis or on a fixed delivery basis. We generally do not have any long term contracts with our customers and there is no assurance that our present customers will continue to procure orders from us. Any loss of our major customers can lead to reduced business and margins and adversely affect our results of operations.

37. Estimates of coal reserves and/ or oil reserves are subject to assumptions, and if the actual amounts of such reserves are less than estimated, our results of operations and financial condition may be adversely affected.

We have been awarded two coal blocks with combined estimated reserves of approximately 170 million tons for our power project located at Tiroda, Maharashtra. Further, we have entered into entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu island, Indonesia. We have also been awarded six oil exploration blocks in India and abroad. Estimates of coal from the mines and oil reserves from the exploration blocks are subject to various assumptions such as interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Actual reserves and production levels may differ significantly from estimates. If the quantity or quality of our coal or oil reserves has been overestimated, we would deplete them more quickly than anticipated. Additionally, in the event of overestimation, we may not be able to extract oil and/ or gas profitably and generate returns commensurate with the capital expenditure undertaken by us to develop such mines or exploration blocks. Any overestimation of oil and / or coal reserves may adversely affect our business, financial condition and results of operations.

38. Certain of our businesses do not have any operating history, so it is difficult to estimate our future performance.

Certain of our businesses, such as power generation and coal mining have either not commenced operations or have commenced operations recently. For example, except one 330 MW unit of our project at Mundra which was commissioned in July 2009, we currently do not have any other power projects in operation, and we have no significant power generation operating history from which you can evaluate, future prospects and viability of this business. Moreover we have not commenced any revenue generating activities in our oil and gas exploration business. Any inability to effectively develop and operate our power projects, mines or oil and gas exploration blocks could adversely affect our business prospects, financial condition and results of operation.

39. We rely on third parties for transportation of goods and any increase in transportation costs or disruption in transportation services may adversely affect our results of operations.

Transportation costs represent a significant portion of the total cost of our trading operations, particularly in businesses related to coal trading and agro commodities trading. Any increase in the cost of transportation would result in reduction of margins for us, which may adversely affect our results of operations. Additionally, the lack of adequate transportation infrastructure may result in inordinate delays in delivery and may require us to hire transportation services at higher costs, thereby adversely affecting our operations and financial condition.

Any disruption of transportation services because of weather-related problems, infrastructure damage, strikes, lock-outs, lack of fuel or maintenance items, transportation delays or other events could impair our ability to timely or economically supply goods to our customers and adversely affect our reputation and results of operations.

40. The construction and operation of our power projects or mining operations may face significant opposition from local communities and other parties, which may adversely affect our results of operations and financial condition.

The construction and operation of power projects and mines may face opposition from the local communities where these power projects are located and from special interest groups. In particular, local communities, the forest authorities and other authorities may oppose mining operations due to the perceived negative impact mining may have on the environment. For example, the terms of reference for preparing draft EIA report for Lohara open cast coal project, for the power project being developed by us at Tiroda, Maharashtra, issued by MoEF has been withdrawn due to proximity to a Tiger conservation reserve and other environmental considerations. Significant opposition by local communities, non-governmental organizations and other parties to the construction of our power projects and mining operations may adversely affect our results of operations and financial condition. In the future, as our mining activity increases and we start to infringe on local habitations, we may have to resettle the local inhabitants. We may have to incur significant expenditure on any such resettlement, which may adversely affect our financial condition and result of operations.

41. Compliance with and changes in, safety, health and environmental laws and regulations may adversely affect our results of operations and our financial condition.

We are subject to a broad range of safety, health and environmental laws and regulations. Our manufacturing facilities, plants and other facilities are subject to Indian laws and government regulations on safety, health and environmental protection. Furthermore, our ship dismantling business is subject to US regulations regarding removal, sale and disposal of scrap**.** These laws and regulations impose controls on air and water discharge, noise levels, storage handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations and products. Environmental laws and regulations may become more stringent, and the scope and extent of any new regulations, including their effect on our operations cannot be predicted with any certainty. Any changes in environmental regulations may impose additional taxes and other levies and/or require establishment of additional infrastructure for handling discharge of effluents and other emissions. Further, a failure to comply with any existing or future environmental regulations may result in levy of fines, commencement of judicial proceedings and/or third party claims. Any levies or fines imposed on us under environmental regulations or additional expenditure for establishment of additional infrastructure for handling discharge of effluents and other emissions, may adversely affect our results of operations and financial condition. Environmental regulations also impose joint and several liability, irrespective of fault or legality of the original conduct that resulted in the release of hazardous substances into the environment, on the persons who contributed to the release of a hazardous substance into the environment.

We have incurred, and expect to continue to incur, operating costs to comply with safety, health and environmental laws and regulations. In addition, we have made and expect to continue to make capital expenditures on an ongoing basis to comply with safety, health and environmental laws and regulations. The discharge of certain chemicals, other hazardous substances or other pollutants into the environment, even if made inadvertently, may lead to violation of various statutes that may make us liable to the Government of India or the State Governments or to third parties.

In recent years, safety, health and environmental laws and regulations in India have become increasingly stringent and it is possible that they will become significantly more stringent in the future. Further, there can be no assurance that we will not be involved in future litigation or other proceedings or be held responsible in any litigation or proceedings relating to safety, health and environmental matters, the costs of which could be material. We could be subject to substantial civil and criminal liability and other regulatory consequences in the event the operation of any of our businesses results in material contamination of the environment. We may be the subject of allegations of environmental pollution in suits filed by state pollution control authorities which may attract criminal and civil liabilities. If such cases are determined against us, there could be an adverse effect on our business and operations. Clean-up and remediation costs of our sites and related litigation could also adversely affect our business and profitability. Any accidents involving hazardous substances can cause personal injury and loss of life, substantial damage to or destruction of property and equipment and could result in a suspension of operations. The loss or shutdown of operations over an extended period at any of our plant would have a material adverse effect on our business and operations.

42. Certain manufacturing and other operations are being conducted on premises that have been taken on lease. Our inability to seek renewal or extension of such lease terms may cause disruption in our operations.

Certain premises on which we operate are taken on lease or leave and license agreements with various third parties. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or any breach of the contractual terms of such lease and license agreements or any inability to renew the said leases and license agreements on terms acceptable to us may adversely affect our business operations.

Coal Trading

Our revenue from coal trading was Rs. 9,415.37 crores (approximately 35.86% of total revenues) in Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

43. We have entered into contracts for the supply of coal which contain provisions regarding penalties for delayed delivery and/ or variation in the contracted quality.

Certain of the contracts entered into by us for the supply of coal contain provisions that provide for payment of penalty by us for any delays in delivery of coal. Furthermore, we may also be liable for penalty in the event that the coal supplied by us does not conform to the specifications of coal, such as GCV, sulphur content, moisture content and ash content, provided in such contracts. For example, our contracts for supply of coal with Maharashtra State Power Generation Company Limited ("Mahagenco") stipulate payment of penalty at the rate of 0.5% per week or part of the week on price of the portion of delayed material subject to a ceiling of 10% of the contract value of the delayed item. Additionally, we are liable to pay penalty if coal fines exceed 15% of the quantity supplied or the coal supplied by us does not match the specifications in relation to GCV, Sulphur content, total moisture content or ash content. Our inability to adhere to the delivery schedules or quality parameters would make us liable for payment of penalties, which may have a material adverse affect on our financial condition and results of operation.

44. Our long-term coal supply agreements provide for the supply of coal at specified fixed prices, which are subject to limited escalation. In the event we are unable to procure coal sufficiently below such prices due to escalation of coal prices globally or any other reasons, our financial condition and results of operations may be adversely affected.

The long-term coal supply agreements entered into by us require us to supply coal at specified fixed prices which are not linked to any global coal price indices. We cannot assure that we will be able to procure coal in the future at prices which are lower to the prices at which we have contracted to supply coal. The purchase price of coal procured by us could increase due to a variety of factors including escalation demand for coal in India or globally, political instability in coal producing regions or natural calamities resulting in disruption of coal mining operations in major coal producing regions. Moreover, we do have not entered into any long term agreements for purchase of coal. If we are unable to procure coal at prices which are sufficiently lower to the prices at which we have contracted to supply coal, our financial condition and results of operations may be adversely affected.

Power Trading

Our revenue from power trading was Rs. 2,051.67 crores (approximately 7.81% of total revenues) in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

45. Our business is dependent on reliable power transmission systems and the availability of open access.

Our power trading business is dependent on the adequacy of transmission interconnections between surplus and deficit regions, and the availability of Open Access. In India, the Central Transmission Utility ("CTU") is Power Grid Corporation of India Limited, with respect to inter-state transmission, and is managed by state electricity boards/ state transmission utilities, with respect to intra-state transmission. Our purchase and sales contracts provide that power under short term trading will be delivered subject to the availability of Open Access. However, we recognize sales only when the power is successfully delivered to the relevant customer. Our sales and growth are therefore dependent upon the transmission system being stable, having sufficient excess capacity to meet market needs and providing us with Open Access as may be required.

46. Competition from utilities on account of direct trading between the surplus and deficit parties could adversely affect our business operations and financial condition.

Our power trading business focuses on identifying parties with a surplus of power and parties with a deficit of power. We facilitate the trading of power between these parties, and derive a margin on the sale price. Identifying suitable trading parties requires resources to analyze the availability of power and transmission corridors. It also requires the trading parties to accept credit risk, which many utilities are unwilling to undertake. With enhanced market information, improved financial viability of the sector and increasing confidence and experience of market participants, the buyers and sellers may be willing to enter directly into bilateral agreements in the future instead of relying on intermediary services of traders. Any increase of such direct trading in the future could adversely affect our trading volumes and results of operations.

47. A decrease in trading margin limits could adversely affect our power trading business.

Under Section 79(1)(j) of the Electricity Act, CERC can fix the trading margins for inter-state trades of a trading licensee, if considered necessary. Under Chapter IV of the Electricity Trading Regulation, CERC declared that power trader licensees are subject to the trading margins for inter-state trading as fixed by the commission, from time to time. As of March 31, 2009, the trading margin on trades up to one year continues to be fixed by the commission at Rs. 0.04 per unit. For the six month period ended September 30, 2009, our power trading business accounted for 2.28% of our sales. Additionally, CERC has issued a notification dated January 11, 2010 revising the trading margin to a maximum of Rs. 0.07/kWh where the sale price exceeds Rs. 3.00 per kWh and a maximum of Rs. 0.04/kWh where the sale price is less than or equal to Rs. 3.00 per kWh. Any action by CERC to further decrease margins could have an adverse affect on our results of operations and the continued capping of the trading margins could have an adverse effect on the increase in our profitability. Further, the imposition of any margin limits on medium and long trades in the future would harm our revenues and profit margins. There remains uncertainty on whether the trading margins is applicable to medium and long term trading transactions as well. In the event CERC decides that the cap is applicable to medium and long term trades, our trading margin on long term transactions will be capped and revenues may be restricted.

48. If we take on open positions, we will be subject to additional risks.

Most of our transactions for the purchase and sale of power are on a back-to-back basis with our sellers and buyers. For short term trades we do not undertake speculative trading by maintaining open positions. However, we may experience a delay in finding buyers and signing agreements with them following the award of PPAs entered into by us. Our market risk of finding a suitable buyer increases during the period of the delay. If we are unable to find suitable purchasers, we may suffer losses under the agreement.

49. Changes in power trading market practices, regulations and policies cannot be predicted and may have an adverse effect on our business.

The power trading market in India has been growing since the year 2000 and thereafter with the enactment of the Electricity Act. Market practices, policies and regulations are continually evolving to stabilize power trading and increase confidence in the market. Changes in current Government policies or regulations having an impact on the generation, transmission and distribution and trading of power or any other activities related to the power sector may result in uncertainties and may adversely affect our business activities.

City Gas Distribution

Our revenue from city gas distribution was Rs. 323.94 crores (approximately 1.23% of total revenues) in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

50. Gas distribution business and its associated infrastructure are subject to physical risks.

The gas distribution business, and its associated infrastructure, is subject to physical risks such as fires, explosions, leaks, sabotage, terrorism, natural disasters and equipment malfunction, many of which are beyond our control. The occurrence or continuation of any of these events could impair our ability to deliver natural gas to our customers or increase the costs associated with such delivery. We cannot assure you that any of our gas distribution infrastructures would not be affected by such physical risks. Any accident or other adverse incidents involving our gas delivery infrastructure may have material adverse impact on our operations, financial condition and reputation.

51. The failure of our operations and maintenance procedures to adequately maintain our gas transmission pipelines and equipment may adversely affect our business, financial condition and results of operations.

Our gas transmission pipelines may be subject to corrosion, unwanted materials may enter our pipelines, and our gas filtration, pressure reduction, flow measurement, gas analysis and other testing equipment may malfunction or entirely fail. Any failure of our operations and maintenance procedures to adequately maintain operation of our gas transmission pipelines and equipment may inhibit our ability to supply gas to our customers and have a material adverse effect on our business, financial condition and results of operations.

52. We regularly work with volatile and hazardous materials that subject us to risks which may impact our operations.

Due to the nature of our business we handle highly flammable and explosive materials. Our operations are subject to significant hazards associated with using, storing, transporting and disposing such materials. These hazards can cause personal injury and loss of life, catastrophic damage to or destruction of property and equipment and environmental damage. Any such damage could result in a suspension of operations and the imposition of civil or criminal penalties. The loss or shutdown over an extended period of operations would have a material adverse effect on us. Additionally, any major accidents involving our gas distribution infrastructure could have result in reputational and loss of customers.

53. Fluctuations in the supply of and demand for natural gas may result in reduced operating revenues and may cause operating losses in the future.

As we act as a link between gas suppliers and users, the success of our operations depends on the availability of natural gas supplies and the demand for natural gas from our customers. Although we believe that the current and future demand for natural gas exceeds supply and that the capacity of our gas transmission network will be sufficient to service new and existing customers, the expected future demand for our services may never materialise. The supply of and demand for natural gas is subject to several factors which may adversely affect our operations. Factors affecting supply include decreases in natural gas exploration and development activities, declines in the volume of natural gas wells or reserves, declines in importation of LNG and government regulations affecting allocation of gas supplies. Factors affecting demand include the growth and development of industries utilizing natural gas as a primary fuel source, gas prices and availability of competing alternative fuels. Each or all of these factors could materially adversely affect our operating revenues, financial condition and prospects.

54. The Government of India has enacted the Petroleum and Natural Gas Regulatory Board Act, 2006 establishing the Petroleum and Natural Gas Regulatory Board, which may increase our compliance requirements.

The Government of India has enacted the Petroleum and Natural Gas Regulatory Board Act, 2006 (the "PNGRB Act") establishing the Petroleum and Natural Gas Regulatory Board ("PNGRB"). PNGRB has been established, *inter alia,* to regulate the transportation, distribution and sale of natural gas. We have already made applications for authorisation to undertake city gas distribution with PNGRB. However, the approvals if granted, may be subject to additional compliance requirements which may require us to incur additional expenditure. Further, if we are unable to comply with any of the compliance requirements or conditions that our authorisation may be subject to, our authorisation may be suspended or cancelled. Additionally, in terms of the PNGRB Act, PNGRB has the authority to declare, if it deems expedient, any gas distribution network as common carrier thereby allowing access to more than one entity to use such distribution network. Such use of common carrier would be subject to payment of transportation tariff as determined by PNGRB. In the event any of the gas distribution networks established by us as declared as common carriers, we may not be able to generate adequate returns on the expenditure incurred by us in establishing such networks, which may have material adverse affect on our financial condition and results of operations.

Coal Mining

Our revenue from coal mining was Rs. 53.88 crores (approximately 0.21% of total revenues) in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

55. Risks inherent to mining could increase the cost of operations.

Our mining operations are subject to conditions that can impact the safety of our workforce, delay coal deliveries or increase the cost of mining at particular mines for varying lengths of time beyond our control. These conditions include fires and explosions from methane gas or coal dust; accidental mine water discharges; weather, flooding and natural disasters; unexpected maintenance problems; key equipment failures; variations in coal seam thickness; variations in the amount of rock and soil overlying the coal deposit; variations in rock and other natural materials and variations in geologic conditions. Despite our best efforts, significant mine accidents could occur and have an adverse effect on our reputation and results of operations.

Further, mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could disrupt our operations or cause damage to persons or property. The occurrence of industrial accidents, such as explosions, fires, transportation interruptions and inclement weather as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting our ability to extract minerals from the mines we operate or exposing us to significant liability.

56. We do not have adequate experience in undertaking mining operations, which are subject to various risks. If our mining operations are disrupted, our results of operations and financial condition could be adversely affected.

We do not have adequate experience in operating mining blocks. We have been allotted two coal blocks to source fuel for our power project located at Tiroda, Maharashtra and we are responsible for mining the coal. Additionally, PT Adani Global, Indonesia our subsidiary, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu Island, Indonesia. We have also entered into a joint venture agreement with Rajasthan Rajya Vidyut Utpadan Nigam Limited for development and operation of a coal block in Chhattisgarh and have received an LOI from Mahaguj Collieries Limited for undertaking development and operation of Machhakata coal block located in Orissa.

Coal mining operations require substantial expertise. Further, mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could disrupt our operations or cause damage to persons or property. The occurrence of industrial accidents, such as explosions, fires, transportation interruptions and inclement weather as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting our ability to extract minerals from the mines we operate or expose us to significant liability.

57. Our estimates of coal reserves are subject to assumptions, and if the actual amounts of such reserves are less than estimated, our results of operations and financial condition may be adversely affected.

Our estimates of coal reserves in the mines that we operate or propose to operate are subject to probabilistic assumptions. These estimates are based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Actual reserves and production levels may differ significantly from reserve estimates. In addition, it may take many years from the initial phase of exploration before production is possible. During that time, the economic feasibility of exploiting a discovery may change as a result of changes in the market price coal or other raw materials. In the event that we have overestimated the coal reserves to which we have access, or the quality of such reserves, it would deplete our reserves more quickly or require us to incur higher costs, which may adversely affect our results of operations and financial condition.

58. Our mining operations are subject to operating risks that could result in decreased production and increased cost of production, which could adversely affect our business, results of operations and financial condition.

All of our mining operations are vulnerable to disruptions due to changing conditions that can affect levels of production and production costs for varying lengths of time and can result in decreases in our profitability. Weather conditions, equipment replacement or repair, fires, variations in thickness of the layer, or seam, of coal, amounts of overburden, rock and other natural materials and other geological conditions may have a significant impact on our operating results. Prolonged disruption of production at any of our mines would result in a decrease in our revenues and profitability, which could be material. Other factors affecting the production and sale of our coal that could result in decreases in our profitability include:

(i) continued high pricing environment for our raw materials, including among other things, diesel fuel, explosives and steel;
(ii) expiration or termination of, or sales price redeterminations or suspension of deliveries under, coal supply agreements;
(iii) disruption or increases in the cost of transportation services;
(iv) changes in laws or regulations;
(v) litigation in relation to environmental concerns;
(vi) work stoppages or other labor difficulties; and
(vii) changes in coal market and general economic conditions.

59. The recently enacted Indonesian law on mineral and coal mining and the regulations expected to be promulgated thereunder could adversely affect our coal mining rights in Indonesia.

We source approximately 72% of our aggregate coal requirements from Indonesia. On December 16, 2008, the Indonesian Parliament adopted a law on mineral and coal mining ("New Mining Law"). The New Mining Law provides that existing contracts will continue to be valid until their expiry, but that the terms of the existing contracts must be modified within one year to make them comply with the New Mining Law. However, the New Mining Law is unclear as to which of its provisions will require amendments to the terms of existing contracts to bring those contracts into compliance with the New Mining Law. The existing holders of contracts may be given five years to comply with such obligation. However, the New Mining Law does not provide any details on when these government regulations will be issued or what specific obligations will be imposed.

The legal uncertainty raised by the adoption and implementation of the New Mining Law has increased the risks, and may increase the costs, involved in our sourcing Indonesian coal. Further, implementing regulations expected to be issued by the Indonesian government in the future may impose significant changes to the regulation of the Indonesian mining industry which may be adverse to our interests. The compliance by us with the New Mining Law and its implementing regulations may increase our operating costs in the future which could adversely affect our business, financial condition, results of operations and prospects.

60. We face greenfield risks related to the development, construction and operations at coal mines in Indonesia.

We source approximately 72% of our aggregate coal requirements from Indonesia. Our mining operations at Indonesia concessions are subject to greenfield risks. The economic feasibility of our mining operations is dependent upon, among other things, estimates of reserves, production rates, capital and operating costs and the future price of coal. These concessions have no operating history upon which to base such estimates. Estimates of proved and probable reserves, types of coal deposits, recoveries and cash operating costs are, to a large extent, based upon the interpretation of geological data (such as the coal seam thickness, strip ratio, topography and coal specifications) obtained from drill holes and other sampling techniques. Feasibility studies derive estimates of cash operating costs based upon anticipated tonnage, the configuration of coal seam, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, cash operating costs and economic returns of the proposed mines may differ from those estimated. Our inability to achieve our coal production targets at these concessions in the timeframe we anticipate, or at all, could have an adverse effect on our business, financial condition, results of operations and prospects.

61. Political and social instability in Indonesia may adversely affect our coal mining and trading operations.

We source approximately 72% of our aggregate coal requirements from Indonesia. Since 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. These events have resulted in political instability, as well as general social and civil unrest on several occasions in the past few years and have caused confidence in the Indonesian economy to remain low. Any resurgence of political instability could adversely affect the Indonesian economy, which in turn could adversely affect our coal mining and trading operations. Further, any terrorist acts or internal strife that may occur in the future, which could destabilize Indonesia and increase internal divisions within the Indonesian government, may have an adverse effect on our business, financial condition and results of operations.

62. A substantial or extended decline in coal prices could reduce our revenues and the value of our coal reserves.

The prices we may be able to charge for coal depend upon factors beyond our control, including:

(i) the supply of, and demand for, domestic and foreign coal in India;
(ii) the demand for electricity and construction of coal based thermal power plants in India;
(iii) the proximity to, capacity of, and cost of transportation facilities;
(iv) domestic and foreign governmental regulations and taxes;
(v) costs of transportation of our coal relative to our competitors;
(vi) the price and availability of alternative fuels, including the effects of technological developments; and
(vii) the effect of worldwide energy conservation measures.

Our results of operations are dependent upon the prices we charge for our coal as well as our ability to improve productivity and control costs. Any decreased demand would cause the prices of coal to decline and require us to increase productivity and decrease costs in order to maintain our margins. If we are not able to maintain our margins, our results of operations and financial condition may be adversely affected.

Real Estate

Our revenue from real estate business was Rs. 8.07 crores (approximately 0.03% of total revenues) in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

63. Our property development business is dependent on the performance of, and the conditions affecting, the real estate market in India.

Our property development business is heavily dependent on the performance of the real estate market in India, particularly in the regions in which we operate, and could be adversely affected if market conditions deteriorate. Further, the real estate market, both for land and developed properties, is relatively illiquid, which may limit our ability to respond promptly to market events. The real estate market may, in the locations in which we operate, perform differently from, and be subject to market and regulatory developments different from, real estate markets in other parts of India. We cannot assure you that the demand for our projects will grow, or will not decrease, in the future. Real estate projects take a substantial amount of time to develop and we could incur losses if we purchase land during periods when land prices are high, and we have to sell or lease our developed projects when land prices are relatively lower. The real estate market may be affected by various factors beyond our control, including prevailing economic conditions, changes in supply and demand for properties comparable to those we develop, and changes in applicable governmental schemes. These and other factors may negatively contribute to changes in real estate prices or the demand for and valuation of our ongoing and upcoming projects, may restrict the availability of land, and may adversely affect our business, financial condition and results of operations.

64. Our property development business is heavily dependent on the availability of real estate financing in India.

The real estate market is significantly affected by changes in economic conditions, government policies, interest rates, income levels, demographic trends and employment, among other factors. These factors can negatively affect the demand for and valuation of our projects under development and our planned projects. For example, rising interest rates could discourage our customers from borrowing to finance real estate purchases as well as companies, such as us, from incurring indebtedness to purchase or develop land. As such, our business could be adversely affected if the demand for, or supply of, real estate financing at attractive rates and other terms were to be adversely affected.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and finance companies could reduce the attractiveness of property or developer financing and the RBI or the GoI may take further measures designed to reduce or having the effect of reducing credit to the real estate sector. In the event of any change in fiscal, monetary or other policy of the GoI and a consequent withdrawal of income tax benefits, our business and results of operations may be adversely affected.

A large number of our customers, especially buyers of residential properties, finance their purchases by raising loans from various banks and other means. The availing of home loans for residential properties has become particularly attractive due to income tax benefits and high disposable incomes. The availability of home loans may however, be affected if such income tax benefits are withdrawn or the interest rates on such loans continue to increase or there is decrease in the availability of home loans. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our properties.

65. Significant increases in prices of, or shortages of, key building materials could harm our results of operations and financial condition.

Our ability to develop and construct real estate assets profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. Although we typically enter into “turnkey” contracts with our contractors, in certain cases we agree to procure the cement and steel required for our projects. During periods of shortages in building materials, such as concrete and steel, we may not be able to complete projects according to our previously established timelines, at our previously estimated project cost, or at all, which could harm our results of operations and financial condition. In addition, during periods of significant increases in the price of building materials, we may not be able to pass price increases through to our customers, which could reduce or eliminate the profits we attain with regards to our developments. Cement prices in particular are susceptible to rapid increases. Such shortages in supply and increases in prices of building materials could arise from changes in import restrictions, such as changes to customs duties and licensing policies, applicable to goods (such as certain building materials) imported into India. In addition, our supply chain may be periodically interrupted by circumstances beyond our control, including work stoppages and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies.

66. The success of our property development business is dependent on our ability to anticipate and respond to consumer requirements, both in terms of the type and location of our projects.

The growing disposable income of India’s middle and upper income classes, together with changes in lifestyles, has resulted in a substantial change in the nature of these consumers’ demands. Increasingly, consumers are seeking better construction quality and housing amenities in new residential developments. Our focus on the development of high quality luxury and comfort residential accommodation requires us to satisfy these demanding consumer expectations. The range of amenities now demanded by consumers include those that have historically been uncommon in India’s residential real estate market such as 24-hour electricity, gardens, community space, security systems, playgrounds, swimming pools, fitness centres, tennis courts, squash courts and golf courses. If we fail to anticipate and respond to consumer requirements, we could lose current or potential clients to competitors, which in turn could adversely affect our business and prospects.

67. The uncertainty in our title to our real estate assets could have a material adverse impact on our current and future revenue.

In India, property records do not provide a guarantee of title to the land. A portion of our existing land reserves and land for which we are seeking to obtain development rights consists of agricultural land for development purposes. The title to this land is often fragmented and the land may, in many cases, have multiple owners and claimants and may be subject to acquisition proceedings under the erstwhile Urban Land (Ceiling and Regulation) Act, 1971 and other applicable laws. Further, some of the land held by us may have irregularities in title, such as non-execution or non-registration or inadequate stamping of conveyance deeds and other acquisition documents, or be subject to, or affected by, encumbrances of which we may not be aware. Further, property records in India have not been fully computerized and are generally maintained manually through physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact our ability to rely on them. As a result, the title to real property in which we have invested or may invest may not be clear or may be in doubt. In certain instances, there may be a discrepancy between the area mentioned in the revenue records, the area mentioned in the title deeds and/or the actual physical area of our land. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development.

We may not be able to assess or identify all risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances, adverse possession rights or other defects. In addition, Indian law recognizes the concept of a Hindu undivided family, whereby all family members jointly have interest in the land and at times transfer by the ‘karta’ may be challenged by a family member. Further, Indian law also recognizes the ability of persons to effectuate a mortgage by physical delivery of original title documents to a lender without registration. Therefore, the uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes and adversely affect land valuations. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we are unable to resolve such disputes with these claimants, we may lose our interest in the land.

68. We are not able to obtain title insurance guaranteeing title or land development rights.

Title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. This could result in the Company selling the property or even in a loss of our title to the property, thereby affecting valuations of the property, or otherwise materially prejudice the development of the property. This could in turn have an adverse effect on our business, financial condition or results of operations.

69. The government may exercise rights of compulsory purchase or eminent domain in respect of our lands.

Like other real estate development companies in India, we are subject to the risk that central or state governments in India may exercise their rights of eminent domain, or compulsory purchase in respect of our land reserves. The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of eminent domain or, compulsory purchase, which, if used in respect of our land, could require us to relinquish land with minimal compensation. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our ongoing projects or planned projects could adversely affect our business.

Power Generation and Transmission

Our power generation power generation business did not contribute to the total revenue in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

70. If our power projects are unable to commence operations as expected, our results of operations will be adversely affected.

Our power projects have long gestation periods due to the process involved in commissioning power projects. Additionally, power projects typically require months or even years after being commissioned before positive cash flows can be generated, if at all. In addition, given the amount of developmental activity in the power sector in India, the commercial viability of our power projects may need to be re-evaluated and we may not be able to realize any benefits or returns on investments as estimated.

The scheduled completion targets for our power projects are estimates and are subject to delays as a result of, among other things, contractor performance shortfalls, unforeseen engineering problems, dispute with workers, *force majeure* events, availability of financing, unanticipated cost increases or changes in scope and inability in obtaining certain property rights, fuel supply and government approvals, any of which could give rise to cost overruns or the termination of a power project’s development. There can be no assurance that our power projects will be completed in the time expected, or at all, or that their gestation period will not be affected by any or all of these factors. We cannot assure you that all potential liabilities that may arise from delays or shortfall in performance will be covered or that the damages that may be claimed from such contractors shall be adequate to cover any loss of profits resulting from such delays, shortfalls or disruptions. In addition, failure to complete a power project according to its original specifications or schedule, if at all, may give rise to potential liabilities and could render certain benefits available under various government statutes, such as deduction of 100.0% of the profits derived from the power generation being unavailable and concessional customs duties on imports being unavailable, as a result, our returns on investments may be lower than originally expected.

71. The operations of our power projects will have significant fuel requirements, and we may not be able to ensure the availability of fuel at competitive prices, which could have an adverse effect on our results of operations.

The success of the operations of our power projects will depend on, among other things, our ability to source fuel at competitive prices. Our subsidiary, Adani Power Limited (“APL”), which is developing the power projects has made various arrangements to ensure adequate supply of coal, such as entering into long-term coal supply agreements with us, allocation of captive coal mines and coal supply arrangements with third parties. The coal supply agreement between the Company and APL does not restrict the Company from selling coal to APL’s competitors or other consumers. Further, if the Company is unable to fulfil its obligations under the terms of the coal supply agreements, APL’s ability to renegotiate the terms of such agreements or seek remedy may be limited as the Company is its largest shareholder. Further, if any of the coal mines allocated to us are subject to certain conditions, the non-fulfilment or breach whereof may result in cancelation of the allocation by Ministry of Coal. Additionally, the mine allocations are subject to approvals from the Ministry of Environment and Forests, Government of India and the applications made by APL in this regard may be rejected. For example, the terms of reference for preparing draft EIA report for Lohara open cast coal project, for the power project being developed by us at Tiroda, Maharashtra, issued by MoEF has been withdrawn due to proximity to a Tiger conservation reserve and other environmental considerations. Further, the coal quantity agreed to be supplied by certain third parties is conditional upon us achieving certain milestones over the next 24 months and then signing of definitive coal supply agreements.

Further, APL’s coal suppliers may default on their obligations to it under the coal supply agreements, which may adversely affect our business and results of operations. There can be no assurance that APL will be able to obtain coal supplies either in sufficient quantities, acceptable qualities or on commercially acceptable terms, or at all. APL may also have to purchase coal at a significantly higher spot price from the market for carrying out its operations, which could have an adverse effect on our business, financial condition and results of operations.

72. Failure to enter into off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.

We are developing power projects with combined installed capacity of 9,240 MW. Of this, we have entered into long term power purchase agreements ("PPAs") for 5,944 MW with various state electricity boards. Further, APL has entered into an agreement for merchant sale of up to 221 MW of power from phase III of the power project at Mundra with us. We will need to enter into other off-take agreements for the balance of the power to be generated by our other power projects. As power plants are currently not permitted to sell electricity directly to retail power consumers, the consumer base for our power projects without PPAs is limited to state utility companies, electricity boards, industrial consumers and licensed power traders. We cannot assure you that we will be able to enter into off-take arrangements on terms that are favourable to us, or at all. Failure to enter into off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.

Additionally, the PPAs restrict our ability to, among other things, increase prices at short notice, sell interests to third parties and undertake expansion initiatives with other consumers. Consequently, we may not be able to increase the tariff commensurate to an increase in the operational costs. Moreover, in PPAs with government entities, we may also face difficulties in enforcing the payment provisions, as compared to PPAs, that we may have with the private entities. Furthermore, if we default in fulfilling our obligations under the PPAs, we may be liable to penalties and in certain specified cases, customers may also terminate such PPAs. The termination of any PPA by our customers would adversely affect our goodwill, business and results of operations. Our inability to appropriately address any consequences arising from the restrictions under our PPAs, may adversely affect our business and results of operations.

73. Our failure to fulfill the obligations under various power purchase agreements may have a material adverse effect on our business and results of operations.

We have entered into various power purchase agreements for the sale of power generated at our power plants. In the event of any failure on our part to fulfill the obligation under these power purchase agreements, our customers may have significant claims against us. Any early termination of these power purchase agreements may have a material adverse affect on our business, results of operations and financial condition.

Adani Power Limited, through letter dated December 28, 2009, terminated the power purchase agreement dated February 2, 2007 between Adani Power Limited and GUVNL with effect from January 4, 2010 due to the delay in the allocation of coal supplies by the Gujarat Mineral Development Corporation. GUVNL has filed a petition dated January 16, 2010 before the Gujarat Electricity Regulatory Commission ("GERC") against Adani Power Limited for adjudication of the dispute. The matter was heard on February 22, 2010 and thereafter Adani Power Limited filed its reply on March 8, 2010. For further details of the petition, see the section "Outstanding Litigation and Defaults – Cases filed against APL" on page 190. Any adverse order from the GERC may have a material adverse impact on our financial condition and results of operations.

74. We may not be able to acquire sufficient land area for our Tiroda project which may affect the viability of such project.

We are in the process of identifying and acquiring a portion of land required for developing our power project located at Tiroda, Maharashtra ("Tiroda Project"). We cannot assure you that we will be able to identify adequate land or that land acquisitions will be completed in a timely manner, on terms that are commercially acceptable to us, or at all. If we are unable to acquire sufficient amount of land for our Tiroda Project, the viability and efficiency of the project may be affected.

75. The supply of coal for our power project located at Tiroda, Maharashtra and phase IV of power project located at Mundra, Gujarat is subject to certain conditions. In case we are unable to fulfill such conditions, our results of operations may be adversely affected.

The Government of India has allocated two coal blocks with combined estimated reserves of approximately 170 million tons for generating up to 1,000 MW of power at our power project located at Tiroda, Maharashtra ("Tiroda

Power Project”). We received a letter from Mahanadi Coalfields on June 25, 2009, wherein Mahanadi Coalfields provisionally agreed to supply approximately 6.4 MTPA of Grade ‘F’ coal for phase IV of power project located at Mundra, Gujarat. Additionally, Adani Power Maharashtra Limited received letters from South Eastern Coalfields and Western Coalfields on June 6, 2009 and June 1, 2009, wherein South Eastern Coalfields and Western Coalfields provisionally agreed to supply approximately 2.5 MTPA of Grade ‘F’ coal and 2.2 MTPA of Grade ‘E’ coal for our Tiroda Power Project, respectively. The coal quantity agreed to be supplied by Mahanadi Coalfields, South Eastern Coalfields and Western Coalfields is conditional upon us achieving certain milestones over the next 24 months and then signing of coal supply agreements. We cannot assure you that pursuant to these letters, we will be able to sign coal supply agreements on timely and acceptable terms, if at all. In the event, we do not enter into coal supply agreements or the quality of coal allocated to us is not of expected calorific value, we may be required to make alternative arrangements for coal supply for these power projects.

Under the letter of allocation from the Government of India for the coal mines for our Tiroda Power Project, we are required to adhere to certain schedules for the development of the mines. We are also required to guarantee certain amount of production of coal during the tenure of the allocation. In the event of a delay in the development of mines or a deficiency in the production of coal, the Government of India is entitled to deduct a specified amount from the bank guarantee. In the event of unsatisfactory progress in the development of the coal mines, the coal allocation may also be cancelled, each of which may affect our business and operation.

Additionally, the mine allocations are subject to approvals from the Ministry of Environment and Forests, Government of India and the applications made by APL in this regard may be rejected. For example, the terms of reference for preparing draft EIA report for Lohara open cast coal project, for the power project being developed by us at Tiroda, Maharashtra, issued by MoEF has been withdrawn due to proximity to a Tiger conservation reserve and other environmental considerations.

***76. We may not develop our planned projects at Dahej and Chhindwara*.**

We are currently planning to develop three coal-based power projects at Dahej, Gujarat (two phases) and Chhindwara, Madhya Pradesh (one phase). The power project at Dahej is expected to have an aggregate capacity of 2,640 MW and is proposed to be developed by our subsidiary, Adani Power Dahej Limited. The power project at Chhindwara is expected to have an aggregate capacity of 1,320 MW and is proposed to be developed by our subsidiary, Adani Pench Power Limited. Although, we currently intend to develop these projects, we may or may not develop these projects as planned or at all. In addition, there can be no assurance that if pursued, these projects will be implemented in a timely and cost-effective manner and will improve our results of operations.

77. If we are unsuccessful in carrying out operating and maintaining activities for our power projects, our financial position, business prospects and results of operations could be adversely affected.

We currently intend to carry out in-house operations and maintenance (“O&M”) for our power projects, in which we do not have any prior experience. We intend to build a team of experienced and qualified engineers and technicians to operate and maintain our power projects. If we are not successful in operating and maintaining our power projects on cost effective terms or at all, our financial position, business prospects and results of operations could be adversely affected.

78. The success of our power projects depends on the reliable and stable supply of water. In the event of water shortages, our power projects may be required to reduce their water consumption, which would reduce their power generation capability.

Our power projects will require a substantial amount of water, which is critical to the operations of our power projects. We have procured licenses to desalinate and use sea water for certain of our power projects. We intend to use river water for our power project located at Tiroda, Maharashtra (“Tiroda Power Project”). The Tiroda Power Project has received an LOI from the Vidarbha Irrigation Development Corporation to draw water from river Wainganga. The power project located at Mundra, Gujarat will utilize sea water to meet its consumptive and cooling water requirements. In the event of water shortages, our power projects may be required to reduce their water consumption, which would reduce their power generation capability. Further, if we do not receive the necessary approvals and licenses to draw sea water from the respective government authorities, we will have to find alternative sources for water supply. If we are unable to ensure adequate supply of water for our power projects, our operations may be adversely affected.

79. If power evacuation facilities are not made available by the time our power projects are ready to commence operations, we may incur significant transmission costs and our operations could be adversely affected.

Evacuation or "wheeling" power from our power plants to our consumers poses significant challenges due to transmission constraints. Evacuating power to a purchaser is either our responsibility or the responsibility of the purchaser, depending upon the identity of the purchaser, the location of the power project and other factors. For evacuating power, we are constructing long distance transmission lines at our cost. If construction of such transmission lines is not complete by the time our power projects are ready to commence operation or we incur significant transmission costs, our financial position and results of operations could be adversely affected.

80. If the development or operation at one or more of our power projects is disrupted, it could have an adverse effect on our financial condition and results of operations.

The development or operation of our power projects may be disrupted for reasons that are beyond our control, including explosions, fires, natural disasters, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transmission or transportation interruptions, environmental disasters, and labour disputes.

Power generation facilities are also subject to mechanical failure and equipment shutdowns. In such situations, undamaged units may be dependent on or interact with damaged sections or units and, accordingly, may also be rendered inoperative. Although in certain cases manufacturers are required to compensate us for certain equipment failures and defects, such arrangements may not fully compensate us for the damage that we suffer as a result of equipment failures and defects or the penalties under our agreements with our customers. Further, such arrangements do not generally cover indirect losses such as loss of profits or business interruption. If such operational difficulties occur in the future, the ability of our power projects to supply electricity to our customers may be adversely affected. In the event any power generation facility is significantly damaged or forced to shut down for a significant period of time, this would have an adverse effect on our business, financial condition and results of operation.

In addition, Gujarat is prone to earthquakes and the occurrence of any earthquake, particularly in or near Mundra could have an adverse effect on our business and results of operations. Moreover, any significant social, political or geological disruption in states of India where we have operations, even on a short term basis, could impair our ability to meet our obligations under the PPAs and other agreements on a timely basis, which could have an adverse effect on our business and results of operations.

Oil and Gas Exploration

Our oil and gas exploration business did not contribute to the total revenue in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

81. Hydrocarbons exploration is capital-intensive and involves numerous risks, including the risk that, after substantial expenditures, we will encounter oil or natural gas reservoirs that may not be commercially viable for production.

We have operating rights to two exploration blocks in Thailand, participating interest in two exploration blocks in India (at Palej, Gujarat and Margherita, Assam) and have won one offshore block each in Mumbai, India and Gulf of Suez, Egypt. The cost of drilling, completing and operating wells is often high and uncertain. We may incur, cost overruns, or may be required to curtail, delay or terminate drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or variations in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements, and shortages or delays in the availability of drilling rigs and the delivery of equipment. We may also encounter delays in exploration due to failure of third party contractors hired for the project to complete their scope of work in a timely manner, as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations and unanticipated conditions prevailing in the areas of exploration. Moreover, our overall exploration activity within any particular project area may be unsuccessful. If such failures occur in the future, they may have a material adverse effect on our business, financial condition and result of operations.

82. Oil and gas prices fluctuate widely and low oil and gas prices could adversely affect our financial results.

The prices for oil and gas fluctuate in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors that are beyond our control, including:

(i) political conditions in oil producing regions, including the Middle East;
(ii) the domestic and foreign supply of oil and gas;
(iii) the level of consumer demand;
(iv) weather conditions;
(v) domestic and foreign government regulations;
(vi) the price and availability of alternative fuels;
(vii) overall economic conditions; and
(viii) international political conditions.

Our future revenues, operating results, cash flow and rate of growth would depend upon prevailing prices for oil and gas. Historically, oil and gas prices and markets have been volatile, and they are likely to continue to be volatile in the future. A significant decrease in oil and gas prices could have a material adverse effect on our cash flow and profitability and would adversely affect our financial condition and the results of our operations.

83. We have limited global presence in the field of oil exploration, development and production and may be unable to match the international oil majors in the quantity and rate of reserve accretion and discovery of commercially viable hydrocarbon reserves.

We have a limited global presence in the field of oil exploration, development and production. Most major international oil and gas exploration and production companies have been in the business of acquiring international assets for a long period of time and have accumulated a large share of the world's hydrocarbon resources. We may be unable to match the international oil majors in the quantity and rate of reserve accretion and discovery of commercially viable hydrocarbon reserves. We may also have to venture into more difficult and hostile environments, both politically and geographically, where exploration, production and development will be more technologically challenging and expensive. In the course of certain investments in joint ventures where we are not the operator, we are dependent to an extent on the operating partner. We also may disagree with actions proposed to be taken by the operating partner and may be exposed to liability for actions taken by the operating partner.

84. We encounter competition from other oil and natural gas companies in all areas of our operations, including the acquisition of licenses for exploratory prospects, and competitive pressure on our business is likely to continue.

The oil and gas industry is extremely competitive, especially with regard to exploration for, and exploitation and development of, new sources of oil and natural gas. NELP was implemented in 1999 whereby private participation in the allocation of exploration acreages in India was permitted through competitive bidding. In the eight completed rounds of NELP bidding since 1999, the GoI has offered a total of 326 blocks. The GoI now automatically approves 100% foreign equity ownership in exploration activities conducted under NELP. This policy is aimed at encouraging foreign oil companies to invest in India, which increases the competitive environment for the acquisition of licenses for exploratory prospects in India. Consequently, new domestic and foreign entrants, including the world oil majors, may seek to enter the exploration and production industry in India, and increased competition could adversely affect our business by limiting the number of new exploration blocks that will be available to us in the future. Further, there can be no assurance that we will not lose our existing exploration licenses under the GoI's relinquishment policy, where in the event of non-completion of the minimum work programs or on account of environmental and other factors, we may decide to or be asked by the GoI to relinquish our exploration licenses in respect of certain blocks held by us. We face similar competition for acquisition of exploration and production acreages internationally. Some of our domestic and foreign competitors are much larger, more established companies with substantially greater resources. These companies may be able to bid more aggressively for exploration blocks and may be able to acquire a greater number of properties and prospects, including operatorships and licenses, in India and abroad, than we are able to acquire. Further, in the long term, commercially viable production of proposed substitutes for oil and gas such as fuel cells or agro-fuels may be available at prices less than those for oil and gas. If such developments occur, additional expenditure on acquisition of oil and gas exploration licenses may not be commercially viable.

85. We are effectively prohibited from exporting crude oil under our production sharing contracts.

The production sharing contracts ("PSCs") signed by us under NELP effectively bar us from exporting crude oil, as under the terms of the PSCs we are under an obligation to sell all our entitlement to crude oil in the domestic market until such time as the total availability of the crude oil and condensate from all petroleum production activities in the country meets the total national demand. There is currently a mismatch between the demand and the supply for crude oil in India, with demand outweighing the domestic production of crude oil. We believe that the demand for crude oil within the Indian market is likely to increasingly exceed crude oil production. Our inability to export crude oil produced from NELP blocks could restrict our ability to monetize the applicable reserves.

Other Businesses

Our revenue from other businesses was Rs. 13,252.49 crores (approximately 50.47% of total revenues) in the Fiscal 2009.

The number of power trading licensees in India as of July 2009, as available on the website of Central Electricity Regulatory Commission, is disclosed in Risk Factor No. 30 on page xxi. However, in the absence of any similar licensing requirements for other businesses undertaken by the Company, the Company is unable to incorporate similar information for other businesses.

86. Our agro-related business is dependent on our manufacturing and processing facilities and the availability of consumables. The loss or shutdown of operations at our manufacturing or processing facilities may have an adverse effect of our business, financial condition and results of operations.

Our agro business facilities are subject to operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, unavailability of consumables and spare parts, labour disputes, natural disasters, breakout of fires, industrial accidents and the need to comply with relevant government regulations. The occurrence of any of these events could affect our operating results. We may be required to carry out planned shutdowns of our plants for maintenance, statutory inspections and testing. We may also shut down our plants for capacity expansion and equipment upgrades. Although, we will take precautions to minimise the risk of any significant operational problems at our facilities, our business, financial condition and results of operations could be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

87. We depend on our distributors and failure to manage the distribution network efficiently may adversely affect our performance.

We are dependent on our distributors for the sale and distribution of edible oil. We do not have any standing contracts with any of these distributors and retailers function independently. Many of our distributors also distribute products of our competitors. There can be no assurance that we will be successful in continuing to receive uninterrupted, high quality service from these channel partners for all our current and future products.

88. The availability of spurious edible oil products in the market, could lead to losses in revenues and harm the reputation of our products.

We are exposed to the risk that other entities could pass off their edible oil products, including spurious products, as ours. For example, certain entities could imitate our brand name, packaging material or attempt to create look-alike products or brands. This would not only reduce our market share due to customers confusing spurious products for our products, whereby we may not be able to recover our initial development costs or experience loss in revenues, but could also harm the reputation of our brands. The proliferation of spurious products, and the time lost in defending claims and complaints about spurious products could have a material adverse effect on our reputation, business prospects and results of operations

89. We are subject to food industry risks that could adversely affect our operating results.

In our agro-related business, we are subject to food industry risks which include, but are not limited to, food spoilage or food contamination, shifting consumer preferences, food processing regulations, and customer product liability claims. The liability which could result from these risks may not always be covered or could exceed liability insurance related to product liability and food safety matters maintained by us. The occurrence of any of the matters described above could adversely affect our revenues and operating results.

90. Adverse weather conditions, natural disasters, crop disease, pests and other natural conditions can impose significant costs and losses for our agro-processing business.

Fresh produce, including produce used in canning and other packaged food operations, is vulnerable to adverse weather conditions, including windstorms, floods, drought and temperature extremes, which are quite common but difficult to predict. Unfavourable growing conditions can reduce both crop size and crop quality. This risk is pronounced due to the geographic concentration of the regions from which we source a significant percentage of our products. In extreme cases, entire harvests may be lost in some geographic areas. These factors can increase the costs of procurement of fruits and vegetables for our agri-processing business and/ or delay the delivery of fruits and vegetables to our customers, which may have a material adverse effect on our business, results of operations and financial condition

Risks Relating to India

91. Political, economic and social developments in India could adversely affect our business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in the Government's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war and acts of terrorism could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general and could also affect our business and industry in particular. In addition, any political instability in India or geo political stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

Our performance and the growth of our business are necessarily dependant on the performance of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions. A slowdown in the Indian economy could adversely affect our business, including our ability to implement our strategy and increase our participation in the power sector.

92. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in Asia, the United States of America, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general.

93. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

94. Acts of violence could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial condition and cash flows.

Certain events that are beyond our control, including terrorist attacks and other acts of violence or war, which may adversely affect worldwide financial markets and potentially lead to economic recession, could adversely affect our business, results of operations, financial condition and cash flows. Additionally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of operations, which could have an adverse effect on the market for our services.

95. Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agricultural sector recorded negative growth for that period. The erratic progress of the monsoon in 2004 affected sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares. Additionally, mining operations at our Bunyu in Indonesia may be affected due to earthquakes as Indonesia has a high incidence of earthquakes.

96. We are subject to regulatory, economic and political uncertainties in India.

In the early 1990s, India experienced significant inflation, low growth in gross domestic product and shortages of foreign currency reserves. The Indian government provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified industries of the economy. We cannot assure you that liberalization policies will continue. Furthermore, the rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our Equity Shares could also change. Since 1996, the government of India has changed six times and the current Indian government is a coalition of many parties, some of which are communist and other far left parties in India. Various factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members, could trigger significant changes in India's economic liberalization and deregulation policies, disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of our shares may be adversely affected by changes in inflation, exchange rates and controls, interest rates, government of India policies, social stability or other political, economic or diplomatic developments affecting India in the future.

Risks related to our Equity Shares and the Trading Market

97. An active market for our equity shares may not be sustained, which may cause the price of our Equity Shares to fall.

While our Equity Shares have been traded on the BSE and the NSE, there can be no assurance regarding the continuity of the existing active or liquid market for our Equity Shares, the ability of investors to sell their Equity Shares or the prices at which investors may be able to sell their Equity Shares. In addition, the market for equity securities in emerging markets has been subject to disruptions that have caused volatility in the prices of securities similar to our equity shares. There can be no assurance that the market for our equity shares will not be subject to similar disruption. Any disruption in these markets may have an adverse effect on the market price of the Equity Shares.

98. There is no guarantee that the Equity Shares will be listed in a timely manner or at all, and any trading closures at the Indian Stock Exchange may adversely affect the trading price of our equity shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

99. A third party could be prevented or deterred from acquiring control of the Company because of the takeover regulations under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of the Company. Consequently, even if a potential takeover of the Company would result in the purchase of the equity shares at a premium to their market price or would otherwise be beneficial to shareholders, it is possible that such a takeover would not be attempted or consummated because of Indian takeover regulations.

100. You may not receive the Equity Shares that you subscribe for in this Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you purchase in this Issue will not be credited to your demat account with depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of listing and trading approvals in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

101. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian Stock Exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

The Indian Stock Exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, from time to time, disputes have occurred between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future and, if they do, they could harm the market price and liquidity of the Equity Shares.

102. Economic developments and volatility in securities markets in other countries may cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn globally has adversely affected market prices in the world's securities markets, including the Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

Prominent Notes:

1. Issue of 3,11,26,659 Equity Shares of Re. 1 each at a premium of Rs. 474 per Equity Share aggregating to Rs. 1,478.52 crores in the ratio of one Equity Share for every 16 Equity Shares held on the Record Date i.e. March 25, 2010.

2. The net worth of the Company (excluding debenture redemption reserve and including capital reserve created) was Rs. 2,994.67 crores as of March 31, 2009, as per our audited and consolidated financial statements.

3. For details of transactions by the Company with the Group Companies or Subsidiaries during the last one year preceding the date of filing of this Letter of offer, the nature of transactions and the cumulative value of transactions, please see the section "Financial Statements - Related Party Transactions" on page 93.

4. None of our Promoters, Promoter Group, Directors and their relatives have financed the purchase by any other person, the Equity Shares of the Company during the six months preceding the date of filing of this Letter of Offer.

SUMMARY OF THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section “Terms of the Present Issue” on page 218.

This issue of Equity Shares is being made by the Company as set forth below:

Equity Shares offered by the Company	3,11,26,659 Equity Shares[1]
Rights Entitlement	One Equity Share for every 16 Equity Shares held on the Record Date
Record Date	March 25, 2010
Issue Price	Rs. 475 per Equity Share
Equity Shares Outstanding prior to the Issue	49,80,26,550 Equity Shares[2]
Equity Shares Outstanding after the Issue	52,91,53,209 Equity Shares
Terms of the Issue	See “Terms of Present Issue” on page 218.
Use of Issue Proceeds	See “Objects of the Issue” on page 23.

[1] *The Company, on December 14, 2009, has allotted 24,80,15,675 Equity Shares to the Shareholders of the Company, pursuant to a bonus issue of the Equity Shares in the ratio of one Equity Share for every one Equity Share, approved by the Shareholders in the EGM held on November 27, 2009.*

Note: The Board of Directors of the Company, in its meetings held on May 20, 2009 and October 30, 2009, has approved a qualified institutions placement (the “QIP”) of Equity Shares or instruments convertible into Equity Shares, in one or more tranches, up to an overall amount of Rs. 4,000 crores. The QIP has been approved by the Shareholders in the EGM held on November 27, 2009. The Company may undertake the QIP at any time after the listing of Equity Shares in the Issue at a price to be determined in accordance with the SEBI Regulation.

SUMMARY OF FINANCIAL AND OPERATING DATA

AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2009

(Rs. in Crores)

	PARTICULARS	SCH	AS AT 31-03-2009		AS AT 31-03-2008	
A	SOURCES OF FUNDS :					
I.	SHAREHOLDERS' FUND					
	(A) Share Capital	1	24.66		24.65	
	(B) Reserves & Surplus	2	1,618.44		1,313.01	
				1,643.10		**1,337.66**
II.	LOAN FUNDS :					
	(A) Secured Loans	3	353.82		217.38	
	(B) Unsecured Loans	4	2,852.90		2,738.11	
				3,206.72		**2,955.49**
III.	DEFERRED TAX LIABILITY					
	Deferred Tax Liability		22.65		19.18	
	Less :					
	Deferred Tax Assets		2.81		3.03	
				19.84		**16.15**
	TOTAL			**4,869.66**		**4,309.30**
B	APPLICATION OF FUNDS :					
I.	FIXED ASSETS	5				
	(A) Gross Block		253.07		233.55	
	(B) Less : Depreciation		42.99		31.60	
	(C) Net block		210.08		201.95	
	(D) Capital Work-In-Progress		11.92		17.15	
				222.00		**219.10**
II.	INVESTMENTS	6		**2,156.75**		**1,494.77**
III.	CURRENT ASSETS, LOANS & ADVANCES					
	(A) Inventories	7	331.80		914.89	
	(B) Receivables	8	1,742.42		1,239.73	
	(C) Cash & Bank Balances	9	1,380.21		1,081.23	
	(D) Loans & Advances	10	864.48		1,636.03	
			4,318.91		4,871.88	
	Less :					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current Liabilities	11	1,609.82		2,112.74	
	(B) Provisions	12	218.18		163.71	
			1,828.00		2,276.45	
	NET CURRENT ASSETS			**2,490.91**		**2,595.43**
	TOTAL			**4,869.66**		**4,309.30**
	Notes forming part of the accounts	19				

AUDITED STANDALONE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in Crores)

	PARTICULARS	SCH	2008-2009		2007-2008	
A	**INCOME :**					
	Sales & Operating Earnings	13		11,575.05		11,595.44
	Other Income	14		12.84		29.17
				11,587.89		**11,624.61**
B	**EXPENDITURE :**					
	Cost of Materials	15		10,464.65		10,632.48
	Personnel Expenses	16		62.73		53.49
	Operation & Other Expenses	17		456.21		421.07
	Finance Charges	18		214.43		154.38
	Depreciation			12.08		11.25
				11,210.10		**11,272.67**
	Profit for the year before Prior Period Adjustments & Exceptional items			**377.79**		**351.94**
	Add/(Less) : Prior Period Adjustment			0.83		(1.66)
	Add/(Less) : Exceptional items (net)			(4.02)		2.23
	Profit for the year before taxation			**374.60**		**352.51**
	Provision For Taxation:					
	- Current Tax			44.05		41.04
	- Adjustment of earlier years			(0.28)		(1.87)
	- Deferred Tax			3.69		(0.09)
	- Fringe Benefit Tax			0.72		1.36
	Profit After Taxation			**326.42**		**312.07**
	Add : Surplus Brought Forward From Previous Year			606.38		371.61
	Profit Available For Appropriation			**932.80**		**683.68**
	APPROPRIATIONS :					
	Proposed Dividend on Equity Shares			24.67		14.79
	Tax on Dividend (including surcharge)			4.19		2.51
	Transfer to General Reserve			50.00		50.00
	Transfer to Debenture Redemption Reserve			10.00		10.00
	Balance Carried To Balance Sheet			**843.94**		**606.38**
				932.80		**683.68**
	Earning per Share of Re. 1/- each					
	- Basic			13.24		12.66
	- Diluted			12.39		11.92
	Notes forming part of the accounts	19				

AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

(Rs. In Crores)

	PARTICULARS	SCH	AS AT 31-3-2009		AS AT 31-03-2008	
A	**SOURCES OF FUNDS :**					
I.	**SHAREHOLDERS' FUND**					
	(A) Share Capital	1	24.66		24.65	
	(B) Share Application Money pending allotment		0.25		7.62	
	(C) Reserves & Surplus	2	2,994.01		2,092.68	
				3,018.92		**2,124.95**
II.	**LOAN FUNDS :**					
	(A) Secured Loans	3	6,699.16		2,746.00	
	(B) Unsecured Loans	4	5,385.08		3,358.12	
				12,084.24		**6,104.12**
III.	**MINORITY INTEREST**					
	Capital		402.74		273.10	
	Add : Reserves & Surplus		74.18		77.23	
				476.92		**350.33**
IV.	**DEFERRED TAX LIABILITY**					
	Deferred Tax Liability		64.88		55.82	
	Less :-					
	Deferred Tax Assets		12.67		16.45	
				52.21		**39.37**
	TOTAL			**15,632.29**		**8,618.77**
B	**APPLICATION OF FUNDS :**					
I.	**FIXED ASSETS**					
	(A) Gross Block	5	2,130.52		927.54	
	(B) Less : Depreciation		212.05		115.34	
	(C) Net block		**1,918.46**		**812.20**	
	(D) Capital Work-in-Progress		6,951.96		2,984.26	
				8,870.42		**3,796.46**
	PRE-OPERATIVE EXPENDITURE					**297.49**
	(PENDING CAPITALISATION)					
II.	**INVESTMENTS**	6		**464.71**		**330.30**
III.	**CURRENT ASSETS, LOANS & ADVANCES**					
	(A) Inventories	7	3,098.34		3,269.46	
	(B) Receivables	8	3,400.57		1,405.83	
	(C) Cash & Bank Balances	9	2,583.20		1,634.64	
	(D) Loans & Advances	10	1,703.91		1,658.25	
			10,786.02		**7,968.18**	
	LESS :-					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current Liabilities	11	4,269.63		3,602.69	
	(B) Provisions	12	243.14		178.21	
			4,512.77		**3,780.90**	
	NET CURRENT ASSETS			**6,273.25**		**4,187.28**
IV.	**MISCELLANEOUS EXPENDITURE**	13		**23.91**		**7.24**
	(To The Extent Not Written Off Or Adjusted)					
	TOTAL			**15,632.29**		**8,618.77**
	Notes forming part of the accounts	20				

AUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. In Crores)

	PARTICULARS	SCH	2008-09		2007-08	
A	**INCOME :**					
	Sales & Operating earnings	14		26,258.28		19,609.71
	Other income	15		14.64		39.00
				26,272.92		**19,648.71**
B	**EXPENDITURE :**					
	Cost of materials	16		24,195.81		18,044.59
	Personnel expenses	17		114.63		91.90
	Operation & other expenses	18		938.23		757.14
	Finance Charges	19		348.82		277.01
	Depreciation			82.18		44.77
	Misc. expenditure written off			7.61		0.42
				25,687.28		**19,215.83**
	Profit for the year before Prior Period Adjustments & Exceptional items			**585.64**		**432.88**
	Less: Prior Period Adjustment			0.72		(1.86)
	Add/(Less) : Exceptional items			(2.44)		2.24
	Profit for the year before taxation			**583.92**		**433.26**
	Provision for taxation: (including share of joint venture)					
	- Current Tax			65.94		51.98
	- Adjustment of earlier years			0.33		(1.87)
	- Deferred Tax			10.97		5.00
	- Fringe Benefit Tax			1.24		2.15
	Profit after taxation, before share of Associate's Profit and Minority Interest			**505.44**		**376.00**
	Less: Share of Minority Interest			0.79		6.25
	Less: Share of Loss from Associate					
	Net Profit			**504.65**		**369.75**
	Add : Surplus brought forward from Previous Year			746.59		474.14
	Profit available for appropriation			**1,251.24**		**843.89**
	APPROPRIATIONS :					
	Proposed Dividend on Equity Shares			24.67		14.79
	Tax on Dividend (including surcharge)			4.19		2.51
	Interim Dividend on Equity Shares					
	Tax on Interim Dividend (including surcharge)					
	Transfer to General Reserve			75.71		70.00
	Transferred to Debenture Redemption Reserve			10.00		10.00
	Balance carried to balance sheet			**1,136.67**		**746.59**
				1,251.24		**843.89**
	Earning per Share - Re. 1/- each (in Rupees)					
	- Basic			20.46		15.00
	- Diluted			19.16		14.12
	Notes forming part of the accounts	20				

EXPLANATORY NOTES:

1. Increase in investments:

Investments have increased from Rs. 1,494.77 crores as on March 31, 2008 to Rs. 2,156.75 crores as on March 31, 2009 due to the investments made by the Company in its subsidiaries and joint ventures, namely Adani Power Limited, Adani Agri Logistics Limited, Adani Energy Limited, Adani Global Limited, Adani Welspun Exploration Private Limited and Adani Wilmar Limited.

2. Pledge of shares:

The Company has pledged 53,14,36,831 equity shares of Adani Power Limited as collateral security for the loans availed by its subsidiary, Adani Power Limited.

3. Unsecured Receivables:

As at March 31, 2009, Rs. 1,694.71 crores other unsecured receivables, considered good, were outstanding for less than six months. Out of the total unsecured receivables of Rs. 1,694.71 crores, the receivables due from the Subsidiaries and promoter group entities, aggregate Rs. 23.71 crores and Rs. 895.60 crores, respectively.

4. Share application money:

The following table sets forth the details of the share application money received by the Subsidiaries of the Company, which was pending allotment as on March 31, 2008:

Sr. No.	Share application Money pending allotment (Rs in Crores)	Name of Subsidiary wherein share application money was pending	Details of Allotment			
			Date of allotment	Name of allottee	No. of Shares allotted	Price per share (Rs.)
1.	5.00	Adani Power (Maharashtra) Private Limited	March 5. 2009	Millenium Developers Private Limited	50,00,000	10
2.	0.25*	Shantigram Estate Management Private Limited	N.A.	N.A.	N.A.	N.A.
3.	2.36	Adani Welspun Exploration Limited	February 19, 2009	Welspun Natural Resources Private Limited	5,90,000	40

**The application for the shares was made by Saumya Construction Private Limited which has existing business relationships with Shantigram Estate Management Private Limited (“SEMPL”). SEMPL has not allotted any equity shares to the applicant. However, the share application money has not been refunded as of date and is reflected in SEMPL’s current liabilities in the unaudited consolidated balance sheet as at September 30, 2009.*

5. Goodwill:

The following table sets forth the details of the goodwill arisen in Fiscal 2009 on account of the acquisition of Adani Energy Limited:

Name of the company	No. of shares (of face value Rs. 10) acquired	Total face value of shares acquired (in Rs. crores)	Total consideration (in Rs. crores)	Amount of goodwill (in Rs. crores)
Adani Energy Limited	16,31,39,200	163.14	172.85	9.71

At the time of this acquisition, the Company had obtained an independent valuation report of M/s. Dharmesh Parikh & Co., Chartered Accountants.

LIMITED REVIEWED STANDALONE BALANCE SHEET AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

	PARTICULARS	AS AT 30-09-2009	
A	**SOURCES OF FUNDS :**		
I.	**SHAREHOLDERS' FUND**		
	(A) Share Capital	24.73	
	(B) Reserves & Surplus	1,824.39	
			1,849.12
II.	**LOAN FUNDS :**		
	(A) Secured Loans	284.77	
	(B) Unsecured Loans	3,365.98	
			3,650.75
III.	**DEFERRED TAX LIABILITY**		
	Deferred Tax Liability	22.33	
	Less :		
	Deferred Tax Assets	4.28	
			18.05
	TOTAL		**5,517.92**
B	**APPLICATION OF FUNDS :**		
I.	**FIXED ASSETS**		
	(A) Gross Block	253.73	
	(B) Less : Depreciation	47.84	
	(C) Net block	**205.89**	
	(D) Capital Work-In-Progress	17.53	
			223.42
II.	**INVESTMENTS**		**2,090.64**
III.	**CURRENT ASSETS, LOANS & ADVANCES**		
	(A) Inventories	606.16	
	(B) Receivables	2,237.60	
	(C) Cash & Bank Balances	1,310.54	
	(D) Loans & Advances	1,388.84	
		5,543.14	
	Less :		
	CURRENT LIABILITIES & PROVISIONS		
	(A) Current Liabilities	2,124.00	
	(B) Provisions	215.28	
		2,339.28	
	NET CURRENT ASSETS		**3,203.86**
	TOTAL		**5,517.92**

LIMITED REVIEWED CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

	PARTICULARS	AS AT 30-09-2009	
A	**SOURCES OF FUNDS :**		
I.	**SHAREHOLDERS' FUND**		
	(A) Share Capital	24.73	
	(B) Share Application Money pending allotment	-	
	(C) Reserves & Surplus	5,406.50	
			5,431.23
II.	**LOAN FUNDS :**		
	(A) Secured Loans	8,595.31	
	(B) Unsecured Loans	4,963.91	
			13,559.22
III.	**MINORITY INTEREST**		
	Capital	768.83	
	Add : Reserves & Surplus	1,042.07	
			1,810.90
IV.	**DEFERRED TAX LIABILITY**		
	Deferred Tax Liability	72.99	
	Less :-		
	Deferred Tax Assets	14.38	
			58.61
	TOTAL		**20,859.96**
B	**APPLICATION OF FUNDS :**		
I.	**FIXED ASSETS**		
	(A) Gross Block	2,230.63	
	(B) Less : Depreciation	269.78	
	(C) Net block	**1,960.85**	
	(D) Capital Work-in-Progress	10,182.58	
			12,143.43
	PRE-OPERATIVE EXPENDITURE		-
	(PENDING CAPITALISATION)		
II.	**INVESTMENTS**		**1,043.40**
III.	**CURRENT ASSETS, LOANS & ADVANCES**		
	(A) Inventories	3,594.53	
	(B) Receivables	2,869.07	
	(C) Cash & Bank Balances	2,800.82	
	(D) Loans & Advances	2,507.55	
		11,771.96	
	LESS :-		
	CURRENT LIABILITIES & PROVISIONS		
	(A) Current Liabilities	3,893.42	
	(B) Provisions	254.92	
		4,148.34	
	NET CURRENT ASSETS		**7,623.62**
IV.	**MISCELLANEOUS EXPENDITURE**		**49.50**
	(To The Extent Not Written Off Or Adjusted)		
	TOTAL		**20,859.96**

LIMITED REVIEWED STANDALONE FINANCIAL RESULTS AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

Sr. No	Particulars	Standalone	
		For the quarter ended on 30th September 2009	For the half year ended on 30th September 2009
		(Unaudited)	(Unaudited)
1	**Net Sales / Income from operations/Other operating Income**	**3077.87**	**5800.64**
	(a) Net Sales / Income from operations	3072.80	5786.54
	(b) Other operating Income	5.07	14.10
2	**Expenditure**	**2928.73**	**5404.05**
	(a) Decrease/ (Increase) in stock in trade	(64.54)	(294.97)
	(b) Purchase of Traded Goods	2833.97	5404.66
	(including consumption of raw material)		
	(c) Employees Cost	11.04	21.38
	(d) Depreciation	3.03	6.05
	(e) Other Expenditure	145.23	266.93
3	**Profit from operation before Other Income, Interest & Exceptional items (1-2)**	**149.14**	**396.59**
4	Other Income	10.28	13.17
5	**Profit before Interest & Exceptional items (3+4)**	**159.42**	**409.76**
6	Interest / Finance Charges (net)	70.72	233.63
7	**Profit after Interest but before Exceptional items (5-6)**	**88.70**	**176.13**
8	Add / (Less) : Prior period adjustments (net)	(0.16)	(0.17)
	Exceptional items (net)	14.88	14.87
9	**Net Profit before Taxation (7+8)**	**103.42**	**190.83**
10	Provision for Taxation	15.53	24.21
	(a) Current Tax	17.85	26.00
	(b) Deferred Tax	(2.32)	(1.79)
	(c) Fringe Benefit Tax	-	-
11	**Net Profit before Minority Interests (9 -10)**	**87.89**	**166.62**
12	Add / (Less): Share of profit of Minority Interest	-	-
13	**Net Profit (11 - 12)**	**87.89**	**166.62**
14	Paid-up Equity Share Capital (Face Value of Re. 1 each)	24.73	24.73
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-
16	Basic and diluted EPS (before and after Extraordinary items)		
	(a) Basic EPS (not annualised)	3.54	6.74
	(b) Diluted EPS (not annualised)	3.31	6.30
17	Public shareholding :		
	(a) No. of equity shares of Re. 1 each	62606944	62606944
	(b) Percentage of shareholding	25.31	25.31
18	Promoters and Promoter group shareholding:		
	(a) Pledged / Encumbered		
	-No. of shares	47635000	47635000
	-Percentage of shares		
	(as a% of the total shareholding of Promoters	25.79	25.79

Sr. No	Particulars	Standalone	
		For the quarter ended on 30th September 2009	For the half year ended on 30th September 2009
		(Unaudited)	(Unaudited)
	and Promoter group)		
	-Percentage of shares		
	(as a% of the total share capital of the Company)	19.26	19.26
	(b) Non-encumbered		
	-No. of shares	137092231	137092231
	-Percentage of shares		
	(as a% of the total shareholding of Promoters and Promoter group)	74.21	74.21
	-Percentage of shares		
	(as a% of the total share capital of the Company)	55.43	55.43

LIMITED REVIEWED CONSOLIDATED FINANCIAL RESULTS AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

Sr. No	Particulars	Consolidated	
		For the quarter ended on 30th September 2009	For the half year ended on 30th September 2009
		(Unaudited)	(Unaudited)
1	**Net Sales / Income from operations/Other operating Income**	**5305.60**	**11691.81**
	(a) Net Sales / Income from operations	5301.06	11677.67
	(b) Other operating Income	4.54	14.14
2	**Expenditure**	**5040.61**	**11070.45**
	(a) Decrease/ (Increase) in stock in trade	(117.20)	(293.82)
	(b) Purchase of Traded Goods	4833.21	10689.92
	(including consumption of raw material)		
	(c) Employees Cost	32.57	58.77
	(d) Depreciation	26.11	50.22
	(e) Other Expenditure	265.92	565.36
3	**Profit from operation before Other Income, Interest & Exceptional items (1-2)**	**264.99**	**621.36**
4	Other Income	11.13	14.53
5	**Profit before Interest & Exceptional items (3+4)**	**276.12**	**635.89**
6	Interest / Finance Charges (net)	119.05	331.25
7	**Profit after Interest but before Exceptional items (5-6)**	**157.07**	**304.64**
8	Add / (Less) : Prior period adjustments (net)	(0.16)	(0.17)
	Exceptional items (net)	14.88	14.87
9	**Net Profit before Taxation (7+8)**	**171.79**	**319.34**
10	Provision for Taxation	23.42	42.88
	(a) Current Tax	25.15	38.02
	(b) Deferred Tax	(1.73)	4.86
	(c) Fringe Benefit Tax	-	-
11	**Net Profit before Minority Interests (9 -10)**	**148.37**	**276.46**
12	Add / (Less): Share of profit of Minority Interest	(0.42)	(0.84)
13	**Net Profit (11 - 12)**	**147.95**	**275.62**
14	Paid-up Equity Share Capital (Face Value of Re. 1 each)	24.73	24.73
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-
16	Basic and diluted EPS (before and after Extraordinary items)		
	(a) Basic EPS (not annualised)	5.97	11.15
	(b) Diluted EPS (not annualised)	5.57	10.42
17	Public shareholding :		
	(a) No. of equity shares of Re. 1 each	62606944	62606944
	(b) Percentage of shareholding	25.31	25.31
18	Promoters and Promoter group shareholding:		
	(a) Pledged / Encumbered		
	-No. of shares	47635000	47635000
	-Percentage of shares		

Sr. No	Particulars	Consolidated	
		For the quarter ended on 30th September 2009	For the half year ended on 30th September 2009
		(Unaudited)	(Unaudited)
	(as a% of the total shareholding of Promoters and Promoter group)	25.79	25.79
	-Percentage of shares		
	(as a% of the total share capital of the Company)	19.26	19.26
	(b) Non-encumbered		
	-No. of shares	137092231	137092231
	-Percentage of shares		
	(as a% of the total shareholding of Promoters and Promoter group)	74.21	74.21
	-Percentage of shares		
	(as a% of the total share capital of the Company)	55.43	55.43

GENERAL INFORMATION

Dear Shareholder(s),

Pursuant to the resolutions passed by the Board of Directors of the Company at its meetings held on October 30, 2009, it has been decided to make the following offer to the Equity Shareholders of the Company, with a right to renounce:

ISSUE OF 3,11,26,659 EQUITY SHARES OF RE. 1 EACH AT A PREMIUM OF RS. 474 PER EQUITY SHARE AGGREGATING TO AN AMOUNT AGGREGATING TO RS. 1,478.52 CRORES IN THE RATIO OF ONE EQUITY SHARE FOR EVERY 16 EQUITY SHARES HELD ON THE RECORD DATE I.E. MARCH 25, 2010.

Registered Office of the Company
Adani House, Near Mithakali Six Roads
Navrangpura, Ahmedabad 380 009
Gujarat
Tel: (91 79) 2656 5555
Fax: (91 79) 2656 5500
Registration No. 04-019067
Corporate Identification No.: L51100GJ1993PLC019067

Address of the ROC

Registrar of Companies, Gujarat, Dadra and Nagar Haveli
RoC Bhavan
Opposite Rupal Park Society
Behind Ankur Bus Stand
Naranpura
Ahmedabad 380 013
Tel: (91 79) 2743 8531
Fax: (91 79) 2743 8371

The Equity Shares of the Company are listed on the BSE and the NSE.

Assistant Company Secretary and Compliance Officer

Parthiv Parikh
Adani Enterprises Limited
Adani House, Near Mithakali Six Roads
Navrangpura, Ahmedabad 380 009
Gujarat
Tel: (91 79) 2656 5555
Fax: (91 79) 2656 5500
Email: parthiv.parikh@adani.in

Investors may contact the Compliance Officer for any pre-Issue / post-Issue related matters.

Lead Managers to the Issue

ICICI Securities Limited
ICICI Centre
H. T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460/70
Fax: (91 22) 2282 6580
Email: adani.rights@icicisecurities.com
Investor Grievance Id:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Rajiv Poddar
SEBI Registration No: INM 000011179

Enam Securities Private Limited
801/ 802, Dalamal Towers
Nariman Point, Mumbai 400 021
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
E-mail: adani.rights@enam.com
Investor Grievance Email:
complaints@enam.com
Website: www.enam.com
Contact Person: Dipali Dalal
SEBI Registration No.:
INM000006856

IDFC - SSKI Limited
Naman Chambers, C-32,
G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai 400 051
Tel: (91 22) 6622 2600
Fax: (91 22) 6622 2501
E-mail: ael.rights@idfcsski.com
Investor Grievance E-mail:
complaints@idfcsski.com
Contact Person: Hiren Raipancholia
Website: www.idfcsski.com
SEBI Registration No.:
INM000011336

Bankers to the Issue

Axis Bank Limited
Trishul, Opp. Samartheshwar Temple
Law Garden, Ellis Bridge
Ahmedabad 380 006
Tel: (91 79) 6613 5431
Fax: (91 79) 6613 5408
Email: pratik.shah@axisbank.com
Website: www.axisbank.com
Contact Person: Pratik Shah
SEBI Registration No: INBI00000017

Legal Advisors to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 2342 0815 / 2342 0816
Fax: (91 40) 2342 0859
Email: adani.rights@karvy.com

Website: www.karisma.karvy.com
SEBI Registration Number: INR000000221
Contact Person: Murali Krishna

Investors may contact the Registrar to the Issue/Compliance Officer in case of any pre-Issue/post Issue related problems.

Inter-se allocation of responsibilities between the Lead Managers to the Issue

Sr. No.	Activity	Responsibility	Coordinator
1.	Structuring of the Issue in conformity with the SEBI Regulations, undertaking liaison with the Stock Exchanges, as may be required under the prevailing framework of guidelines issued by SEBI and the Stock Exchanges.	I-Sec, IDFC-SSKI, Enam	I-Sec
2.	Assisting, together with other advisors and legal counsels in securing all necessary regulatory approvals for the Issue.	I-Sec, IDFC-SSKI, Enam	I-Sec
3.	Undertaking due diligence activities and together with the legal counsel assisting to prepare the Draft Letter of Offer/Letter of Offer/Abridged Letter of Offer for filing with SEBI/Stock Exchanges, or any other authority whatsoever, as required.	I-Sec, IDFC-SSKI, Enam	I-Sec
4.	Assisting in filing of the Issue related documents with SEBI, Stock Exchanges or any other authority whatsoever.	I-Sec, IDFC-SSKI, Enam	I-Sec
5.	Assisting the Company in appointment of Registrar to the Issue, bankers to the Issue, printers and advertising agency.	I-Sec, IDFC-SSKI, Enam	I-Sec
6.	Institutional marketing strategy	I-Sec, IDFC-SSKI, Enam	IDFC SSKI
7.	Retail/Non-institutional marketing strategy which will cover, inter alia, preparation of investor presentation, publicity budget, arrangements for selection of (i) ad-media, (ii) centres of holding conferences of brokers, investors etc	I-Sec, IDFC-SSKI, Enam	I-Sec
8.	Assisting the Company in preparing the Issue advertisements.	I-Sec, IDFC-SSKI, Enam	I-Sec
9.	Collating feedback from shareholders, analyzing such feedback and suggesting an appropriate valuation range. Final decision on the Issue	I-Sec, IDFC-SSKI, Enam	Enam

Sr. No.	Activity	Responsibility	Coordinator
	Price will be made by the Company in consultation with the Lead Manager.		
10.	Assisting in pricing of the Equity Shares being offered through the Issue.	I-Sec, IDFC-SSKI, Enam	I-Sec
11.	Assisting in the listing of the Equity Shares issued pursuant to Issue at the Stock Exchanges.	I-Sec, IDFC-SSKI, Enam	I-Sec

Monitoring Agency

IFCI Limited
IFCI Towers, 61, Nehru Place
New Delhi 110 019
Tel: (91 11) 4173 2000
Fax: (91 11) 2648 8741
Email: ciasd@ifciltd.com
Website: www.ifciltd.com

Appraisal Reports

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any bank or financial institution.

Principal Terms of Loans and Assets charged as security

For details of the principal terms of loans and assets charged as security, please see the section "Financial Indebtedness" on page 178.

CAPITAL STRUCTURE

Our share capital as on the date of filing of this Letter of Offer is set forth below.

(Rs. in Crores, except per share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	**Authorized Share Capital**		
	100,00,00,000 Equity Shares of Re.1 each	100	
	Total	100	
B.	**Issued, Subscribed and Paid-up Capital before the Issue*@**		
	49,80,26,550 Equity Shares of Re. 1 each, fully paid-up	49.80	
C.	**Equity Capital after the Issue**		
	52,91,53,209 Equity Shares of Re. 1 each	52.91	
D.	**Securities Premium Account**		
	Before the Issue	294.69	
	After the Issue	1,770.09	

** 21,484 foreign currency convertible bonds of US$ 10,000 each are outstanding as on March 6, 2010. These outstanding foreign currency convertible bonds can be converted into 3,11,51,800 Equity Shares of Re. 1 each of the Company, at the option of the holders, during the conversion period between January 27, 2008 and December 27, 2011. Upon full conversion of the outstanding foreign currency convertible bonds, the issued, subscribed and paid-up capital of the Company before the Issue will be Rs. 52.92 crores divided into 52,91,78,350 Equity Shares of Re. 1 each.*

@ *The Company, on December 14, 2009, has allotted 24,80,15,675 Equity Shares to the Shareholders of the Company, pursuant to a bonus issue of the Equity Shares in the ratio of one Equity Share for every one Equity Share, approved by the Shareholders in the EGM held on November 27, 2009.*

Notes to the Capital Structure

1. The Promoters have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Subject to compliance with the Takeover Code, the Promoters and Promoter Group reserve their right to subscribe for Equity Shares in this Issue by subscribing for renunciation, if any, made by any other Promoters or Promoter Group or any other shareholders. The Promoters have provided an undertaking dated December 5, 2009 to the Company to apply for additional Equity Shares in the Issue, to the extent of the unsubscribed portion of the Issue. As a result of this subscription and consequent allotment, the Promoters and Promoter Group may acquire Equity Shares over and above their Rights Entitlement in the Issue, which may result in an increase of the shareholding being above the current shareholding with the Rights Entitlement. This subscription and acquisition of additional Equity Shares by the Promoters and Promoter Group through this Issue to the extent of under subscription, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the Takeover Code. As such, other than meeting the requirements indicated in the section "Objects of the Issue" on page 23, there is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoters and Promoter Group, in this Issue, the Promoters' shareholding in the Company exceeds their current shareholding. The Promoters and Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law. Allotment to the Promoters and Promoter Group of any unsubscribed portion, over and above their Rights Entitlement shall be done in compliance with the Listing Agreement, including the provisions in relation to minimum public shareholding of 10% applicable to the Company, and other applicable laws prevailing at that time relating to continuous listing requirements.

2. **Shareholding pattern**

a) The shareholding pattern of the Company as on December 31, 2009 is as follows:

Sr. No	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					% of shares (A+B)	% of shares (A+B+C)	Number of shares	% No. of shares
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	5	8,87,080	8,71,080	0.18	0.18	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	1	2,90,27,000	2,90,27,000	5.85	5.85	0	0
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Other (specify)							
	Held By Respective Partners (Beneficiary Holders Partnership Firms)	3	5,92,93,382	5,92,93,382	11.95	11.95	13,06,000	2.20
	Held By Respective Trustees (Beneficiary Holders Family Trusts) *	8	28,03,03,000	28,03,03,000	56.51	56.51	5,12,82,000	18.30
	Sub-Total (A)(1)	17	36,95,10,462	36,94,94,462	74.49	74.49	5,25,88,000	14.23
(2)	**Foreign**							
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0
(c)	Institutions	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)							
		0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	17	36,95,10,462	36,94,94,462	74.49	74.49	5,25,88,000	14.23
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI	19	67,11,050	67,11,050	1.35	1.35	NA	NA
(b)	Financial Institutions/ Banks	5	23,565	23,565	0.00	0.00	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	0	0	0	0.00	0.00	NA	NA

Sr. No	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
(f)	Foreign Institutional Investors	68	5,76,31,214	5,76,31,214	11.62	11.62	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	NA	NA
(h)	Any Other (specify)							
		0	0	0	0	0	0	0
	Sub-Total (B)(1)	92	6,43,65,829	6,43,65,829	12.98	12.98	NA	NA
(2)	**Non-institutions**							
(a)	Bodies Corporate	804	1,78,19,751	1,77,81,751	3.59	3.59	NA	NA
(b)	Individuals							
(i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	24,110	1,14,07,548	1,06,99,367	2.30	2.30	NA	NA
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	20	75,22,687	75,22,687	1.52	1.52	NA	NA
(c)	Any Other (specify)							
	Clearing Members (Shares In Transit)	242	11,83,492	11,49,492	0.24	0.24	NA	NA
	Foreign Nationals	1	10,000	10,000	0.00	0.00	NA	NA
	NRI	357	2,42,11,581	2,42,11,581	4.88	4.88	NA	NA
	Sub-Total(B)(2)	25,534	6,21,55,059	6,13,74,878	12.53	12.53	NA	NA
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**25,626**	**12,65,20,888**	**12,57,40,707**	**25.51**	**25.51**	NA	NA
	TOTAL(A)+(B)	25,643	49,60,31,350	49,52,35,169	100.00	100.00	5,25,88,000	14.23
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0		0.00	NA	NA
	GRAND TOTAL (A)+(B)+(C)	**25,643**	**49,60,31,350**	**49,52,35,169**	**100.00**	**100.00**	**5,25,88,000**	**10.60**

* *Includes 80,00,000 Equity Shares and 34,00,000 Equity Shares pledged with State Bank of India and Bank of India respectively.*

b) *The list of shareholders of the Company belonging to the category "Promoter and Promoter Group" as on December 31, 2009 is detailed in the table below:*

Sr. No	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Number of shares	As a percentage	% of Grand Total
1.	Vinod N. Sanghvi	16,000	0.00	0	0	0
2.	Surekha B. Shah	32,000	0.01	0	0	0
3.	Bhavik B. Shah	32,000	0.01	0	0	0
4.	Priti R. Shah	1,96,000	0.04	0	0	0
5.	Rakesh R. Shah	6,11,080	0.12	0	0	0
6.	Pushpa V. Adani / Vasant S. Adani (On Behalf of Vasant S.	10,00,000	0.20	10,00,000	100	0.2

Sr. No	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Number of shares	As a percentage	% of Grand Total
	Adani Family Trust)					
7.	Mrs. Suvarna M. Adani / Mahasukh S. Adani (On Behalf of Mahasukh S. Adani Family Trust)	21,48,000	0.43	21,48,000	100	0.43
8.	Rajesh S. Adani /Mrs. Shilin R. Adani (On Behalf Rajesh S. Adani Family Trust)	22,00,000	0.44	22,00,000	100	0.44
9.	Mrs. Priti G. Adani (On Behalf of Adani Commodities-Formerly Known As Adani Investment)	36,88,000	0.74	13,06,000	35.41	0.26
10.	Mrs. Shilin R. Adani / Rajesh S. Adani (On Behalf of Rajesh S. Adani Family Trust)	58,00,000	1.17	58,00,000	100	1.17
11.	Mahasukh S. Adani /Mrs. Suvarna M. Adani (On Behalf of Mahasukh S. Adani Family Trust)	64,00,000	1.29	0	0	0
12.	Gautam S. Adani / Mrs. Priti G. Adani (On Behalf of Gautam S. Adani Family Trust)	1,00,00,000	2.02	1,00,00,000	100	2.02
13.	Vinod S. Adani / Mrs. Ranjan V. Adani (On Behalf of Vinod S. Adani Family Trust)	1,36,00,000	2.74	88,00,000	64.71	1.77
14.	Pranav V. Adani (On Behalf of Advance Investment)	2,39,60,000	4.83	0	0	0
15.	Adani Agro Private Limited	2,90,27,000	5.85	0	0	0
16.	Pranav V. Adani (On Behalf of Adani Tradelinks-Formerly Known As Inter Continental India)	3,16,45,382	6.38	0	0	0
17.	Gautam S. Adani / Rajesh S. Adani (On Behalf of S.B. Adani Family Trust)	23,91,55,000	48.21	2,13,34,000	8.92	4.30
TOTAL		**36,95,10,462**	**74.49***	**5,25,88,000**	**14.23**	**10.60**

* *Pursuant to the conversion of outstanding FCCBs into Equity Shares, the shareholding of the Promoters and Promoter Group in the Company has reduced to 74.19% as on the date of the Letter of Offer.*

c) *The list of shareholders, other than the shareholders belonging to the category "Promoters and Promoter Group", holding more than 1% of the paid-up capital of the Company as on December 31, 2009 is detailed in the table below:*

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage (%)
1.	Neetu Rakesh Shah	49,75,456	1.00
2.	Urmi Bharatkumar Desai	6,15,5114	1.24
3.	Tejal Ramanlal Desai	63,70,540	1.28
4.	Adishree Tradelinks Private Limited	1,42,87,288	2.88
5.	Mavi Investment Fund Limited	99,72,296	2.01
6.	Lotus Global Investments Limited	14,78,7704	2.98

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage (%)
7.	Bank Julius Baer and Company Limited	1,56,87,050	3.16
Total		**7,22,35,448**	**14.56**

3. Neither the Promoters, nor the Promoter Group have acquired any Equity Shares in the last one year.

4. The present Issue being a rights issue, as per regulation 34(c) of the SEBI Regulations, the requirement of promoters' contribution and lock-in are not applicable.

5. We have not issued any Equity Shares or granted any options under any employee stock option scheme or employees stock purchase scheme.

6. The Board of Directors of the Company, in its meetings held on May 20, 2009 and October 30, 2009, has approved a qualified institutions placement (the "QIP") of Equity Shares or instruments convertible into Equity Shares, in one or more tranches, up to an overall amount of Rs. 4,000 crores. The QIP has been approved by the Shareholders in the EGM held on November 27, 2009. The Company may undertake the QIP at any time after the listing of Equity Shares in the Issue at a price to be determined in accordance with the SEBI Regulations.

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Repayment of debt; and
2. General corporate purposes.

The main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue.

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

Sr. No.	Description	Amount (In Rs. Crores)
1.	Gross proceeds of the Issue	1,478.52
2.	Issue expenses	2.30
3.	Net Proceeds of the Issue	1,476.22

Means of Finance

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds of the Issue:

Sr. No.	Objects of the Issue	Amount to be utilised (In Rs. Crores)	Amount proposed to be financed from Net Proceeds of the Issue	Percentage Amount proposed to be financed from Net Proceeds of the Issue (%)
1.	Repayment/ pre-payment of debt	1,300.00	1,300.00	100.00
2.	General corporate purposes	176.22	176.22	100.00

Utilization of Net Proceeds

The details of utilisation of gross proceeds of the Issue will be in accordance with the table set forth below:

Sr. No.	Particulars	Amount to be utilised (In Rs. Crores)		Total (In Rs. Crores)
		Fiscal 2011	Fiscal 2012	
1.	Repayment/ pre-payment of debt	1,300.00	-	1,300.00
2.	General corporate purposes	176.22	-	176.22
3.	Issue expenses	2.30	-	2.30

Details of the Objects of the Issue

The stated objects of the Issue are proposed to be financed entirely out of the proceeds of the Issue. The Net Proceeds, after deduction of all issue expenses, are estimated to be approximately Rs. 1,476.22 crores. The details in relation to Objects of the Issue are set forth herein below.

1. Repayment/ pre-payment of debt

The Company has availed of certain long-term and other short-term loan facilities from various banks and financial institutions. These loan facilities aggregated to Rs. 2791.20 crores as at February 28, 2010 and the amount outstanding under these facilities as at February 28, 2010 was Rs. 2,389.95 crores. For further details of the long-term and other short-term loan facilities availed by the Company, please see the section "Financial Indebtedness" on page 178. The Company intends to utilise Rs. 1,300.00 crores towards repayment and/or pre-payment of a portion of such outstanding debt. The Company may repay and/ or refinance some of its existing loan facilities prior to

Allotment. The Company may obtain other short-term loan facilities between the date of the Letter of Offer and the date of Allotment, however the aggregate amount to be utilised from the Net Proceeds towards repayment and/or pre-payment would be Rs. 1,300.00 crores.

The following table provides the details of the various loan amounts availed by the Company on a standalone basis, out of which we shall select the loans to be repaid and/or repaid from the net proceeds of the Issue:

Sr. No.	Name of the lender*	Nature and date of the loan agreement	Amount Sanctioned (In Rs. Crores)	Amount Borrowed (In Rs. Crores)*	Amount outstanding as at February 28, 2010 (In Rs. Crores)*	Rate of Interest (% per annum)	Security	Repayment Date/ Schedule	Purpose for availing of loan facilities*	Prepayment Clause (if any)
1.	UCO Bank	Loan Agreement dated September 7, 2009 and Sanction Letter dated September 7, 2009 (Working Capital Facilities)	400.00	400.00	400.00	7.50	Post dated cheques and demand promissory note.	Repayable at the end of 180 days from each disbursement	To meet the short-fall of working capital need.	As per extant guidelines of the bank
2.	Development Credit Bank Limited	Loan Agreement dated September 9, 2009 and Sanction Letter dated September 1, 2009 (Working Capital Facilities)	50.00	50.00	40.00	8.00	Post dated cheques and demand promissory note.	Bullet repayment at the end of six months	To augment the working capital requirements of the Company and for general corporate purposes.	No prepayment charges if the loan is prepaid after three months. Prepayment charge of 2% applicable if the loan is prepaid before three months from the date of disbursement.
3.	Federal Bank Limited	Loan Agreement dated September 11, 2009 and Sanction Letter dated August 21, 2009	200.00	200.00	200.00	9.00	Subservient charge over the current assets of the Company;	To be repaid in equal instalments of Rs. 100 crores each on the 11th and the 12th month	Working capital purposes or for repayment of short term debts.	Company may prepay with by providing one month notice to the bank.
4.	HDFC Bank Limited	Sanction Letter dated March 24, 2009 (Working Capital Facilities)	50.00	50.00	50.00	8.00	Post dated cheques	To be repaid as at the end of 180 days	Working capital requirements.	Nil
5.	HDFC Bank Limited	Revolving Loan Agreement dated March 14, 2008 and Sanction Letter dated March 24, 2009	25.00	25.00	25.00	8.00	Unsecured	To be repaid at the end of 175 days	Working capital requirements	Nil
6.	HDFC Bank	Revolving Loan	25.00	25.00	25.00	8.00	Unsecured	To be repaid at	Working capital	Nil

Sr. No.	Name of the lender*	Nature and date of the loan agreement	Amount Sanctioned (In Rs. Crores)	Amount Borrowed (In Rs. Crores)*	Amount outstanding as at February 28, 2010 (In Rs. Crores)*	Rate of Interest (% per annum)	Security	Repayment Date/ Schedule	Purpose for availing of loan facilities*	Prepayment Clause (if any)
	Limited	Agreement dated March 14, 2008 and Sanction Letter dated March 24, 2009						the end of 178 days	requirements	
7.	Tamilnad Mercantile Bank Limited	Loan Agreement dated March 26, 2009 and Sanction Letter dated March 23, 2009 (Working Capital Facility)	25.00	25.00	25.00	8.50	Unsecured	Bullet repayment at the end of 12 months	To augment the working capital requirements of the Company and for general corporate purposes.	The loan shall not be prepaid.
8.	Yes Bank Limited	Supplemental Loan Agreement dated November 20, 2009 and Sanction Letter dated November 19, 2009	50.00	50.00	50.00	7.50	Demand Promissory Note	To be repaid within a maximum period of 12 months	Long term working capital requirements, general corporate purposes and other strategic initiatives.	Nil
9.	Allahabad Bank	Loan Agreement dated June 12, 2009 and Sanction Letter dated June 9, 2009 (Short Term Loan)	200.00	200.00	200.00	12.00	i. All tangible movable machineries, plant, machinery fixture, fittings, other installations, cranes, furniture, computers and other accessories, vehicles together with spares, tolls and accessories lying at various places in the State of Gujarat ii. The whole of	To be repaid in 4 equal monthly installments with an initial moratorium period of 8 months	To take care of the working capital mismatch of the Company.	Nil

Sr. No.	Name of the lender*	Nature and date of the loan agreement	Amount Sanctioned (In Rs. Crores)	Amount Borrowed (In Rs. Crores)*	Amount outstanding as at February 28, 2010 (In Rs. Crores)*	Rate of Interest (% per annum)	Security	Repayment Date/ Schedule	Purpose for availing of loan facilities*	Prepayment Clause (if any)
							the Company's movable goods and assets, both present and future including all stocks of raw materials, work-in-progress, semi-finished goods and finished goods, consumable stores and spares. iii. All the present and future book debts, outstanding, money receivable, claims, bills, contracts, engagements and securities. iv. Pledge of 50,00,000 Equity Shares of the Company held by Gautam S. Adani and Priti G. Adani; v. Post Dated Cheques for repayment of principal amount			
10.	Tamilnad Mercantile Bank Limited	Loan Agreement dated November 5, 2009 and Sanction Letter dated October	25.00	25.00	25.00	8.00	Demand Promissory Note	Bullet repayment at the end of six months	To augment the working capital requirements of the Company and for general	Nil

Sr. No.	Name of the lender*	Nature and date of the loan agreement	Amount Sanctioned (In Rs. Crores)	Amount Borrowed (In Rs. Crores)*	Amount outstanding as at February 28, 2010 (In Rs. Crores)*	Rate of Interest (% per annum)	Security	Repayment Date/ Schedule	Purpose for availing of loan facilities*	Prepayment Clause (if any)
		29, 2009 (Working Capital Facility)							corporate purposes.	
11.	HDFC Bank Limited	Loan Agreement dated November 9, 2009 (Working Capital Facility)	50.00	50.00	50.00	8.00	Demand Promissory Note	To be repaid as a one-time payment on the expiry of 178 days	Working capital requirements	Nil
12.	ICICI Bank Limited	Loan Agreement dated November 30, 2009 and Sanction Letter dated November 25, 2009	300.00	250.00	75.00	8.00	Post dated cheques	To be repaid by March 15, 2010	Working capital requirements.	Nil
13.	Axis Bank Limited	Loan Agreement dated December 8, 2009 and Sanction Letter dated November 25, 2009, as amended from time to time.	300.00	250.00	250.00	8.00	Subsequent and subservient charge on the current assets of the Company and post dated cheque for the principal amount	In three weekly installments of Rs. 100 crores each. First installment on 166th day, second on 173rd day and final installment on 180th day from the date of first disbursement	Cash flow mismatch.	Nil
14.	UCO Bank	Loan Agreement dated February 10, 2010 and Sanction Letter dated February 5, 2010 (Working Capital Facilities)	300.00	300.00	300.00	7.25	Post dated cheques and demand promissory note.	Repayable at the end of 180 days from each disbursement	Working capital requirements	As per extant guidelines of the bank
15.	Yes Bank Limited	Supplemental Loan Agreement dated November 20, 2009 , Sanction Letter dated November 19, 2009 and Letter dated February 17, 2010 (Working Capital Facility)	50.00	50.00	50.00	6.35	Demand promissory Note	To be repaid within a maximum period of 60 days from the date of drawal	Long term working capital requirements, general corporate purposes and other strategic initiatives.	Nil

Sr. No.	Name of the lender*	Nature and date of the loan agreement	Amount Sanctioned (In Rs. Crores)	Amount Borrowed (In Rs. Crores)*	Amount outstanding as at February 28, 2010 (In Rs. Crores)*	Rate of Interest (% per annum)	Security	Repayment Date/ Schedule	Purpose for availing of loan facilities*	Prepayment Clause (if any)
		Total	**2,050.00**	**1,950.00**	**1,765.00**					

** As certified by M/s Dharmesh Parikh & Co., Chartered Accountants vide their certificate dated March 10, 2010. Further, the Chartered Accountants have confirmed that as at February 28, 2010, the Company has utilised the above said loan amounts for the purposes for which the loans were availed.*

Some of our loan agreements proposed to be repaid from the Net Proceeds provide for levy of pre-payment penalties. We will take such provisions into consideration in prepaying and/or repaying our debt from the proceeds of the Issue. We may also require providing notice to some of our lender prior to repayment and/or prepayment. The selection of loans proposed to be repaid and/or pre-paid from our loan facilities provided above shall be based on various factors including, (i) any conditions attached to the loans restricting our ability to repay/ pre-pay the loans, (ii) receipt of consents or waivers for repayment/ pre-payment from the respective lenders, (iii) terms and conditions of such consents and waivers, and (iv) levy of any pre-payment penalties.

2. General Corporate Purposes

The Company intends to deploy the balance Net Proceeds aggregating Rs. 176.22 crores for general corporate purposes, including but not restricted to, strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which the Company in ordinary course of business may face, or any other purposes as may be approved by the Board of Directors.

3. Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

Activity	Expense (Rs. in Crores)	Expense (% of total expenses)	Expense (% of Issue Size)
Lead Merchant Bankers	1.50	65.36	0.1
Registrars to the Issue	0.02	0.87	0.001
Legal Advisors	0.38	16.34	0.03
Bankers to the Issue	Nil	Nil	Nil
SCSB Commission	Nil	Nil	Nil
Others (Monitoring Agency Fees, SEBI Fees, Stock Exchange Fees, Printing, Stationery & Postage, Advertisement, etc)	0.40	17.43	0.03
Total estimated Issue expenses	**2.30**	**100**	**0.16**

Interim use of proceeds

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the Issue Proceeds for the purposes described above, the Company intends to temporarily invest the funds in interest bearing liquid instruments including investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments, rated debentures or deposits with banks as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board or the Investment Committee from time to time.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilisation of Funds

The Company has appointed IFCI Limited as the monitoring agency, to monitor the utilization of the Net Proceeds. The Company will disclose the utilization of the Net Proceeds under a separate head along with details, if any in relation to all such Issue Proceeds that have not been utilised thereby also indicating investments, if any, of such unutilized Issue Proceeds in the Company's financial statements for the relevant Financial Years commencing from Financial Year 2011.

Pursuant to clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Issue Proceeds. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of the Company. Furthermore, in accordance with clause 43A of the Listing Agreement the Company shall furnish to the stock exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the Issue Proceeds will be paid by the Company as consideration to the Promoters, the Directors, the Company's key management personnel or companies promoted by the Promoters, except in the usual course of business.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Adani Enterprises Limited
Adani House
Navrangpura, Ahmedabad

Sirs,

We hereby report that the enclosed Annexure A states the possible tax benefits available to M/s. Adani Enterprises Limited ('the Company') and its shareholders under The Income Tax Act, 1961 and The Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives, the Company faces in the future, which it may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future ; or
- the conditions prescribed for availing the benefits have been / would be met with

The contents of this annexure as based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and should be read together with notes given at para 8 of the Annexure A.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of the law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of the fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any person other than the Company in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009.

For Dharmesh Parikh & Co.
Chartered Accountants

D. A. Parikh
Partner
Membership No. 45501
Place: Ahmedabad
Date: December 3, 2009

ANNEXURE TO STATEMENT OF TAX BENEFIT

Annexure 'A'

1. Special Tax benefits available to the Company

No special tax benefit is available to the Company.

2. General Tax benefits available to the Company under the Income-tax Act, 1961 ('the Act')

A) Business Income:

A. i. Depreciation

The Company is entitled to claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trade marks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business under section 32 of the Act.

In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the Company engaged in the business of manufacture or production of any article or thing, the Company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant as additional depreciation in the first year subject to conditions specified in section 32 of the Act.

Unabsorbed depreciation if any, for an Assessment Year (AY) can be carried forward and set off against any source of income in subsequent AYs as per section 32 (2) subject to the provisions of sub-section (2) of section 72 and sub-section (3) of section 73 of the Act.

A. ii Preliminary Expenditure:

As per Section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its industrial undertaking or in connection with setting up a new industrial unit for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions and limits specified in that section.

A. iii Expenditure incurred on voluntary retirement scheme:

As per Section 35DDA, the Company is eligible for deduction in respect of payments made to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that section.

A. iv Expenditure on Scientific Research:

As per Section 35, the Company is eligible for –

(a) Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.

(b) As per section 35(2AA) a deduction of 125% shall be allowed as a deduction of the sum paid by the Company, to a National Laboratory [or a University or an Indian Institute of Technology or a specified person as specified in this section] with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to conditions specified in that section.

A. v Carry forward of business loss

Business losses, if any, for any AY can be carried forward and set off against business profits for eight subsequent AYs.

A. vi MAT Credit:

As per section 115JAA(1A), the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid under sub-section (1) of section 115JB for any AY commencing on or after April 1, 2006 against normal income tax payable in subsequent AYs. MAT credit shall be allowed under sub-section (1A) shall be the difference of the tax paid for any assessment year under sub-section (1) of section 115JB and the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of this Act.

The amount of tax credit determined shall be carried forward and set off up to 10 (Ten) AYs immediately succeeding the assessment year in which tax credit becomes allowable.

All the deductions mentioned above, will result into reduction in tax liability of the Company.

B) Capital Gains:

B. i. Capital asset means property of any kind held by an assessee whether or not connected with his business or profession but does not include any stock-in-trade, consumables stores or Raw Materials held for the purpose of his business or profession and personal effects i.e. movable property held for personal use.

Capital assets may be categorised into long term capital assets and short term capital assets based on the period of holding.

B. ii.

a. Long term Capital Gain (LTCG)

LTCG means capital gain arising from the transfer of a long term capital asset.

Shares in a Company, listed securities or units of UTI or units of mutual fund specified under section 10 (23D) or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding twelve months.

In case of all other assets if the period of holding exceeds thirty six months they are termed as long term capital assets.

b. Short Term Capital Gain (STCG)

STCG means gain arising from a short term capital asset.

Share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 will be considered as short term capital assets if they are held by an assessee for 12 months or less.

In case of all other assets if the period of holding is less than thirty six months they are termed as short term capital assets.

B. iii. LTCG arising on transfer of equity share in a Company or units of an equity oriented fund (as defined) which has been set up under a scheme of a Mutual Fund specified under Section 10 (23D), on a recognized stock exchange on or after October 1, 2004 are exempt from tax under Section 10(38) of the Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section. However, the income by way of long term capital gain of a Company exempted under section 10 (38) shall be taken into account in computing book profit and income tax payable under section 115JB @ 15% plus applicable Surcharge and Education Cess on tax.

B. iv. As per second proviso to section 48, LTCG arising on transfer of capital assets, other than bonds and debentures excluding capital indexed bonds issued by Government, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

B.v.a As per section 112, LTCG is taxed @20% plus applicable SC +EC.

B.v.b However as per proviso to section 112(1), if such tax payable on transfer of listed securities/units /Zero coupon bonds exceeds 10% of the LTCG, without availing benefit of indexation, the excess tax will be ignored.

B.vi. As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10(23D), on a recognized stock exchange are subject to tax at the rate of 15 per cent (plus applicable SC + EC), provided the transaction is chargeable to STT.

B.vii. As per section 71 read with section 74, Short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against short-term as well as long-term capital gains for subsequent 8 assessment years.

B.viii. As per section 71 read with section 74, Long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long-term capital gains for subsequent 8 assessment years.

B.ix. Under section 54EC of the Act, capital gains arising on the transfer of a long-term capital asset will be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bond issued by the following and subject to the conditions specified therein –

- National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988.

- Rural Electrification Corporation Limited, a Company formed and registered under The Companies Act, 1956

If only a part of the capital gains is so reinvested, the exemption shall be proportionately reduced. However, after 1st April, 2007, to avail the benefit of section 54EC, the investment by an assessee made in specified long term bonds should not exceed Rupees Fifty Lacs.

If the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable in the year of transfer.

C) Income from Other Sources

C.1 Dividend Income:

Dividend (both interim and final) income, if any, received by the Company on its investment in shares of another domestic Company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act.

Income received in respect of units of a Mutual Fund specified under Section 10(23D) of the Act (other than income arising from transfer of units in such mutual fund) shall be exempt from tax under Section 10(35) of the Act.

C.2 Tax Benefits available from Income of Trust registered as Association of Persons

Where the assessee is a member of an association of persons or body of individuals (other than a company or a co-operative society or a society registered under the Societies Registration Act, 1860 (21 of 1860), or under any law corresponding to that Act in force in any part of India), income-tax shall not be payable by the assessee in respect of his share in the income of the association or body computed in the manner provided in section 67A.

Where the association or body is chargeable to tax on its total income at the maximum marginal rate or any higher rate under any of the provisions of this Act, the share of a member computed as aforesaid shall not be included in his total income.

Where no income-tax is chargeable on the total income of the association or body, the share of a member computed as aforesaid shall be chargeable to tax as part of his total income and nothing contained in this section shall apply to the case.

The tax benefit pertaining to company outlined above (para 2) are general and all the benefit may not be availed by/available to the company.

3. Special Tax benefits available to the members of the Company

No special tax benefits are available to the members of the Company.

4. General Tax benefits available to the Members of the Company

4.1 Resident Members

4.1.i Dividend income:

Dividend (both interim and final) income, if any, received by the resident shareholder from a domestic Company is exempt under Section 10(34) read with Section 115O of the Act.

4.1.ii Capital gains:

a. Benefits outlined in Paragraph 2(B) above are also applicable to resident shareholders. In addition to the same, the following benefits are also available to resident shareholders.

b. As per Section 54F of the Act, LTCG arising to individual and HUF from transfer of shares (transferred other than through stock exchange) will be exempt from tax, if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

4.1. iii Clubbing of Income:

Any income of minor children clubbed with the total income of the parent under section 64(1A) of the IT Act, will be exempt from tax to the extent of Rs. 1500/- per minor child under section 10(32) of the IT Act.

4.1. iv Security Transaction Tax

In terms of Section 36(1)(xv), deduction shall be allowed while computing business income of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head “Profit and gains of business or profession”.

4.2 Tax Benefits available to Non-Resident Members

4.2. i Dividend income:

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a domestic Company shall be exempt under section 10(34) read with Section 115-O of the Act.

4.2. ii Capital gains:

Benefits outlined in Paragraph 2(B) above are also available to a non-resident shareholder except that as per first proviso to Section 48 of the Act, capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

As per section 10(38) of the Act, long term capital gains arising to the shareholder from the transfer of a long term capital asset being an equity share in the company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

Benefit u/s 54EC and 54F as outlined in paragraph (B.ix) and (4.1.ii.b) respectively are also available to Non-resident member.

4.2.iii Security Transaction Tax:

Benefits outlined in Paragraph 4.1.iv above are also applicable to the non-resident shareholder.

4.2.iv Tax Treaty Benefits:

As per Section 90 of the Act, the shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable Double Tax Avoidance Agreements.

4.2.v Special provisions in respect of income / LTCG from specified foreign exchange assets available to Non resident Indians under Chapter XII-A

4.2.v.a. Non-Resident Indian (NRI) means a citizen of India or a person of Indian Origin who is not a resident. A person is deemed to be of Indian Origin if he or she, or either of his parents or any of his grand-parents, were born in undivided India.

4.2.v.b. Specified foreign exchange assets include shares of an Indian Company acquired/purchased/subscribed by NRI in convertible foreign exchange.

4.2.v.c . As per section 115E, income [other than dividend which is exempt under section 10(34)] from investments and LTCG from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable SC + EC). No deduction in respect of any expenditure allowance from such income will be allowed and no deductions under chapter VI-A will be allowed from such income.

4.2.v.d. As per section 115E, LTCG arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable SC + EC).

4.2.v.e. As per section 115F, LTCG arising from transfer of foreign exchange assets shall be exempt in the proportion of the net consideration from such transfer being invested in specified assets or savings certificates within six months from date of such transfer, subject to further conditions specified under section 115F.

4.2.v.f. As per section 115G, if the income of a NRI taxable in India consist only of income/ LTCG from such shares and tax has been properly deducted at source in respect of such income in accordance with the Act, it is not necessary for the NRI to file return of income under section 139.

4.2.v.g. As per section 115H of the Act, when a non-resident Indian become assessable as a resident in India, he/she is entitled to furnish a declaration in writing to the Assessing Officer along with the return of income to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or otherwise converted into money.

4.2.v.h As per section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing the return of income for that year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and, accordingly, his total income for that assessment year will be computed in accordance with the other provisions of the Act.

4.2.vi. Any income of minor children clubbed with the total income of the parent under section 64(1A) of the IT Act, will be exempt from tax to the extent of Rs. 1,500 per minor child under section 10(32) of the IT Act.

4.3 Tax Benefits available to Foreign Institutional Investors (FIIs)

4.3.1 Dividend income:

Dividend (both interim and final) income, if any, received by the shareholder from the domestic Company shall be exempt under Section 10(34) with Section 115O of the Act.

4.3.2 Capital Gains:

i. Under Section 115AD, income (other than income by way of dividends referred in Section 115-O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable SC & EC). No deduction in respect of any expenditure /allowance shall be allowed from such income.

ii. Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB), shall be taxable as follows:

As per section 111A, STCG arising on transfer of securities where such transactions is chargeable to STT, shall be taxable at the rate of 15% (plus applicable SC and EC). STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable SC & EC)

LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10% (plus applicable SC & EC). The benefit of indexation of cost of acquisition, as mentioned under 1st and 2nd proviso to section 48 would not be allowed while computing the capital gains.

4.3.3. Exemption of capital gains from Income tax

4.3.3.i. LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Act.

4.3.3 ii. Benefit of exemption under Section 54EC shall be available as outlined in Paragraph 1(B)(ix) above.

4.3.4 Security Transaction Tax:

Benefit as outlined in Paragraph 4.1.iv above are also available to FIIs.

4.3.5 Tax Treaty Benefits

As per Section 90 of the Act, a shareholder can claim relief in respect of double taxation, if any, as per the provisions of the applicable double tax avoidance agreements.

4.4 Tax Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, the Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions.

4.5 Tax Benefits available to Venture Capital Companies/Funds

As per the provisions of section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and

- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking,

is exempt from income tax. However, the income distributed by the Venture Capital companies/funds to its investors would be taxable in the hands of the recipients.

5. Wealth Tax Act, 1957

Shares in a Company held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a Company.

6. The Gift Tax Act, 1957

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift tax.

However, any transfer of shares made subsequent to October 1, 2009 without adequate consideration to an individual or HUF will be taxable in the hands of the transferee under the newly inserted clause (vii) under section 56(2) of the Income Tax Act, 1961 subject to prescribed conditions.

7. Security Transaction Tax (STT)

STT in respect of any taxable securities transaction shall be collected from the seller or the buyer, on the value of such transaction, by every recognized stock exchange or the prescribed person in case of any Mutual Fund, at the rate specified in section 98 of the Act

8. Notes:

a) All the above benefits are as per the current tax laws and will be available only to the sole/first named holder in case the shares are held by joint holders. Some or all of the tax consequences may be modified or amended by future amendments to the tax laws.

b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

d) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

OUR BUSINESS

Overview

We are the flagship company of the Adani Group, a leading business conglomerate in India. We operate in a diverse range of sectors such as power project development, coal mining, commodities trading (focussed on coal), real estate development, agro-processing, city gas distribution and logistics. We had total revenues (revenue from sales and operating income) of Rs. 26,258.28 crores for Fiscal 2009.

Our trading business includes trading in coal, power, agro-commodities, ferrous scrap and precious metals. We are one of the largest traders of coal in India for the year ended March 31, 2009, with coal mining rights both in the international and domestic markets, and according to Central Electricity Regulatory Commission, for the year ended March 31, 2009, we were one of the largest power traders by volume in India. We also operate a shipbreaking yard in the United States and trade in diamonds, gold and jewellery.

Our energy business includes power generation and transmission, oil and gas exploration, coal mining (as mine developer and operator), gas distribution and ship fuelling (or "bunkering"). Our subsidiary, Adani Power is developing six thermal power projects with a combined installed capacity of 9,240 MW and is planning to develop three power projects with a combined installed capacity of 3,960 MW. To further integrate our power trading business, Adani Power is also venturing into power transmission through projects set up by Adani Power and its subsidiaries. In addition, Adani Power has been allocated two coal blocks in India to mine coal for one of its power projects. However, in relation to the Tiroda coal block, the terms of reference submitted under the EIA Notification has been withdrawn by the Government of India due to its proximity to a Tiger conservation reserve and other environmental considerations. Adani Indonesia, our wholly owned subsidiary, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu Island, Indonesia. We have entered into a joint venture agreement with RRVUNL for development and operation of a coal block in Chhattisgarh. We have also received an LOI from Mahaguj Collieries Limited for undertaking development and operation of Machhakata coal block located in Orissa and delivery of coal to designated power plants of Maharashtra Power Generation Company Limited and Gujarat State Electricity Corporation Limited. Further, the Company has received a LOA from Chhattisgarh State Power Generation Company Limited regarding selection as joint venture partner for development, mining and transportation of coal from Parsa coal block. We have entered the oil and gas exploration sector and formed a joint venture, Adani Welspun Exploration Limited (in which the Welspun Group has 35% stake), for oil and gas exploration. We are also involved in the business of bunkering at Mundra port through Chemoil Adani Private Limited, our 50% joint venture with Chemoil Energy Limited, Singapore.

Our real estate business includes development of a township, and residential and commercial projects. We are currently involved in developing a township in Ahmedabad, Gujarat with an approximate saleable area of 41.60 million sq. ft.; a commercial office space of approximately 1.50 million sq. ft. in Mumbai's Bandra-Kurla complex; residential project in Borivali, Mumbai of approximately 1.20 million sq. ft. and a residential-cum-commercial project of approximately 0.7 million sq. ft. in Byculla, Mumbai.

Adani Shipping, a wholly-owned subsidiary of Adani Power Limited has entered into a contract for purchase of two newly-built capesize vessels with expected delivery by December 2010.

Our agro-related business is focused on manufacturing, storage and transportation of various agricultural-based products in India. Through a 50% joint venture with Singapore's Wilmar Group, we also have a significant presence in the Indian edible oil industry and we operate several fully integrated (from oilseed crushing to oil packaging) refineries, with a total refining capacity of 3,590 tpd, crushing capacity of 5,650 tpd and hydrogenation capacity of 525 tpd. We also have a separate captive manufacturing and packaging facility for our products that enables us to lower production costs. Our subsidiary, Adani Agri Fresh has set up modern controlled atmospheric storage facilities for the storage of fruits and vegetables. We have also entered into a 20 year contract with the Food Corporation of India to store and transport food grain.

Competitive Strengths

Diverse portfolio of businesses

We believe that we have developed a balanced and diversified portfolio of businesses that spans across multiple industry sectors. Our trading and agro businesses are complemented with our relatively new businesses, such as power generation and transmission, coal mining, oil and gas exploration and real estate. We believe that a diversified business portfolio such as ours diminishes the risks associated with the specific dynamics, such as seasonality and cyclicality, of any particular industry and simultaneously helps us to benefit from the synergies of operating diverse businesses. Our diversified business portfolio, with businesses that react differently in a variety of market conditions, positions us to perform well. We believe that we have established diversified sourcing and distribution networks and that our industry expertise enables us to effectively capitalize on and manage risks associated with opportunities across markets.

Access to diverse geographic arms and well positioned in targeted geographical markets and products

With the growth of our operations and our foray into new business segments in the recent years, we have been able to access new geographic markets. For example, we have NOCs for distribution of PNG and CNG in Uttar Pradesh, Rajasthan and Gujarat. Further, we have also been also been able to access new sources for procuring industrial or agricultural raw materials. For example, we have entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu island, Indonesia and concessions for oil and gas exploration in Thailand. Our diverse geographical presence enables us to monitor and appropriately respond to global supply and demand imbalances, hedge against risk that may arise from geographic concentration, identify opportunities for strategic investments and enhance strategies for substitution of suppliers.

We believe that we are increasingly becoming a leader within key markets, largely due to our ability to link customer relationships with our expertise in selected geographical markets and products. For example, we believe that we undertake significant trading of coal, metal scrap, agro-commodities and industrial raw materials. We believe that we have adequate logistical resources in India, including rail linkages and port infrastructure, operated by group companies, as well as international experience in sourcing and transporting a variety of commodities. We believe that these resources enable us to become a leading market participant in our targeted markets and enable us to leverage our global commodities sourcing network to provide our customers with value-added services.

Adaptable business structure

We have the ability and expertise to leverage our existing assets and experience to expand our product categories, geographical coverage and market presence to cater to increases in demand. For example, we undertake both coal mining and coal trading, which can assist in addressing demand for coal for the power projects operated by us. Additionally, we also undertake oil and gas exploration which may, in the future, enable us to address any PNG/CNG demands from our gas distribution business. We believe that our synergies across diverse business segments provide us with the ability to adapt our business operations in accordance with the opportunities available in a given business segment.

Ability to identify new business opportunities

In addition to our trading business, we have focused on emerging or new businesses such as our property development business, power generation and transmission, oil and gas exploration and coal mining businesses. We have also entered into joint ventures and strategic alliances with market leaders to grow our businesses. For example, we have entered into joint ventures for developing our coal mining, edible oil, bunkering and oil and gas exploration businesses. We continually seek to identify and enter into business activities that we consider to be high growth businesses, such as infrastructure and energy business. We believe that our ability to identify new business opportunities and partners has resulted in synergies in our diverse businesses. We will continue to identify new business opportunities and will continue to enter into strategic alliances and relationships to maintain our market leadership across our various businesses.

Strong brand recognition, goodwill and customer relationships

One of our key strengths is our affiliation and our relationship with the Adani group of companies and the strong brand equity generated from the "Adani" brand name. We have also been successful in creating strong and distinct brands in India for certain business segments through continued efforts towards brand development. For example, "Fortune", "Naturalle", "Raag" for edible oils and "FARM-PIK" for apples and other fruits are well recognised. We believe that the over the years "Adani" brand has evolved to signify timely delivery and consistent quality of products and services. We believe that goodwill and reputation represent important intangible assets, which enable us to gain access to new markets, attract and retain well qualified employees and gaining recognition on expanding into new product areas by leveraging our brand equity.

Qualified and skilled employee base and experienced management team

We believe that a motivated and empowered employee base is key to our competitive advantage. As of October 31, 2009, we employed around 3,700 full-time employees across our diversified businesses. The skills and diversity of our employees gives us the flexibility to adapt to the challenging needs of our diverse businesses. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into our organization and encouraging the development of their skills and expertise.

Our well qualified senior management has significant industry experience and has been instrumental in the consistent growth of our revenues. In addition, our Board includes a combination of management executives and independent members that bring significant business experience. We believe that the combination of our experienced Board and our dynamic, forward-looking management team position us well to capitalize on future growth opportunities.

Business Strategy

Evolve from conventional trading to value enhancement through asset creation

We are attempting to redefine our business model by entering into asset based, high margin business and currently investing in sectors such as power generation, coal mining and real estate. We have six power projects under development, with a combined installed capacity of 9,240 MW and expect to source significant coal requirements for power projects under development from our mining business. We are also laying private transmission lines for sale of power generated by us. We anticipate that once our power projects are operational, our experience in power trading and coal trading and mining will enable us to effectively participate in the power sector by becoming an integrated player. Additionally, we are planning to undertake significant capital expenditure, especially in relation to our power generation, coal mining, oil and gas exploration, real estate and agro storage.

TRADING BUSINESS

- Coal
- Power
- Agricultural Products
- Oil and petroleum products
- Metals and minerals

Transition from
TRADING ASSETS
To
OWNING ASSETS

ASSET OWNERSHIP

Coal Mining
- Arrangement to mine coal in Indonesia
- Agreements to operate and develop coal mines in India
- Allocation of captive coal blocks

Power Generation
- 9,240 MW under implementation
- 3,960 MW planned

Real Estate

Projects proposed to be developed in Ahmedabad and Mumbai aggregating a saleable area of approximately 45 million sq. ft.

Agro
- Refining capacity of 3,590 tpd
- Crushing capacity of 5,650 tpd
- Hydrogenation capacity of 525 tpd

Oil and Gas

- City Gas Distribution
- Bunkering
- Oil and gas exploration (6 blocks)

Further, the Board of Directors at its meeting held on October 30, 2009 approved the proposal to evaluate the possibility of merging the promoter entities of Mundra Port and Special Economic Zone Limited ("MPSEZL") with the Company and has empowered a special committee to evaluate the said proposal. In the event that the merger is successful, MPSEZL would become subsidiary of Adani Enterprises Limited. The broad aim of the Company for pursuing this merger is to transform the Company from being a trader of assets to an owner of assets.

Trading is a low margin business, is susceptible to fluctuation in commodity prices and is heavily regulated by the government. In Fiscal 2009, AEL generated approximately 80% of its revenues from trading activities. However, in order to insulate ourselves from the inherent fluctuation in the trading activities, we seek transform ourselves from being a trader of assets to an owner of assets. We seek to leverage our experience in commodities trading and access to commodities including coal, iron ore and steel scrap to evolve into an asset-backed trading entity participating directly in the energy, shipping, agricultural and infrastructure sectors in India and, in certain areas, overseas.

In addition, we undertake shipping and handling business as part of global commodities trading business. We intend to leverage experience in freight and handling to directly enter the shipping business. We have entered into contracts for the purchase of two newly-built capesize vessels with expected delivery by December 2010 for transportation of coal. We are also moving into providing storage and handling capacities for agro-commodities, including foodgrain, fruit and vegetables, and developing commercial and residential property in western India.

Focus on high growth geographical markets

We will continue to focus on markets with high economic growth rates where we believe opportunities for market penetration and expansion of market share and client base exist. In particular, we intend to focus on energy, agro-related and infrastructure driven opportunities in India. We believe our experience in these markets enables us to effectively identify and drive new business opportunities. The combination of our commodities expertise and growing logistics capabilities presents us with opportunities to attain potentially higher operating efficiencies and associated revenue benefits in the Indian markets in which we chiefly operate.

Focus on high value businesses

We will continue to focus on and seek to enter higher value businesses, which we believe present attractive opportunities and enable us to reduce our exposure to the cyclicality of the commodities trading business. We are actively focused on becoming a diversified infrastructure player. In the energy sector, we have commissioned the first 330 MW unit of our power project at Mundra in July 2009 and continue to develop power generation and transmission businesses alongside our existing power trading activities. In the infrastructure sector, we are developing residential and commercial property projects in India. In the agro-related sector, we have entered into storage and transportation of food grain, fruit and vegetables alongside our existing production and sale of edible oils and other agro-commodities. We have entered into a contract for the purchase of two newly-built capesize vessels with expected delivery by December 2010 for transportation of coal. We anticipate that our focus on and entry into these businesses will provide us with opportunities to improve our operating margins.

Pursue strategic alliances, opportunistic acquisitions and undertake suitable restructuring

We intend to pursue alliance opportunities to enhance our capabilities, address specific industry opportunities, develop our technical expertise and price our products more competitively. We demonstrated the capacity to operate joint ventures with partners in businesses such as agro sector and plan to actively explore additional opportunities to form alliances aimed at capturing more of the trading and infrastructure development value chain. We will continue to opportunistically evaluate inorganic growth opportunities, in keeping with our strategy to grow and develop our market share.

Additionally, we may undertake suitable restructuring within our group in order to transform ourselves from being a trader of assets to an owner of assets. The Board of Directors at their meeting held on October 30, 2009 approved the proposal to evaluate the possibility of merging the promoter entities of MPSEZL with the Company and has empowered a special committee to evaluate the said proposal. In the event that the merger is successful, MPSEZL would become subsidiary of Adani Enterprises Limited.

Corporate Structure

We generally control our Indian businesses directly or through our subsidiaries and our international businesses through Adani Global Limited Mauritius ("Adani Mauritius"), our wholly owned Mauritius subsidiary. Adani Mauritius is the holding company of various international operating entities in Singapore, Indonesia, Dubai and the United States.

Principal Subsidiaries and Joint Ventures

The following table sets forth the details of the revenue generated by the Company and its material subsidiaries and joint ventures during the last two fiscal years.

(Rs. in Crores)

Sr. No.	Name	Sales			
		Fiscal 2009		Fiscal 2008	
		Sales	% of total sales	Sales	% of total sales
1.	Adani Enterprises Limited	11,575.05	44.08	11,595.44	59.13
2.	Adani Global Pte. Limited	10,316.77	39.29	6,002.47	30.61
3.	Adani Wilmar Limited (50%)	2,899.61	11.04	1,696.29	8.65
4.	Adani Global FZE	2,167.70	8.26	1,723.56	8.79
5.	Adani Energy Limited	323.94	1.23	246.79	1.26

Adani Agri Fresh Limited ("Adani Agri Fresh"): Adani Agri Fresh is a wholly owned subsidiary of the Company and was incorporated to undertake storage and trading of fruits. Adani Agri Fresh has developed integrated, controlled atmosphere storage facilities in Himachal Pradesh. Adani Agri Fresh contributed approximately 0.35% of our total revenue in the Fiscal 2009.

Adani Agri Logistics Limited ("AAL"): AAL is a wholly owned subsidiary of the Company and was incorporated to undertake the business of bulk food grains handling, storage and transportation. It has entered into an agreement with FCI to develop, design, finance, construct, operate and maintain state-of-the-art grain storage facilities. AAL contributed approximately 0.26% of our total revenue in the Fiscal 2009.

Adani Energy Limited ("Adani Energy"): Adani Energy is a wholly owned subsidiary of the Company and was incorporated to undertake our gas distribution business. It has established gas distribution network in Ahmedabad, Vadodara and Faridabad, and has received NOCs to develop and operate gas distribution network in Noida, Lucknow, Khurja, Udaipur and Jaipur. Adani Energy contributed approximately 1.23% of our total revenue in the Fiscal 2009. The gas distribution business of Adani Energy was demerged into Adani Energy (U.P.) Private Limited (now known as Adani Gas Limited) with effect from January 1, 2007 pursuant to a scheme of arrangement, approved by the High Court of Gujarat through an order dated November 19, 2009.

Adani Gas Limited ("Adani Gas"): Adani Gas is a wholly owned subsidiary of the Company which was incorporated to undertake gas distribution business. The city gas distribution business of Adani Energy was demerged and transferred into Adani Gas with effect from January 1, 2007 pursuant to a scheme of arrangement, approved by the High Court of Gujarat through an order dated November 19, 2009.

Adani Global FZE ("Adani Dubai"): Adani Dubai is a 100% subsidiary of Adani Mauritius. Adani Dubai is engaged in trading commodities, such as coal and metal scrap. It also owns Adani Virginia Inc., a US company that operates a ship breaking yard in the United States. Adani Dubai contributed approximately 8.26% of our total revenue in the Fiscal 2009.

Adani Global Pte Limited ("Adani Singapore"): Adani Singapore is a 100% subsidiary of Adani Mauritius and trades in coal, iron ore, agro-commodities, metal scrap and also imports certain agro-commodities into India. Adani Singapore contributed approximately 39.29% of our total revenue in the Fiscal 2009.

Adani Mining Private Limited ("Adani Mining"): Adani Mining is a wholly owned subsidiary of the Company and was incorporated to undertake coal mining operations. It has entered into coal mining services agreement with Parsa Kente Collieries Limited for undertaking various activities, such as coal mining, obtaining approvals (including approval of mining plan), acquisition of land, setting up washery and construction of railway siding at the mine.

Adani Power Limited ("Adani Power"): Adani Power is our subsidiary and has been incorporated in India to operate and construct power projects. Adani Power currently has six power projects under various stages of development and implementation, which will have a combined installed capacity of 9,240 MW. Additionally, Adani Power is also planning to develop three power projects with a combined installed capacity of 3,960 MW. Adani Power undertook an initial public offer of its 301,652,031 equity shares aggregating to Rs. 3,016.52 crores in July 2009 ("APL IPO"). Pursuant to the APL IPO, the equity shares of Adani Power Limited were listed on the Stock Exchanges on August 20, 2009.

Adani Shipping Pte Limited ("Adani Shipping"): Adani Shipping is a 100% subsidiary of Adani Power and has been incorporated in Singapore to operate our proposed shipping business. Adani Shipping has entered into a contract for the purchase of two newly-built capesize vessels with expected delivery by December 2010 for transportation of coal from the Indonesian coal mines operated by us.

Adani Welspun Exploration Limited ("Adani Welspun"): Adani Welspun is a joint venture in which the Company has a 65% stake and undertakes the business of oil and gas exploration. It has been awarded six exploration blocks in India and abroad.

Adani Wilmar Limited ("Adani Wilmar")**:** Adani Wilmar is our 50% joint venture and has been established to operate our edible oil business in India. Adani Wilmar operates several fully integrated (from oilseed crushing to oil packaging) refineries, with a refining capacity of 3,590 tpd, crushing capacity of 5,650 tpd and hydrogenation capacity of 525 tpd and its “Fortune” brand is a leading edible oil brand. Adani Wilmar contributed approximately 11.04% of our total revenue in the Fiscal 2009.

Chemoil Adani Private Limited (“Adani Chemoil”): Adani Chemoil is a 100% subsidiary of Chemoil Adani Pte Limited, which is a 50:50 joint venture between the Adani Mauritius and Chemoil Energy Limited and undertakes the business of bunkering. Adani Chemoil contributed approximately 0.48% of our total revenue in the Fiscal 2009.

Parsa Kente Collieries Limited (“PKCL”): PKCL is a joint venture of the Company, wherein the Company owns a 74% equity interest for mining coal from Parsa East and Kante Basan coal blocks in Chhattisgarh. PKCL and RRVUNL have entered into a coal mining and delivery agreement pursuant to which PKCL will act as exclusive contractor for mining coal from these blocks and delivering coal to RRVUNL's power stations.

PT Adani Global (“Adani Indonesia”): Adani Indonesia is owned by Adani Mauritius and Adani Singapore and has been set up in Indonesia to undertake our coal mining business through contractual arrangements with Indonesian entities. Adani Indonesia will carry out mining in the island of Bunyu in a concession spread over 1,000 hectares.

Description of our Businesses

We have interests in four business sectors: energy, agro, real estate and metals and minerals.

Energy Business

Our energy business includes power generation, coal mining, power and coal trading, gas distribution, oil and gas exploration and petroleum products.

Power Generation

We intend to capitalize on the emerging opportunities in the Indian power generation sector, which are being driven by the current and expected demand and supply imbalance in India. Our Mundra power project is located in Gujarat, and the Tiroda Power Project is located in Maharashtra. These states are leading industrial states in the Western part of India with high power demand, and they are currently experiencing a significant power deficit.

We are currently developing power projects through our subsidiaries, Adani Power, Adani Power Maharashtra Limited and Adani Power Rajasthan Limited in the states of Gujarat, Maharashtra and Rajasthan. Adani Power undertook an initial public offer of its 301,652,031 equity shares aggregating to Rs. 3,016.52 crores in July 2009 (“APL IPO”). Pursuant to the APL IPO, the equity shares of Adani Power Limited were listed on the Stock Exchanges on August 20, 2009.

These power projects in Gujarat, Maharashtra and Rajasthan are currently under various stages of development and implementation, with a combined installed capacity of 9,240 MW. In addition, we are also planning to develop three power projects with a combined installed capacity of 3,960 MW. We intend to sell the power generated from these projects under a combination of long-term power purchase agreements to industrial and state-owned consumers and on merchant basis.

Our power projects are being developed as follows:

- Mundra phase I and II power project (“Mundra I and II”) will have four sub-critical generation units of 330 MW each, with combined capacity of 1,320 MW. The boiler, turbine and generator (“BTG”) package for Mundra I and II was awarded to Sichuan Machinery and Equipment Import and Export Company Limited and Kowa Company Limited, respectively. The first 330 MW unit of Mundra I and II was commissioned in July 2009 and we currently expect that the power project will be fully commissioned by May 2010. We have executed a long-term power off-take agreement dated February 6, 2007 with GUVNL. In terms of the agreement, 500 MW of power is to be supplied by February 6, 2010, pursuant whereto we have commenced the supply of power to GUVNL. Additionally, 500 MW of power is to be supplied by June 6, 2010 or date of the commercial operation of the Phase II power project, whichever earlier. The term of this agreement is 25 years from respective date of supply of power. Pursuant to the off-take agreement, GUVNL is entitled to the supply of 1,000 MW of electricity at a tariff ranging from Rs. 2.81 per unit for the first year to Rs. 3.42 per unit in the 25th year.

The total investment required for the Mundra I and II is expected to be Rs. 4,350.00 crores. The equity contribution of Rs. 706.00 crores has been fully funded by its promoters and other strategic investors. The balance funding requirement of approximately 83.8%, which amounts to Rs. 3,644.00 crores of the project cost has been obtained through secured debt financing from a consortium of lenders.

- Mundra phase III power project ("Mundra III") will have two super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. The engineering, procurement and construction ("EPC") contract for Mundra III was awarded to SEPCO-III Electric Power Construction Corporation and Shandong Tiejun Electric Power Engineering Company Limited. We currently expect that the first 660 MW unit of Mundra III will be commissioned by January 2011, and that the power project will be fully commissioned by June 2011. We had executed a long-term power off-take agreement dated February 2, 2007 (the "Mundra III PPA") with GUVNL for selling 1,000 MW of power for a term of 25 years from the date of commercial operation of the last of the two units of the power project at a fixed tariff of Rs. 2.35 per unit. The Company has, however, terminated the Mundra III PPA through letter dated December 28, 2009, pursuant whereto GUVNL has filed a petition before the Gujarat Electricity Regulatory Commission ("GERC") against Adani Power Limited for adjudication of the dispute. The matter was heard on February 22, 2010 and thereafter Adani Power Limited filed its reply on March 8, 2010. For further details of the petition, see the section "Outstanding Litigation and Defaults – Cases filed against APL" on page 190.The Company has entered into an agreement dated March 24, 2008 with Adani Power for purchasing up to 221 MW of surplus power from Mundra III on merchant basis. Such power will be purchased by the Company at market rates for a period of 15 years from the commercial operations date of the power project.

  The total investment required for the Mundra III is expected to be Rs. 5,796.00 crores. We have arranged financing of approximately 75.05% of the cost of this power project which amounts to approximately Rs. 4,350.00 crores through third party debt. The equity contribution of Rs. 1,005.00 crores has been funded by it promoters and strategic investors as on June 30, 2009. The balance is expected to be funded through equity contribution by our Promoters, strategic investors and internal accruals. Further, Adani Power has entered into financing arrangements for secured debt amounting to Rs. 4,243.00 crores with a consortium of lenders. It has also obtained subordinate debt of Rs. 107.00 crores from a consortium of lenders.

- Mundra phase IV power project ("Mundra IV") will have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. The EPC contract for Mundra IV was awarded to SEPCO-III Electric Power Construction Corporation and Shandong Tiejun Electric Power Engineering Company Limited. We currently expect that the first 660 MW unit of Mundra IV will be commissioned by August 2011, and that the power project will be fully commissioned by April 2012. We have executed long-term power off-take agreements with Uttar Haryana Bijli Vitran Nigam Limited ("UHBVNL") and Dakshin Haryana Bijli Vitran Nigam Limited ("DHBVNL"), each dated August 7, 2008, for the sale of a total of 1,424 MW of power generated at Mundra IV at a tariff ranging from a maximum of Rs. 3.26 per unit to a minimum of Rs. 2.35 per unit.

  The total investment required for the Mundra IV is expected to be Rs. 8,960.00 crores. Adani Power has entered into a rupee denominated senior debt agreement dated June 24, 2009 for Rs. 6,720.00 crores and for a subordinate debt of Rs. 448 crores with a consortium of lenders. As at August 31, 2009, equity contribution of Rs. 1,405.99 crores has been funded through equity contribution by its promoters, strategic investors and the issue proceeds of its initial public offer of its equity shares. The balance is expected to be funded through equity contribution by our Promoters, strategic investors and internal accruals.

- Tiroda power project, which is being developed by Adani Power Maharashtra Limited ("APML") (a 87.26% subsidiary of Adani Power), will have five super-critical generation units of 660 MW each, with combined capacity of 3,300 MW. For the first three super-critical generation units, the BTG package was awarded to Sichuan Machinery and Equipment Import and Export Company Limited and the supply, erection, testing and commissioning of the power project will be done by Sichuan Fortune Project

Management Limited. We currently expect that the first 660 MW unit of Tiroda Power Project will be commissioned by July 2011 and that the power project will be fully commissioned by July 2013. We have executed a long-term power off-take agreement dated September 8, 2008 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") for selling up to 1,320 MW of electricity for a term of 25 years from the date of commercial operation of the third unit of the power project at a tariff ranging from Rs. 2.55 per unit for the first year to Rs. 3.47 per unit in the 25th year.

The total investment required for the Tiroda power project is approximately Rs. 15,863.00 crores. The total expected cost for phase I of the project is Rs. 6,560.00 crores of which APML intends to finance approximately 80% from third party debt. The balance is expected to be funded through equity contribution by its promoters and strategic investors, and the issue proceeds of its initial public offer of its equity shares. APML has entered into a senior debt agreement for phase I dated January 30, 2009 of Rs. 4,920.00 crores and subordinated debt of Rs. 328.00 crores with a consortium of lenders. The total expected cost for phase II of the project is Rs. 2,703.00 crores of which APML intends to finance approximately 80% from third party debt. The balance is expected to be funded through equity contribution by its promoters and strategic investors, and the issue proceeds of its initial public offer of its equity shares. The balance is expected to be funded through equity contribution by its promoters and strategic investors. APML has entered into a senior debt agreement for phase II dated September 16, 2009 of Rs. 2,017.00 crores and subordinated debt of Rs. 135.00 crores with a consortium of lenders. The total expected cost for phase III of the project is Rs. 6,600.00 crores of which APML intends to finance approximately 80% from third party debt.

- Kawai power project, which is being developed by Adani Power Rajasthan Limited ("APRL") (a 100% subsidiary of Adani Power), will have two super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. The Company has yet to award the EPC contract. We currently expect that the first 660 MW unit will be commissioned by April 2013, and that the power project will be fully commissioned by August 2013. Adani Power Rajasthan Limited has entered into a power purchase agreement dated January 28, 2010 with Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vitran Nigam Limited for procurement of 1,000 MW power and an additional 200 MW (subject to approval of the Rajasthan Electricity Regulatory Commission) on a long term basis.

  The total investment required for the Kawai power project is approximately Rs. 6,930.00 crores. The total expected cost the project intends to finance approximately 80% from third party debt. The balance is expected to be funded through equity contribution by its promoters and strategic investors.

We are also planning to develop three more power projects at Dahej and Chhindwara. Dahej power project is a proposed coal- based power project with an aggregate capacity of 2,640 MW and is proposed to be developed by Adani Power Dahej Limited, which is a wholly owned subsidiary of Adani Power. Further Adani Power has received a LOI dated February 4, 2010 from M.P. Power Trading Company Limited to set up a 1,320 MW thermal power project based on super critical technology at Chhindwara in the State of Madhya Pradesh. In terms of the LOI, the commercial operation of the first unit of the power project at Chhindwara should be achieved within 42 months from the date of the LOI. The power purchase agreement for the power generated from this project is expected to be executed within 60 days from the date of the said LOI.

Coal mining

We seek to backward integrate our coal trading business by commencing coal mining operations in India and internationally. Our coal mining business involves the mining, processing, and the acquisition, exploration and development of mining assets.

RRVUNL has been allocated the Parsa East and Kante Basan coal blocks at Chhattisgarh. The mines have estimated coal reserves of approximately 452 MMT. We entered into a joint venture agreement with RRVUNL and formed Parsa Kente Collieries Limited, wherein we own a 74% equity interest for mining coal from these blocks. We also entered into a coal mining and delivery agreement between RRVUNL and Parsa Kente Collieries Limited on July 16, 2008, pursuant to which we will act as exclusive contractor for mining coal from these blocks and delivering coal to RRVUNL's power stations. This agreement is valid for a period of 30 years from the date of signing of the agreement and we expect to start mining and delivering coal from June 2011 onwards. In addition, we have been granted clearance from the Ministry of Railways for the movement of coal from the coal blocks at Kante Basan and Parsa East to the power plants of RRVUNL. Further, Adani Mining Private Limited has entered into a coal mining services agreement dated July 29, 2009 with Parsa Kente Collieries Limited for undertaking various activities, such as activities obtaining approvals (including approval of mining plan), acquisition of land, setting up washery and construction of railway siding at the mine.

We recently received a letter of intent ("LoI") dated May 20, 2009 from Mahaguj Collieries Limited, for the development of the Machhakata coal block in Orissa. This entails the mining of coal from the coal block and supplying the designated power plants of Maharashtra Power Generation Company Limited and the Gujarat State Electricity Corporation Limited. Additionally, the Company has received a LOA dated October 20, 2009 (the "Chhattisgarh LOA") from Chhattisgarh State Power Generation Company Limited ("CSPGCL") regarding selection as joint venture partner for development, mining and transportation of coal from Parsa coal block. In terms of the Chhattisgarh LOA, CSPGCL will hold 51% cashless equity in the joint venture company formed and the Company will hold 49%. The Company will be responsible for the successful mine development and operation of the coal block. The coal from the mine will be utilized by CSPGCL for its own thermal power project.

Adani Indonesia has entered into agreements to exclusively mine coal in Bunyu island, Indonesia. In this area independent surveys indicate substantial potential coal reserves, amounting to approximately 140 MMT with an average GCV of 5,200 Kcal/kg.

We believe that our coal mining business will enable us to better access the supply end of the value chain in our coal trading business and better insulate it from volatility in international coal prices.

Our revenue from coal mining was Rs. 53.88 crores (approximately 0.21% of total revenues) and Rs. 2.46 crores in the Fiscal 2009 and Fiscal 2008, respectively.

Power trading

We undertake power trading activities through a division of the Company. We have been designated as a "Category I" (earlier Category "F") power trader by CERC until 2029, unless revoked earlier and benefit from a priority in booking power transmission corridors. Pursuant to this license, we can undertake trading of any volume of electricity during each year throughout whole of India. Currently, our power trading business involves making purchases of surplus power and selling this surplus to other electricity boards that are in deficit.

Further, we have obtained membership of first power exchange in India, Indian Energy Exchange Limited ("IEX") and as at March 31, 2009 held 12,50,000 equity shares of IEX. IEX allows us to trade energy units online and has widened the scope of our trading business. We also plan to explore power trading avenues with the neighbouring countries.

Our revenue from power trading was Rs. 2,051.67 crores (approximately 7.81% of total revenues) and Rs. 771.56 crores (approximately 3.93% of total revenues) in the Fiscal 2009 and Fiscal 2008, respectively.

Coal trading

We undertake our coal trading business through a division of the Company, Adani Dubai and Adani Singapore. We believe that we were the largest importer and one of the largest traders of coal in India for the year ended March 31, 2009. In Fiscal 2009, we imported approximately 18.67 MMT of coal. We source coal mainly from suppliers in Indonesia and South Africa. The GCV of coal from these regions is higher than that of coal mined in India, which stimulates relatively high demand for our coal in India particularly for use in larger power generation plants. We have also entered into long-term strategic arrangements for supply of imported coal, which has lesser ash content and better calorific value with holders of long-term exploitation licenses in Indonesia.

Our revenue from coal trading was Rs. 9,415.37 crores (approximately 35.86% of total revenues) and Rs. 2,696.17 crores (approximately 13.75% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

City gas distribution

Our city gas distribution business is undertaken through Adani Gas Limited ("Adani Gas"). We endeavour to provide safe, convenient, reliable and environment friendly fuel (piped natural gas ("PNG") and compressed natural gas ("CNG")) to the industrial, commercial, household and transport sectors. Adani Gas has already set up a gas distribution network of approximately 313 km of steel pipeline network, approximately 1,600 km of polyethylene network and 56 CNG stations for Ahmedabad and Vadodara (which are two of Gujarat's most industrialized and commercial districts) and Faridabad, in Haryana. Adani Gas is targeting to serve more than 400 industrial units, 58,000 households, 510 commercial units and automobiles in these cities through its infrastructure network.

Adani Gas has received "No Objection Certificates" to develop, finance, construct, own, operate and maintain city gas distribution projects in Noida, Lucknow and Khurja in Uttar Pradesh, and Udaipur, Jaipur in Rajasthan. It has already initiated the infrastructure development in these cities to meet the fuel needs of industrial, domestic, commercial and transport sectors. Pursuant to the enactment of the Petroleum and Natural Gas Regulatory Board Act, 2006, Adani Gas has applied to Petroleum and Natural Gas Regulatory Board for authorisation of its operations in Noida, Lucknow, Khurja, Udaipur and Jaipur.

Our city gas distribution business was demerged and transferred to Adani Gas from Adani Energy Limited ("Adani Energy"), pursuant to a scheme of arrangement, approved by the High Court of Gujarat through an order dated November 19, 2009. Pursuant to the scheme of arrangement, the gas distribution division of Adani Energy, dealing in supply of gas (piped and compressed) to industrial, domestic, commercial and CNG segment became vested in Adani Gas, with effect from January 1, 2007.

Our revenue from city gas distribution was Rs. 323.94 crores (approximately 1.23% of total revenues) and Rs. 246.79 crores (approximately 1.26% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Oil and gas exploration

As part of our integrated strategy we have entered the oil and gas exploration sector and formed a joint venture, Adani Welspun Exploration Limited ("Adani Welspun") in which we have a 65% stake. Adani Welspun was awarded petroleum concessions of two onshore blocks, L39/48 and L22/50 with a total area of approximately 3,975 square km. and 3,947 square km. respectively, for a period of six years by the Ministry of Energy of the Government of Thailand. L39/48 exploration was awarded through concession agreement dated April 20, 2007 (as amended through supplementary agreement dated January 24, 2008) and L22/50 was awarded through concession agreement dated January 21, 2008.

The Company (in a consortium with Naftogaz India Private Limited, Adani Infrastructure Services Private Limited ("Adani Infrastructure") and Welspun Plastics Private Limited) have entered into a production sharing agreement for the block at Margherita, Assam of approximately 95 square kms. in Assam with the Government of India under NELP VI. The Company (in a consortium with Naftogaz India Private Limited, Adani Infrastructure and Welspun Natural Resources Private Limited) has, further entered into a production sharing agreement for the Palej block of approximately 75 square kms. in Bharuch and Vadodara districts, Gujarat with the Government of India under NELP VI. The Company owns a 35% participating interest in production from the block and Adani Infrastructure has a 20% participating interest; the agreement allows each participant to receive its participating interest share of income and provides for the obligation to contribute its participating interest share of costs and expenses for production. The Company, Adani Infrastructure and Welspun group companies have applied for the transfer of their respective participating interests in the Palej and Assam blocks to Adani Welspun. Pursuant to the said transfer, Adani Welspun's participating interest in the said blocks would be 90%.

On December 22, 2008, Adani Welspun was awarded an offshore block located in the north-west of the Surat Depression of the Mumbai Offshore Basin, pursuant to which Adani Welspun has entered into a production sharing contract with the Government of India. The block covers an area of approximately 1,191 square km and its water depth is approximately 50 meters.

Adani Welspun (in consortium with Gujarat State Petroleum Corporation) was also awarded an offshore block of approximately 108 square km in the Gulf of Suez, Egypt, where it has a partnership with the Gujarat State Petroleum Corporation Limited. Adani Welspun has a 40% participating interest in the block and is a non-operator.

Bunkering

We are a registered bunker supplier for the Mundra port in Gujarat. We have leased one floating barge with an approximate capacity of 3,000 metric tonnes, which we use to refuel large vessels anchored off the Mundra port. In order to extend our bunkering business in various ports of India, we have formed a joint venture in Singapore with Chemoil Energy Limited whereon we have 50% equity participation. Our revenue from bunkering business was Rs. 854.49 crores (approximately 3.25% of total revenues) and Rs. 524.74 crores (approximately 2.68% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Real Estate

We entered the real estate sector through our subsidiary, Adani Infrastructure and Developers Private Limited ("AIDPL"). AIDPL is the holding company of our real estate business and each project is undertaken through separate SPVs. It has an area of approximately 45 million square feet under development. AIDPL is undertaking development of township, commercial and residential space in Mumbai and Ahmedabad. The break-up of the development activities undertaken by ADIPL is as follows:

Shantigram Township, Ahmedabad	-	41.60 million square feet
BKC Commercial Development, Mumbai	-	1.50 million square feet
Khatau Mill Development at Byculla and Borivali, Mumbai	-	1.90 million square feet

Integrated township

Our subsidiary, AIDPL owns 75% interest in the partnership firm, Adani Township and Real Estate Company, which is developing a township in Ahmedabad named as "Shantigram". The project is expected to have 41.6 million square feet of saleable area. The project will involve residential, commercial and community development. The project is expected to provide amenities such as recreation, sports and leisure. The project is also expected to include various public utility infrastructure including parks, golf course, golf promenade, cricket field, athletic field, social club, bus terminals, schools, hospitals, petrol pumps and other facilities. Further, the township is being developed with environment friendly initiatives, such as zero discharge of sewage, recycling of water and utilisation of solar energy for street lighting. The construction of the project will commence upon receipt of requisite approvals.

Commercial

Bandra Kurla Complex ("BKC") is being developed as an integrated prime commercial property in Mumbai. We are developing 1.50 million square feet of commercial space (saleable area) in BKC. The site is located at the International Finance and Business Centre and we propose to develop commercial multi-storey towers. The construction of the project has commenced and we expect to complete the project by 2012.

Commercial and residential

We are planning to develop a residential complex in Borivali, Mumbai of an area of approximately 1.20 million square feet and a residential cum commercial complex in Byculla, Mumbai of an area of approximately 0.70 million square feet both of which are part of MLDP, through a joint venture company, Swayam Realtors and Traders Limited. We own 60% equity interest in the joint venture company. We expect to commence the construction of this project in the fiscal year 2010.

Agro

Edible oil

We entered edible oil refining business through a 50:50 joint venture company, Adani Wilmar. We buy oil seeds in India, crush them and sell the extracted oil domestically and internationally. We also export the de-oiled cake, which can be used as fertilizer or cattle feed.

Our "Fortune" brand products are available in a range of edible oils including, soya oil, sunflower oil, groundnut oil, non-refined mustard oil and cotton seed oil. Other growing brands of Adani Wilmar are "Avsar", "Jubilee", "OMG 3", "Sania" and "Raag". During Fiscal 2008, Adani Wilmar added coconut oil to its product basket under the name "Naturelle." In India, Adani Wilmar has also added Vanaspati Ghee under its "Raag" brand and bakery shortening under its "Jubilee" brand to its product basket.

Adani Wilmar has refineries and crushing plants at Mundra, Mantralayam, Kadi, Bundi, Nagpur, Shujalpur, Neemuch, Chhindwara and Haldia. Adani Wilmar has spread its distribution network across India and exports to around 19 countries in the Middle-East, South East Asia and East Africa. Adani Wilmar has a distribution network spread across India.

Our revenue (from our share of 50% in Adani Wilmar) from edible oil business was Rs. 2,899.61 crores (approximately 11.04% of total revenues) and Rs. 1,696.29 (approximately 8.65% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Agro-commodities trading

We believe we are a leading agro-commodities trader and have a diverse product mix, which includes food grains, pulses, soya meal and castor meal. Adani Singapore imports pulses from Thailand, Malaysia and Vietnam, which are sold to large trading houses in India. We also trade domestically in wheat, maize and sorghum. Our agro-commodities trading generated revenues of Rs. 2,882.09 crores (approximately 10.98% of total revenues) and Rs. 4,849.00 crores (approximately 24.73% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Agro-storage business

Our subsidiary, Adani Agri Fresh Limited ("Adani Agri Fresh") has been developing logistics integrated storage, handling and transportation infrastructure. Adani Agri Fresh has set up modern controlled atmospheric storage facilities for the storage of fruits and vegetables at three locations, Rewali, Sainj, and Rohru in Himachal Pradesh with a combined capacity of approximately 18,000 metric tonnes. Adani Agri Fresh also plans to roll out pack house facilities in Maharashtra, Gujarat, Andhra Pradesh and Karnataka in a phased manner for fruits, such as grapes, pomegranates and banana. Adani Agri Fresh has already set up a marketing network in major towns across India for wholesale, cash and carry and organized retail.

Adani Agri Fresh concentrate on products that are produced far from major consumption centers, are seasonal in nature and are amenable to increases in storage life using modern integrated cold chain facilities. This has enabled Adani Agri Fresh to leverage its logistics strength while at the same time take advantage of controlled atmospheric storage technology to arbitrage on the price differential between peak and off peak prices. During Fiscal 2009, Adani Agri Fresh handled 21,718 metric tonnes of fruits and vegetables. Our revenue from agro-storage business was Rs. 92.38 crores (approximately 0.35% of total revenues) and Rs. 26.33 crores (approximately 0.13% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Agro-supply business

Our subsidiary, Adani Agri Logistics Limited ("Adani Logistics") had entered into an agreement dated June 28, 2005 with the Food Corporation of India to implement a bulk food grains handling, storage and transportation network on a commercial Build, Own, Operate ("BOO") basis. Pursuant to the terms of the agreement, Adani Logistics will develop, design, finance, construct, operate and maintain state-of-the-art facilities at seven locations across India, including Moga, Kaithal, Hooghly, Navi Mumbai, Chennai, Coimbtore and Bangalore. Adani Logistics plans to create more storage capacities and related infrastructure at multiple locations across India to expand its business.

Our revenue from agro-supply business was Rs. 67.01 crores (approximately 0.26% of total revenues) in the Fiscal 2009.

Metals and minerals

Ship dismantling business

Adani Virginia Inc. operates, through its subsidiary, one of six US Maritime Administration-approved ship dismantling yards in the United States. We sell the metal scrap recovered from our ship dismantling operations.

Our ship dismantling business generated revenues of Rs. 50.13 crores (approximately 0.19% of total revenues) and Rs. 39.80 crores (approximately 0.20% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Minerals

We trade in iron ore and export a substantial amount of the same through a dedicated port in Karnataka. Iron ore is procured from mines in proximity to the port. We also import ferrous scrap from North America and Western Europe, which is sold to large steel mills in India.

Our trade in minerals contributed revenues of Rs. 1,305.30 crores (approximately 4.97% of total revenues) and Rs. 2,312.50 crores (approximately 11.79% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Gems and precious metals

We trade in cut and polished diamonds, gold and gold jewellery. We buy polished diamonds in the Middle East and sell them to jewellery manufacturers primarily in Singapore and also buy and sell unbranded diamonds in bulk.

Our revenues from trade in diamonds, gold and jewellery products amounted to Rs. 5,101.48 crores (approximately 19.43% of total revenues) and Rs. 5,000.20 crores (approximately 25.50% of total revenues) in Fiscal 2009 and Fiscal 2008, respectively.

Infrastructure

We operate the fair weather, lighterage Belekeri port on India's west coast. The port measures 62,140 square meters and has been taken on a 30 year lease. The Belekeri port offers cargo handling services for bulk carriers, a storage area of 120,000 square meters and a stacking capacity of 500,000 tonnes of iron ore. The Belekeri port has a jetty capacity of over 40,000 tpd and employs six barges with a total capacity of 13,200 dead weight tonnage.

Properties

We own and lease various properties for our corporate operations and undertaking our businesses. We own our registered office located at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat.

Competition

The businesses we are engaged in are highly competitive and we have competitors in each of our major businesses on a local, regional, national and international level. Although barriers to entry are high in a number of our businesses due to the costs associated with sourcing commodities and managing their transportation, we face additional competition from new entrants and from our existing customers who are becoming more involved in sourcing to satisfy their own supply requirements. The markets for our metals, minerals, ores, agro-commodities and energy products are also price competitive and sensitive to product substitution. In many of these businesses, our competitors have greater economies of scale and are also more vertically integrated, and generally not only act as commodities merchants but also as processors, which allow them to make a higher margin. Competition with these and other suppliers, processors and distributors is based on price, quality of service and geographic location.

Our principal competitors in the Indian energy trading sector include the Power Trading Corporation of India, Tata Power and Reliance Energy (for power) and Bhatia Coal and Crescent Organics (for coal). Our principal agro-commodity competitors include ITC Limited, Noble Group, Cargill India and Ruchi Soya. Our principal metals and minerals competitors include Cargill India, Rizeo Steels, Baosteels and Karnataka Mines and Minerals.

We face competition in power generation from companies such as National Thermal Power Corporation, Reliance Energy Limited, Tata Power Limited, Essar Power (Gujarat) Limited, JSW Energy Limited and KSK Energy Ventures Limited.

Regulation and Environmental Matters

Our businesses are subject to a range of international, state and local rules and regulations.

Trading: Our trading activities in this business sector are not subject to material regulatory control in the countries in which we operate. Our mining activities in Indonesia and India are subject to national and state laws relating to the exploitation, control and export of mineral resources. We are subject to regulation under the laws of the jurisdictions in which we trade agro-commodities. These regulations govern various aspects of our business, including storage, processing and distribution of agricultural commodity products and food handling and storage. We are required to obtain and maintain statutory and regulatory permits and approvals to operate this line of our business. In addition, our facilities are subject to periodic inspection by governmental agencies.

Energy: In the energy sector, rules and regulations, including fire and safety regulations, govern our operations and the storage, transportation and handling of products related to these operations, such as chemical products. Furthermore, the Indian power sector is heavily regulated and various other aspects of our operations, such as power tariffs, equipment imports, profit margins and payment terms, are subject to legislative and regulatory controls.

Environmental: We are subject to various environmental protection laws and regulations in the jurisdictions in which we operate, including laws and regulations related to the emission and discharge of substances, remediation of contaminated soil and groundwater and waste handling and disposal. We are also subject to a number of occupational health and safety laws and regulations. We handle and dispose of materials and wastes classified as hazardous or toxic in several of our business lines and incur costs to comply with applicable health, safety and environmental regulations.

Future actions by national, state, local and foreign governments concerning environmental matters could result in new laws or regulations, changes to existing laws or regulations, new interpretations of existing laws or regulations, or more vigorous enforcement that could materially increase the cost of production activities or otherwise adversely affect demand for products.

Employees and Labour Relations

As of October 31, 2009, we had approximately 3,700 full-time employees for our Indian and overseas operations, respectively. Currently, our employees are not represented by any labour unions.

In addition to a base salary and ad hoc performance linked incentives, we provide a number of benefits to our employees, such as medical expenses, housing or rent assistance, annual leave, provident fund, interest free personal loans and gratuity schemes.

HISTORY AND CORPORATE STRUCTURE

The Company was originally established as a partnership firm in 1988. The Company was, thereafter, converted into a joint stock company as Adani Exports Limited. Adani Exports Limited was granted the certification of incorporation and certificate of commencement of business on March 2, 1993 and March 4, 1993, respectively by the RoC. The Company undertook initial public offer of its equity shares in September 1994. Subsequently, the Company changed its name to Adani Enterprises Limited and consequent thereto, it was granted a fresh certificate of incorporation by the RoC on August 10, 2006. The Equity Shares of the Company are listed on the BSE and the NSE. The registered office of the Company is located at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The Company is registered with the RoC under the CIN: L51100GJ1993PLC019067.

The objects of the Company are:

The main objects of the Company as contained in our Memorandum of Association are as follows:

1. To organise and effect exports from India of such goods and commodities as are manufactured, produced or otherwise available in the State of Gujarat and elsewhere in the Country and to import into the Country such goods and commodities as the Company may from time to time determine.

2. To purchase, sell and undertake general trade in such goods and commodities.

3. To serve as a channel for the outflow of goods to the export market and to take such steps as may be considered necessary by the company to promote export and to serve as a channel for the inflow of the goods imported by various Agencies.

4. To maintain a well equipped central office in some industrial centre in the State with branches at other places for effective export drive.

5. To co-ordinate the activities of exporters with the various Export Promotion Councils and Commodity Boards in respect of entitlements, drawbacks and other export incentives so that lack of knowledge or lack of availability of these facilities does not come in the way of export promotion activity.

6. To arrange combined participation of industries in the State in fairs and exhibitions in India and abroad.

7. To re-orient industries in relation to export markets.

8. To start common facility centres for various industries where exporters can get drawings, design, dyes, tools.

9. To start, finance or participate in export based industries.

10. To do all or any of the above things as principals, agents, trustees, corporation, contractors, and by through trustees, agents, corporations, contractors, or otherwise and either alone or in conjunction with any other or others.

11. To form, promote, subsidise, organise and assist or aid in forming, promoting, subsidising, organising or aiding companies, syndicates and partnerships of all kinds for the purpose of acquiring and undertaking any properties and liabilities of this company may think expedient.

12. To take such steps as may be necessary to give the company the same rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.

13. To carry on the business as export house, import house and to deal in all and any kind of goods.

14. To carry on the business of purchase and sale of all forms of electrical power, both conventional and non-

conventional and also to supply, import and export or otherwise deal in all forms of electrical energy in all aspects.

Without prejudice to generality of the above functions, of the Company shall carry out the business of:

i. Purchase of all forms of power/electricity from Independent Power Producers (IPPs), Captive Power Plants, Other Generating Companies, Transmission Companies, State Electricity Boards, State Governments, Statutory bodies, Licensees, Power utilities and to procure it from other sources (whether in Private, Public or Joint Sector Undertaking) including import from abroad.
ii. Sell all forms of electrical power to the State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, Statutory bodies, other organizations and bulk consumers of power etc. whether in private and public sector or joint sector undertakings in India and abroad.
iii. Supply, distribute, export, or otherwise transfer/exchange of electrical power, and
iv. Co-ordinate with all concerned for purchase, import, sale, export, distribute and supply all forms of electrical power, and undertake all connected functions.

15. To carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity and in other forms of energy from any source whatsoever.

16. To establish, operate and maintain generating stations, accumulation, tie lines, substations, workshops, transmission lines and lay down cables and wires.

17. To manufacture, deal in, let on hire, install, repair and maintain plant, machinery, equipment, applicances, components and apparatus of any nature whatsoever used in connection with generation, storage, supply, distributers, application of electrical energy.

18. To plan, promote and take up necessary developmental work, Selection of prospective/establish Independent Power Producers/generating/distribution companies utilities and enter into contracts/Power Purchase Agreements/other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, distribution, optimum utilization of electrical power and its trading.

19. To prospect for, explore, mine, quarry, develop, excavate, dredge for open, work, win, purchase or otherwise obtain, coal and other rights, properties and works.

20. To carry out mining and related activities like survey and preparation plans for mining, exploration, drilling and prospecting, assessment of reserves, preparation of Mine Development Plan, Beneficiation Plan, Environment Management Plan, Logistics Infrastructure Plan. To carry out opencast or/and underground mining, raising of coal or staking the same on surface, sizing of coal in to required size, beneficiation of coal if necessary to achieve lower desired ash levels, dispatch ROM coal 200mm + 10mm + 5mm if beneficiated. To carry out all other allied jobs related to Coal Mining and Beneficiation.

21. To explore and evaluate various avenues of “Cost-effective Fuel (Coal) Sourcing Solutions” in a composite manner. Further, subject to findings of evaluation, desirous to own and operate, various avenues of cost-effective coal sourcing solutions.

22. To carry on business as proprietors of and to purchase, take on lease, obtain licenses or in exchange or otherwise acquire, for any estate term or interest therein and to manage, supervise or control mineral and other properties, lands and hereditaments of any tenure, mines, mining and other rights or options thereon, and to grant concessions, leases, claims, charters, privileges, licenses or authorities of and over lands and mines and mineral, oil-bearing, natural gas bearing, agricultural and other properties and also mining, dredging, water and other rights.

23. To raise, win, get, quarry, crush, smelt, calcine, reinfe, dress, amalgamate, wash, blend, manipulate and

otherwise treat, prepare for market, sell, dispose of and deal in ores, metals, fluxes, tailings, concentrates, slimes, mineral substances and other product of mines either in manufactured state or otherwise any materials or substances resulting from or to be obtained in the process of crushing, washing, blending, smelting, calcining, dressing or amalgamating the same and either free from or in combination with other substances.

24. To construct, build, alter, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, test, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrate, contractor, sub-contractor, turn-key contractor and manager of all types of constructions and developmental work in all its branches such as roads, ways, culverts, dams, bridges, railways, tram-ways, water-tanks, reservoirs, canals, wharves, warehouses, factories, buildings, structures, drainage and sewage works, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, flyovers, airports, runways, rock drilling, acquaducts, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, hospitals, dharmashals, multistoreys, colonies, complexes, housing projects and other similar works and for the purpose to acquire, handover, purchase, sell, own, cut to size, develop, distribute or otherwise to deal in all source of lands and buildings and to carry on all or any of the foregoing activities for building materials, goods, plants, machineries, equipments, accessories, parts, tools, fittings, articles, materials and facilities of whatsoever nature.

25. To acquire, build, construct, improve, develop, give or take in exchange or on lease, rent, hire, occupy, allow, control, maintain, operate, run, sell, dispose of, carry out or alter as may be necessary or convenient any leasehold or free hold lands, movable or immovable properties including building, workshops, warehouse, stores, easement or other rights, machineries, plant, work, stock in trade, industrial colonies, conveniences together with all modern amenities and facilities such as housing, schools, hospitals, water supply, sanitation, townships and other facilities or properties which may seem calculated directly or indirectly to advance the Company’s objects and interest either in consideration of a gross sum of a rent charged in cash or services.

26. To acquire real or leasehold estate and to purchase or otherwise acquire or provide in any place in which any part of the business of the Company may from time to time be carried on, all such offices, warehouses, workshop, buildings, houses for employees and directors, machineries, engines, plants and appliances as may be considered requisite for the purpose of carrying on the business of the Company or any part thereof.

27. To carry on the business of travel agency and to act as tourist agents and contractors and to facilitate travellings and to provide for tourists and travelers such as buying, hiring, leasing busses, taxies, ships, aircrafts, hotels, rooms, motels, out houses, cafetories or promote the provisions of convenience of tourists.

28. To establish, maintain and operate shipping, air transport and road transport services and all ancillary services and for these purposes as or an independent undertaking to purchase, take in exchange, charter, hire, build, construct or otherwise acquire and to own, work, manage and trade with steam, sailing, motor and other ships, trawlers, drifters, tugs and vessels including hovercrafts, aircrafts including helicopters and motor and other vehicles with all necessary and convenient equipments, engines, tackle, gears, furnitures and stores and to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange or let out on hire or hire-purchase or charter or otherwise deal with and dispose off any of the ships, vessels, aircrafts and vehicles or any of the engines, tackles, gears, furnitures, equipments and stores.

29. To do the business of commodity (including Commodity derivatives) broking, trading and hedging.

30. To carry on business as brokers and traders in all commodities and commodity derivatives, and to act as market makers, finance brokers, sub brokers, underwriters, sub-underwriters, providers of services for commodity related activities.

31. To buy, sell, take hold deal in, convert, modify, add value, transfer or otherwise dispose of commodities

and commodity derivatives, and to carry on other business in India and abroad for and on behalf of the Company as well as for others.

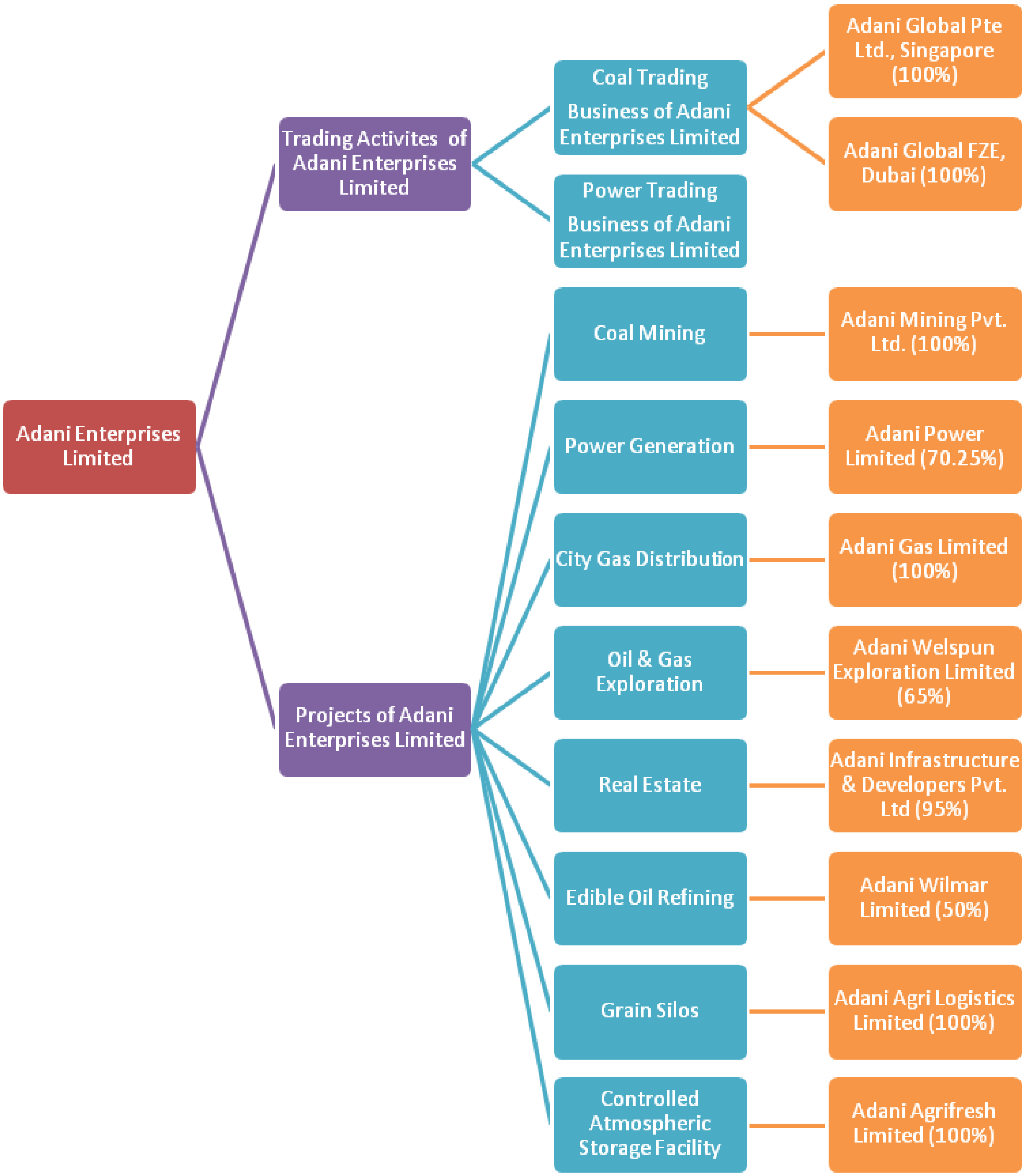
32. To apply for and obtain registration as Commodities Broker or Member of any Commodities Exchange anywhere in India and abroad.

33. To do the business of commodity warehousing, processing and consumption.

Major Events

Year	Event
1988	Conceived as a partnership firm by Gautam S. Adani with an initial capital of Rs. 0.05 crores.
1993	Converted into a public limited company on March 2, 1993 with a paid up capital of Rs. 1 crore.
1993	Company was awarded the status of “Star Trading House” on July 20, 1993 by the Ministry of Commerce, Government of India.
1994	Company was awarded the status of “Super Star Trading House” on June 24, 1994 by the Ministry of Commerce, Government of India.
1994	Company undertook an initial public offering in September 1994 of 0.125 crore Equity Shares.
1996	Company undertook a bonus issue of equity shares in the ratio 1:1.
1999	Company undertook a bonus issue of equity shares in the ratio 1:1.
2001	Company was awarded with the “Golden Super Star Trading House” status on September 9. 2001 by the Ministry of Commerce, Government of India.
2004	Company was awarded with “Five Star Export House” status on October 21, 2004 by the Ministry of Commerce and Industry, Government of India.
2004	Company issued foreign currency convertible bond issue aggregating to USD 38.00 million.
2007	Company issued foreign currency convertible bond issue aggregating to USD 250 million.
2009	Company was awarded with “Premier Trading House” status on April 13, 2009 by the Ministry of Commerce and Industry, Government of India.
2009	Company undertook a bonus issue of equity shares in the ratio 1:1.

CORPORATE STRUCTURE



OUR MANAGEMENT

Board of Directors

As per the Articles of Association of the Company, the Company shall not have less than three Directors and not more than 12 Directors. Currently, the Company has nine Directors.

Name, DIN, Designation, Term, Occupation and Address	Age (years)	Nationality	Other directorships
Gautam S. Adani S/o Shanitlal Adani ***DIN:*** 00006273 ***Designation:*** Non-Independent, Executive Chairman ***Term:*** Five years w.e.f. December 1, 2008 ***Occupation:*** Business ***Address:*** Shantivan Farm House Behind Karnavati Club Mohemadpura Village Ahmedabad 380 054	47	Indian	• Adani Wilmar Limited • Adani Welspun Exploration Limited • Mundra Port and Special Economic Zone Limited • Adani Power Limited • Adani Petronet (Dahej) Port Private Limited • Jain International Trade Organisation
Rajesh S. Adani S/o Shantilal Adani ***DIN:*** 00006322 ***Designation:*** Non-Independent Managing Director ***Term:*** Five years w.e.f. June 10, 2005 ***Occupation:*** Business ***Address:*** 14, Suryaja Bungalows Near Sarathi Restaurant, Vastrapur, Ahmedabad 380 054	45	Indian	• Adani Wilmar Limited • Mundra Port and Special Economic Zone Limited • Swayam Realtors and Traders Limited • Adani Power Limited • Adani Power Maharashtra Limited • Adani Power Dahej Limited • Adani Power Rajasthan Limited • Mundra Power SEZ Limited • Adani Pench Power Limited *(formerly known as Adani Power MP Limited)* • Parsa Kente Collieries Limited • Adani Shipyard Private Limited • Columbia Chrome (India) Private Limited • Baramati Power Private Limited • Adani Cements Limited • Adani Gas Limited
Vasant S. Adani S/o Shantilal Adani	54	Indian	• Shantikrupa Estate Private Limited

Name, DIN, Designation, Term, Occupation and Address	Age (years)	Nationality	Other directorships
DIN: 00006356 ***Designation:*** Non-Independent, Non-Executive Director ***Term:*** Liable to retire by rotation ***Occupation:*** Business ***Address:*** 15, Suryaja Bungalows Near Sarathi Restaurant, Vastrapur, Ahmedabad 380 054			• Shantikrupa Services Private Limited
Dr. Amratlal C. Shah S/o Chunilal Shah ***DIN:*** 00022612 ***Designation:*** Independent Non-Executive Director ***Term:*** Liable to retire by rotation ***Occupation:*** Business ***Address:*** C-1/2, Lloyds Garden Appa Saheb Maratha Marg Prabhadevi, Mumbai 400 025	77	Indian	• S. Kumar Nationwide Limited • Elecon Engineering Company Limited • Gujarat Petro Synthesis Limited • Goldcrest (India) Limited • Benchmark Mutual Fund Trustee Company Private Limited • Brand House Limited •
Dr. Pravin P. Shah S/o Pranlal Shah ***DIN:*** 00112544 ***Designation:*** Independent Non-Executive Director ***Term:*** Liable to retire by rotation ***Occupation:*** Chartered Accountant ***Address:*** 502, Doli Chambers, 5th Floor, Strand Cinema Road Colaba, Mumbai 400 005	65	Indian	• Bombay Rayon Fashions Limited • Claris Lifesciences Limited • Jai Corp Limited • J.M. Financial Limited • J.M. Financial Consultants Private Limited • J.M. Financial & Investment Consultancy Services Private Limited • J.M. Financial Services Private Limited • Benchmark Trustee Company Private Limited • Milestone Capital Advisors Private Limited • Landmark eConsultants Private Limited • Landmark Business Service Centre Private Limited • Macro Investment & Financial Consultants Private Limited • Health and Education

Name, DIN, Designation, Term, Occupation and Address	Age (years)	Nationality	Other directorships
			Foundation • Raheja Universal Limited
Jay H. Shah S/o Himatlal Shah ***DIN:*** 00005709 ***Designation:*** Independent Non-Executive Director ***Term:*** Liable to retire by rotation ***Occupation:*** Business ***Address:*** 7/8, Blooming Heights Auxilium Convent Road 4, Pali Hill, Bandra (W) Mumbai 400 050	51	Indian	• Amaya Exim Private Limited
Yoshihiro Miwa S/o Takayasu Miwa ***DIN:*** 02317571 ***Designation:*** Independent Non-Executive Director ***Term:*** Liable to retire by rotation ***Occupation:*** Business ***Address:*** 11, Nishiki 3- Chome Nakaku, Nagoya Japan	54	Japanese	• Kowa Spinning Company Limited (Japan) • Kowa Company Limited (Japan) • Kowa Shinyaku Company Limited (Japan) • Nagoya Seni Building Company Limited (Japan) • Aiori Kaikan Company Limited (Japan) • La Esperanza Delaware Corporation (USA) • Kowa Pharmaceutical Company Limited (Japan)
Tatsuo Fuke S/o Masanoubu Fuke ***DIN:*** 02446244 ***Designation:*** Alternate Director to Yoshihiro Miwa ***Term:*** Not applicable ***Occupation:*** Business ***Address:*** Raheja Grand # 1103/1104 Turner Road, Bandra (W) Mumbai 400 050	45	Japanese	Nil
Anil Ahuja	46	Indian	• Nimbus Communications

Name, DIN, Designation, Term, Occupation and Address	Age (years)	Nationality	Other directorships
S/o Satyapaul Ahuja ***DIN:*** 00759440 ***Designation:*** Independent Non-Executive Director ***Term:*** Liable to retire by rotation ***Occupation:*** Service ***Address:*** 29 Leonie Hill #19-04 Horizon Tower West Singapore 239 228			Limited • Vijai Electricals Limited
Devang Desai S/o Sanat Desai ***DIN:*** 00005743 ***Designation:*** Non-Independent, Executive Director ***Term:*** Five years w.e.f. January 27, 2010 ***Occupation:*** Service ***Address:*** 201, Parikrama Opposite Shetrunjay Tower, Off 132 feet Ring Road, Satellite Ahmedabad 380 015	53	Indian	• Accurate Finstock Private Limited • Adani Developers Private Limited • Adani Infrastructure and Developers Private Limited • Adani Mining Private Limited • Adani Power Dahej Limited • Adani Power Maharashtra Limited • Adani Pench Power Limited *(formerly known as Adani Power MP Limited)* • Adani Welspun Exploration Limited • Kutchh Power Generation Limited • m to M Traders Private Limited • Shantigram Estate Management Private Limited • Swayam Realtors and Traders Limited • Adani Tradelinks Private Limited • Mahaguj Power Limited

Three of our Directors, Gautam S. Adani, Rajesh S. Adani and Vasant S. Adani are brothers. None of the other Directors are related to each other.

Brief Biographies of the Directors

Gautam S. Adani is the Company's Executive Chairman and founder of the Adani Group. He has completed his education up to matriculation. He has over 20 years of varied experience in business and trading with Adani. He is responsible for the Company's new business initiatives and strategic plans. Under his leadership, Adani Group has emerged as a diversified conglomerate with interests in international trading, infrastructure development, power generation and distribution, development of special economic zones, gas distribution, trading and business process outsourcing. He has been instrumental in the diversification of the Adani Group into the power sector.

Rajesh S. Adani is the Managing Director of the Company. He holds a bachelor's degree in commerce from the Gujarat University. He has been associated with Adani Enterprises Limited since its incorporation. He is in charge of day to day operations of the Company for developing the business relationships of the Company. He also handles the marketing and finance aspects of the Company.

Vasant S. Adani is a Non-Independent and Non-Executive Director of the Company. He holds a bachelor's degree in Arts. Vasant S. Adani looks into the administrative aspects of the Adani Group. He has more than 25 years experience in management and real estate development.

Dr. Amratlal C. Shah is an Independent Non-Executive Director of the Company. He holds a doctorate in economics and has over three decades of banking experience and has served as the chairman and managing director of Bank of Baroda. Dr. Shah has also served on the board of various reputed companies, such as UTI Bank Limited, Reliance Capital Limited, Jet Airways Limited, S. Kumar Nationwide Limited, Elecon Engineering Company Limited, Gujarat Petro Synthesis Limited, Goldcrest (India) Limited and Gujarat Lease Finance Limited. Dr. A.C. Shah has also chaired several committees on banking, the most recent one being the RBI Committee on the functioning of Non-Banking Finance Companies.

Dr. Pravin P. Shah is an Independent Non-Executive Director of the Company. He is a chartered accountant and has a doctorate in Finance. He is a partner of the chartered accountants firm, Pravin P. Shah & Co. and is the proprietor of the chartered accountancy firm, Pravin P. Shah & Associates. Dr. Shah has over 40 years of experience in areas of financial consultancy, taxation, valuation, property matters, accounting, auditing, corporate laws and FEMA. He has also authored seven books on costing, management strategies, billion dollar companies and taxation.

Jay H. Shah is an Independent Non-Executive Director of the Company. He holds degrees in commerce and law. Jay H. Shah has been with the Company since its inception. He has wide experience of the Indian petrochemicals sector.

Yoshihiro Miwa is an Independent Non-Executive Director of the Company. He holds a master's degree in commerce. He has wide experience in Commercial Science and Business Administration. He is also the chairman of Kowa Company Limited, Japan.

Tatsuo Fuke is an Alternate Director to Yoshihiro Miwa who is an Independent Non Executive Director of the Company. He was appointed in compliance with the provisions of Section 313 of the Companies Act. He holds a bachelor's degree in agriculture from Osaka Prefecture University. He has four years of experience in agricultural economics. He joined the Company on January 30, 2009.

Anil Ahuja is an Independent Non-Executive Director of the Company. He holds bachelor's degree in Mechanical Engineering from Indian Institute of Technology (IIT), New Delhi and a Post Graduate Diploma in Business Management from the Indian Institute of Management (IIM), Ahmedabad. He has more than 20 years of experience in international financial services. Anil Ahuja is one of the earliest private equity investors in India, with over 10 years of investment experience. In the past, he has worked with 3i Group Plc., JP Morgan Partners Asia and Citibank, Mumbai.

Devang Desai is an Executive Director of the Company. He is a chartered accountant. He has approximately 30 years of experience in various Indian companies, including "new ventures" and "start-ups" in sectors, such as petrochemicals, cement, textiles, infrastructure and retailing. He oversees the matters related to finance, legal, secretarial, treasury, shared services, information technology and information systems, taxation, insurance and audit functions of the Company.

Terms of Employment of our Executive Directors

Gautam S. Adani

Gautam S. Adani was appointed as the Executive Chairman of the Company with effect from December 1, 2008 for a period of five years as approved by the Remuneration Committee at its meeting held on May 28, 2008 and by the shareholders of the Company at the AGM of the Company held on September 26, 2008.

The Company has entered into an agreement dated November 19, 2008 (the "Remuneration Agreement") with Gautam S. Adani, pursuant whereto, Gautam S. Adani shall be paid a salary of Rs. 0.10 crore per month in the scale of Rs. 10,00,000-55,000-15,00,000 and other perquisites and allowances. Additionally, he will also be entitled to a commission of up to 2% of the Company's net profit for each financial year as calculated in accordance with Section 349 of the Companies Act and subject to the over-all ceiling laid down in Sections 198 and 309 of the Companies Act.

In terms of the Remuneration Agreement, Gautam S. Adani as the Executive Chairman of the Company is authorized to do all acts and deeds for the Company under the supervision and guidance of the Board of Directors.

Rajesh S. Adani

Rajesh S. Adani was appointed the Managing Director of the Company for a period of five years w.e.f. June 10, 2005 pursuant to a resolution passed by the Board of Directors in their meeting held on May 11, 2005 and by the Shareholders at the AGM held on August 12, 2005. The remuneration committee of the Board of Directors at its meeting held on May 28, 2008 revised the remuneration payable to Rajesh S. Adani w.e.f. October 1, 2008 for the remaining period of his term of office. The shareholders of the Company approved the revision in the remuneration of Rajesh S. Adani at the AGM of the Company held on September 26, 2008. Under the revised terms of remuneration Rajesh S. Adani is eligible to receive a salary of Rs. 0.14 crore per month in the scale of Rs. 14,00,000-75,000-20,00,000 and other perquisites and allowances. Additionally, he will also be entitled to a commission of up to 2% of the Company's net profit for each financial year as calculated in accordance with Section 349 of the Companies Act and subject to the over-all ceiling laid down in Sections 198 and 309 of the Companies Act.

Devang Desai

Devang Desai was appointed as an Executive Director of the Company for a period of five years w.e.f. January 27, 2010 pursuant to a resolution passed by the Board of Directors in their meeting held on January 27, 2010, subject to the approval of the Shareholders in a general meeting of the Company. Devang Desai is entitled to a gross remuneration of Rs. 1,06,80,000 per annum subject to the limits prescribed under Schedule XIII of the Companies Act.

Corporate Governance

The Company has complied with the provisions of the Listing Agreement including Clause 49 of the Listing Agreement and the requirements under the Listing Agreement in relation to the meetings of the audit committee and the investor grievance committee. The details of the meetings of the audit committee of the Company ("Audit Committee") and the investor grievance committee of the Company ("Investor Grievance Committee") during the period between April 1, 2009 and March 10, 2010 are as follows:

(a) Audit Committee:

The members of the Audit Committee of the Company are as follows:

(i) Mr. Jay H. Shah;
(ii) Dr. Pravin P. Shah; and
(iii) Dr. Amratlal C. Shah

The table below sets forth the details of the meetings of the Audit Committee during the period between April 1, 2009 and March 10, 2010:

Date of the Meeting	Nature of Transaction/Task undertaken	Members Present at the Meeting
May 20, 2009	(i) To approve the of fees to be paid to the auditors for the financial year 2008-2009; (ii) To approve the bad debts written off as on March 31, 2009; (iii) To review draft balance sheet and profit and loss account along with schedules for the year ended March 31, 2009; (iv) To review the internal audit reports; (v) To review of investments made by the unlisted Subsidiaries of the Company during the quarter ended March 31, 2009; (vi) To review the Risk Management and Minimisation Procedures of the Company; and (vii) To review the project reports of the Subsidiaries of the Company for the quarter ended March 31, 2009.	(i) Mr. Jay H. Shah; (ii) Dr. Pravin P. Shah; and (iii) Dr. Amratlal C. Shah
July 30, 2009	(i) To review the internal audit reports; (ii) To review the unaudited financial results together with limited review report for the quarter ended on June 30, 2009; (iii) To review of investments made by the unlisted Subsidiaries of the Company during the quarter ended June 30, 2009; (iv) To review the Risk Management and Minimisation Procedures of the Company; and (v) To review the project reports of the Subsidiaries of the Company for the quarter ended June 30, 2009.	(i) Mr. Jay H. Shah; and (ii) Dr. Pravin P. Shah.
October 30, 2009	(i) To review the internal audit reports; (ii) To review the unaudited financial results together with limited review report for the quarter ended on September 30, 2009; (iii) To review of investments made by the unlisted Subsidiaries of the Company during the quarter ended September 30, 2009; (iv) To take note of the related party transactions during the quarter ended September 30, 2009; (v) To review the Risk Management and Minimisation Procedures of the Company; and (vi) To review the project reports of the Subsidiaries of the Company for the quarter ended September 30, 2009.	(i) Mr. Jay H. Shah; (ii) Dr. Pravin P. Shah; and (iii) Dr. Amratlal C. Shah
January 27, 2010*	(i) To review the internal audit reports; (ii) To review the unaudited financial results together with limited review report for the quarter ended on December 31, 2009; (iii) To review of investments made by the unlisted Subsidiaries of the Company during the quarter ended December 31, 2009; (iv) To take note of the related party transactions during the quarter ended December 31, 2009; (v) To review the Risk Management and Minimisation Procedures of the Company; and (vi) To review the project reports of the Subsidiaries of the Company for the quarter ended December 31, 2009.	(i) Mr. Jay H. Shah and; (ii) Dr. Amratlal C. Shah

**The minutes will be signed at the next meeting of the committee and the nature of transaction/ the tasks as stated above is based on the draft minutes.*

(b) *Investor Grievance Committee:*

The members of the Investor Grievance Committee of the Company are as follows:

(i) Mr. Jay H. Shah;
(ii) Mr. Vasant S. Adani; and
(iii) Dr. Amratlal C. Shah

The table below sets forth the details of the meetings of the Investor Grievance Committee during the period between April 1, 2009 and March 10, 2010:

Date of the Meeting	Nature of Transaction/Task undertaken	Members Present at the Meeting
May 20, 2009	(i) To take note of shareholders'/investors' grievances for the period from January 1, 2009 to March 31, 2009; and (ii) To take note of the certificate from the practicing company secretary M/s Ashwin Shah & Co., on the status of investor's grievances during the quarter ended March 31, 2009	(i) Mr. Jay H. Shah; (ii) Mr. Vasant S. Adani; and (iii) Dr. Amratlal C. Shah
July 30, 2009	(i) To take note of shareholders'/investors' grievances for the period from March 1, 2009 to June 30, 2009; and (ii) To take note of the certificate from the practicing company secretary M/s Ashwin Shah & Co., on the status of investor's grievances during the quarter ended June 30, 2009	(i) Mr. Jay H. Shah; and (ii) Mr. Vasant S. Adani.
October 30, 2009	(i) To take note of shareholders'/investors' grievances for the period from July 1, 2009 to September 30, 2009; and (ii) To take note of the certificate from the practicing company secretary M/s Ashwin Shah & Co., on the status of investor's grievances during the quarter ended September 30, 2009.	(i) Mr. Jay H. Shah; (ii) Mr. Vasant S. Adani; and (iii) Dr. Amratlal C. Shah
January 27, 2010*	(i) To take note of shareholders'/investors' grievances for the period from October 1, 2009 to December 31, 2009; and (ii) To take note of the certificate from the practicing company secretary M/s Ashwin Shah & Co., on the status of investor's grievances during the quarter ended December 31, 2009	(i) Mr. Jay H. Shah; (ii) Mr. Vasant S. Adani; and (iii) Dr. Amratlal C. Shah

**The minutes will be signed at the next meeting of the committee and the nature of transaction/ the tasks as stated above is based on the draft minutes.*

FINANCIAL STATEMENTS

AUDITOR'S REPORT

We have audited the attached Balance Sheet of **ADANI ENTERPRISES LIMITED** as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date, which we have signed under reference to this report. 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.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the "Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

2. Further to our comments in the annexure referred to above, we report that:

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii) The Balance Sheet, Profit & Loss Account and Cash-flow statement dealt with by this report are in agreement with the books of account.

   iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   v) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2009;

      b) in the case of Profit & Loss account, of the Profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

Place: Ahmedabad
Date : 20th May, 2009.

D. A. PARIKH
Partner
(Membership No. 45501)

ADANI

ANNEXURE TO THE AUDITOR'S REPORT

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The same are in the process of being updated;

(b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.

(c) As the Company has disposed off an insignificant part of the fixed assets during the year, provisions of clause 4 (i)(c) of the Order are not applicable.

(ii) (a) During the year, the inventories have been physically verified by the management, except for stocks lying with third parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.

(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 are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanation given to us, the company had granted unsecured loan to seven companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,089.14 Crores and the yearend balance of loans granted to such parties was Rs. 226.45 Crores. The Company has not granted secured or unsecured loans to firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.

(b) In our opinion, the rate of interest, except the interest free loan given to some of its wholly owned Subsidiary and the other terms and conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(c) The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest, in respect of unsecured loan given to wholly owned subsidiary, the loan is interest free and in absence of an agreement on repayment terms and conditions, we are unable to comment about the regularity of principal payment.

(d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly provisions of clause 4 (iii)(d) of the Order are not applicable.

(e) According to the information and explanation given to us, the company has not taken any loan secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly provisions of clause 4 (iii)(e) to 4(iii)(g) of the Order are not applicable.

(iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

(v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements have been entered into during the financial year are reasonable except in some of the transactions, for which no comments is being made owing to the unique and specialized nature of the items involved and absence of any comparable prices. For price justification reliance is placed on the information and explanation given by the management.

(vi) The Company has not accepted deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the Rules framed there under. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) As per the information and explanations given to us by the management, the Company's internal control procedures together with the internal checks conducted by the group internal audit team during the year can be considered as an internal audit commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company. Accordingly, the provisions of Clause 4(viii) of the Order are not applicable.

(ix) (a) As explained to us, the statutory dues payable by the Company comprises of Provident Fund, Investors Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Service Tax, custom duty, excise duty, cess, octroi, entry tax, purchase tax, Municipal tax and other applicable statutory dues. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities; however there has been delay in few cases which is not in arrears for more than Six months at the end of financial year. There are no undisputed statutory dues as referred to above as at March 31, 2009 outstanding for a period of more than six months from the date they become payable.

(b) According to the records of the Company and representation made by the Management, the following are the disputed amounts in respect of various statutes:

Name of Statute	Nature of the dues	Amount (Rs. in Crores)	Forum where dispute is pending
Income Tax Act, 1961	Additions made in appellate order	1.46	Appellate Tribunal, Ahmedabad.
Income Tax Act, 1961	Additions made in regular assessments	0.55	CIT Appeal, Ahmedabad.
Income Tax Act, 1961	Demand for Interest on TDS.	0.41	CIT Appeal, Gandhinagar.
Income Tax Act, 1961	Additions made in regular assessments	0.20	CIT Appeal, Ahmedabad.
Income Tax Act, 1961	Additions made in appellate order	0.05	CIT Appeal, Ahmedabad.
Income Tax Act, 1961	Additions made in Tribunal order	0.02	High Court of Gujarat
Gujarat Sales Tax Act	Sales Against Sales declaration forms	0.07	Dy. Commissioner Appeals, Ahmedabad
Maharashtra Sales Tax	Sales against sales declaration forms	0.31	Appellate Tribunal, Mumbai,Maharashtra
Maharashtra Central sales Tax	Pending submission of "c" form	0.69	Appellate Tribunal, Mumbai,Maharashtra
Maharashtra sales Tax	Sales against sales declaration	1.03	Joint Commissioner Appeal,

Name of Statute	Nature of the dues	Amount (Rs. in Crores)	Forum where dispute is pending
	forms		Mumbai
Maharashtra Central sales Tax	High seas claim disallowed	0.58	Joint Commissioner Appeal, Mumbai
Kerala VAT Tax	High seas claim disallowed	0.98	Dy. Commissioner Appeals, Kochi
Customs Act, 1962	Claim of duty benefit on basis of import license	0.74	Supreme Court
Customs Act, 1962	Valuation of CD Rom	0.41	Supreme Court
Customs Act, 1962	Import of Lam Coke and clearance of the same using advance license	0.83	Supreme Court
Customs Act, 1962	Valuation of various products	Amount Unascertain-able	With various appellate authorities
Foreign Exchange Regulation Act	Import of CD Rom	4.00	High Court of Gujarat
Customs Act, 1962	Valuation of Raw Silk	0.22	Customs, Excise and Service Tax appellate Tribunal, Chennai.
Customs Act, 1962	Valuation of CD Rom	0.05	CESTAT – Ahmedabad
Customs Act, 1962	Valuation of CD Rom & Availment of DEPB Credit	2.31	CESTAT, Mumbai
Customs Act, 1962	Valuation of coal	0.39	With various Assessing & Appellate Authorities.
Foreign Exchange Regulation Act	Import of CD Rom by Pioneer	0.16	Commissiomer of Income Tax (Appeals)-V,Chennai
Central Excise Rules	Contravention of Central Excise Rules and wrong availment of excess rebate	0.61	Commissioner of Customs (Appeals),Salem
Customs Act, 1962	Valuation of Export price of CD ROM	0.30	Commissioner of Customs,ICD, Tuglakabad
Customs Act, 1962	Disputed Exports	0.22	Commissioner of Customs, Mumbai
Customs Act, 1962	Valuation of Fuel Oil	0.07	Asst. Commissioner of customs, Mundra
Customs Act, 1962	Import of Naptha and denial of exemption notification	0.50	Deputy Commissioner of Customs, Marmgoa

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.

(xii) According to the information and explainations 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. Accordingly, the provisions of Clause 4(xii) of the Order are not applicable.

(xiii) According to the information and explainations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In respect of dealing in securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All investments at the end of the year are held in the name of the company and its nominees, wherever required.

(xv) In respect of guarantees given by the Company for loans taken by others from banks, the terms and conditions are prima facie not prejudicial to the interest of the Company.

(xvi) To the best of our knowledge and as explained, the term loans raised during the year have been applied for the purpose for which they were raised.

(xvii) According to the Cash-flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long term investment except permanent working capital.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable.

(xix) The Company has created securities or charge in respect of secured debentures issued and outstanding at the year end.

(xx) During the year, the Company has not raised money by way of public issue,. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable.

(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2009.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

Place: Ahmedabad
Date : 20th May,2009

D. A. PARIKH
Partner
(Membership No. 45501)

BALANCE SHEET AS AT 31st MARCH, 2009

(Rs. in Crores)

	PARTICULARS	SCH	AS AT 31-03-2009		AS AT 31-03-2008	
A	SOURCES OF FUNDS :					
I.	SHAREHOLDERS' FUND					
	(A) Share Capital	1	24.66		24.65	
	(B) Reserves & Surplus	2	1,618.44		1,313.01	
				1,643.10		**1,337.66**
II.	LOAN FUNDS :					
	(A) Secured Loans	3	353.82		217.38	
	(B) Unsecured Loans	4	2,852.90		2,738.11	
				3,206.72		**2,955.49**
III.	DEFERRED TAX LIABILITY					
	Deferred Tax Liability		22.65		19.18	
	Less :					
	Deferred Tax Assets		2.81		3.03	
				19.84		**16.15**
	TOTAL			**4,869.66**		**4,309.30**
B	APPLICATION OF FUNDS :					
I.	FIXED ASSETS	5				
	(A) Gross Block		253.07		233.55	
	(B) Less : Depreciation		42.99		31.60	
	(C) Net block		210.08		201.95	
	(D) Capital Work-In-Progress		11.92		17.15	
				222.00		**219.10**
II.	INVESTMENTS	6		**2,156.75**		**1,494.77**
III.	CURRENT ASSETS, LOANS & ADVANCES					
	(A) Inventories	7	331.80		914.89	
	(B) Receivables	8	1,742.42		1,239.73	
	(C) Cash & Bank Balances	9	1,380.21		1,081.23	
	(D) Loans & Advances	10	864.48		1,636.03	
			4,318.91		4,871.88	
	Less :					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current Liabilities	11	1,609.82		2,112.74	
	(B) Provisions	12	218.18		163.71	
			1,828.00		2,276.45	
	NET CURRENT ASSETS			**2,490.91**		**2,595.43**
	TOTAL			**4,869.66**		**4,309.30**
	Notes forming part of the accounts	19				

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

(Rs. in Crores)

	PARTICULARS	SCH	2008-2009		2007-2008	
A	**INCOME :**					
	Sales & Operating Earnings	13		11,575.05		11,595.44
	Other Income	14		12.84		29.17
				11,587.89		**11,624.61**
B	**EXPENDITURE :**					
	Cost of Materials	15		10,464.65		10,632.48
	Personnel Expenses	16		62.73		53.49
	Operation & Other Expenses	17		456.21		421.07
	Finance Charges	18		214.43		154.38
	Depreciation			12.08		11.25
				11,210.10		**11,272.67**
	Profit for the year before Prior Period Adjustments & Exceptional items			**377.79**		**351.94**
	Add/(Less) : Prior Period Adjustment			0.83		(1.66)
	Add/(Less) : Exceptional items (net)			(4.02)		2.23
	Profit for the year before taxation			**374.60**		**352.51**
	Provision For Taxation:					
	- Current Tax			44.05		41.04
	- Adjustment of earlier years			(0.28)		(1.87)
	- Deferred Tax			3.69		(0.09)
	- Fringe Benefit Tax			0.72		1.36
	Profit After Taxation			**326.42**		**312.07**
	Add : Surplus Brought Forward From Previous Year			606.38		371.61
	Profit Available For Appropriation			**932.80**		**683.68**
	APPROPRIATIONS :					
	Proposed Dividend on Equity Shares			24.67		14.79
	Tax on Dividend (including surcharge)			4.19		2.51
	Transfer to General Reserve			50.00		50.00
	Transfer to Debenture Redemption Reserve			10.00		10.00
	Balance Carried To Balance Sheet			**843.94**		**606.38**
				932.80		**683.68**
	Earning per Share of Re. 1/- each					
	- Basic			13.24		12.66
	- Diluted			12.39		11.92
	Notes forming part of the accounts	19				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

(Rs. In Crores)

	Particulars	2008-2009		2007-2008	
A	**CASH FLOW FROM OPERATIONS**				
	Net Profit before tax		**374.60**		**352.51**
	Adjustment for:				
	Depreciation	12.08		11.25	
	Interest / Dividend from investments	(1.73)		(0.99)	
	Provision for Diminution of Investment	0.83		-	
	Unrealised Exchange Rate Difference	139.53		(107.47)	
	Loss on sale of investment	4.04		3.72	
	Income From Mutual Fund/profit on sale of Investment	(7.23)		(8.07)	
	Loss/(Profit) on sale of fixed assets (Net)	0.24		(0.11)	
	Bad debts / Provision for doubtful debts, loans & advances	46.33		17.27	
	Interest Expenses	417.72		369.72	
	Interest Income	(198.66)		(249.35)	
	Exceptional Items (Net)	4.02		(20.70)	
			417.17		15.27
	Operating Profit before working capital changes		**791.77**		**367.78**
	Adjustment for:				
	Trade & other receivables	(500.74)		405.69	
	Inventories	583.09		(516.11)	
	Loans & Advances	784.62		40.69	
	Trade Payables	(508.30)		466.04	
			358.67		396.32
	Cash generated from operations		**1150.44**		**764.10**
	Direct tax (paid) / refund		(44.30)		(44.85)
	Net cash from operating activities		**1106.14**		**719.25**
B	**Cash Flow from Investing Activities**				
	Additions to fixed assets (Incl. CWIP)	(15.93)		(26.16)	
	Sale of fixed assets	0.70		3.90	
	Proceeds from Redemption of Investments	1.70		2.89	
	Sale of Investments	597.82		141.60	
	Purchase of Investments	(997.40)		(1007.29)	
	Income From Liquid / Mutual Fund	6.34		3.89	
	Interest / Dividend from investments	1.73		0.99	
	Interest received	219.79		233.26	
	Net cash used in Investing Activities		**(185.25)**		**(646.92)**
C	**Cash Flow from Financing Activities**				
	Proceeds/(repayment) from working capital borrowings (net)	(2.64)		(140.81)	
	Proceeds/(repayment) from long term borrowings (net)	137.77		(528.89)	
	Proceeds/(repayment) from short term borrowings (net)	(149.52)		707.68	
	Interest Paid	(428.73)		(367.92)	
	Dividend paid	(14.75)		(0.68)	
			(457.87)		**(330.63)**
	Net Increase/(Decrease) in cash & cash equivalents		**463.02**		**(258.30)**
	Cash & cash equivalent at the beginning of the year		1096.23		1362.88
	Cash & cash equivalent as at 31/03/2009		**1559.25**		**1104.58**
	Adjustments:				
	Exchange rate difference in cash & cash equivalents		(9.04)		(8.35)
	Cash & cash equivalent as at 31/03/2009		**1550.21**		**1096.23**

Note: Cash and Cash equivalents includes Short Term Investments of Rs. 170 Crores (Previous Year Rs. 15 crores) and Rs. 313.85 crores (Previous Year Rs. 316.48 Crores), which are not available for use by the company (refer schedule 9 to accounts)

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

(Rs. in Crores)

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
	SCHEDULE : 1				
	SHARE CAPITAL				
	AUTHORISED				
	50,00,00,000 (Previous Year 50,00,00,000)		50.00		50.00
	Equity Shares of Re. 1/- (Previous Year Re. 1/-) each				
	5,00,00,000 (Previous Year 5,00,00,000)		50.00		50.00
	Preference Shares of Rs. 10/- each				
			100.00		**100.00**
	ISSUED, SUBSCRIBED & PAID-UP				
	24,66,09,175 (Previous Year 24,64,86,975)		24.66		24.65
	Equity Shares of Re. 1/- each				
			24.66		**24.65**
	NOTES :				
	Of the above Equity Shares				
(i)	2,61,35,175 (Previous Year 2,60,12,975) Equity shares of Re. 1/- each were allotted as fully paid up at premium on conversion of foreign currency convertible bonds.				
(ii)	50,00,000 (Previous Year 50,00,000) Equity Shares of Re. 1/- each were allotted as fully paid up at premium without payment being received in cash, on amalgamation				
(iii)	50,00,000 (Previous Year 50,00,000) Equity Shares of Re. 1/- each were issued as Bonus Shares by capitalization of profit.				
(iv)	16,53,55,000 (Previous Year 16,53,55,000) Equity Shares of Re. 1/- each were issued as Bonus shares by capitalization of share premium.				

(Rs. in Crores)

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
	SCHEDULE : 2				
	RESERVES & SURPLUS				
1	**GENERAL RESERVE**				
	As per last balance sheet	495.32		396.61	
	Add : Transferred during the year from Profit & Loss Account	50.00		50.00	
	Add : Transferred from Debenture redemption Reserve	16.00		50.00	
	Less : Adjustment for Gratuity(As per AS-15-Revised) net of deferred tax	-		1.29	
			561.32		495.32
2	**DEBENTURE REDEMPTION RESERVE**				
	As per last balance sheet	30.00		70.00	
	Add : Created during the year	10.00		10.00	
	Less :Transfer to General Reserve	16.00		50.00	
			24.00		30.00
3	**SHARE PREMIUM ACCOUNT**				
	As per last balance sheet	181.31		181.31	
	Add : Amount received on conversion of Foreign Currency Convertible Bonds	7.87		-	
			189.18		181.31
4	**SURPLUS IN PROFIT & LOSS ACCOUNT**		**843.94**		606.38
			1,618.44		**1,313.01**

(Rs. in Crores)

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
	SCHEDULE : 3				
	SECURED LOANS				
1	From Banks - Term Loans				
	a) In Rupee Loan (Note I & II)		225.00		68.96
2	From Banks - Working Capital (Note I & II)				
	a) In Foreign Currency Loan		9.76		-
	b) In Rupee		85.34		97.40
3	Non Convertible Debenture (Note III)		33.33		50.00
4	Vehicle Loans (Note - IV)		0.02		0.21
5	Home Loans (Note - V)		0.37		0.81
			353.82		**217.38**
	NOTES :				
I	**Above facilities are secured by :**				
	a) Hypothecation of the stocks and book debts by way of first charge ranking pari-passu among the Banks.				
	b) Term loan of Rs. 200 Crores availed from Central Bank of India is secured by subservient charge over current assets of the Company which is not ranking pari-passu with first charge created in favour of consortium bankers.				
	c) Hypothication of furnitures & fixtures at Corporate House Guargaon.				
	d) Tangible movable properties ranking pari-passu among the Banks.				
	e) Guarantee given by some of the Directors in their personal capacity.				
	f) Pledge of 95,00,000 equity shares of Mundra Port & SEZ Ltd.held by an associate Company.				

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
II	**Further secured by creation of Equitable Mortgage :**				
	a) Over certain immovable properties of the Company.				
	b) Over certain immovable properties of the associate Company.				
III	**The above debentures are secured by**				
	a) Hypothication on movable properties of the Company situated at Belekeri Port (Karnataka).				
	b) Equitable Mortgage over an immovable property of the Company.				
	c) Pledge of shares of some of the promoters and their relatives				
	d) Non Convertible Debentures of Rs. 50 crores redeemable in three equal installments at the end of third, fourth and fifth year from the date of allotment i.e. 26th August, 2005. Out of which first installment of Rs. 16.67 Crores has been redeemed on its due date i.e. 26th August, 2008.				
IV	Vehicles loans are secured by hypothecation of assigned vehicles.				
V	Home loans are secured by hyphothecation of assigned properties.				

(Rs. in Crores)

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
	SCHEDULE : 4				
	UNSECURED LOANS				
	Foreign Currency Convertible Bonds (Refer Note 8)		1,263.56		999.25
	Inter Corporate Loans		4.00		-
	Loans from Banks / Financial institutions (Note - I)		1,585.34		1,738.86
			2,852.90		**2,738.11**
	NOTES :-				
I	Loans from Banks/Financial Institutions are secured by Demand Promissory Note and pledge of shares of some of the relatives of promoters and guaranteed by some of the promoter directors of the Company in their personal capacity.				

SCHEDULE: 5

FIXED ASSETS:

(Rs. in Crores)

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-4-2008	Additions during the year	Deductions during the year	As at 31-3-2009	As at 1-4-2008	Provided for the year	Deductions during the year	As at 31-3-2009	As at 31-3-2009	As at 31-3-2008
A	**Tangible**										
1	Land	12.53	4.54	-	17.06	-	-	-	-	17.06	12.53
2	Building										
	Office Building	36.06	4.17	-	40.23	3.41	0.60	-	4.00	36.22	32.65
	Factory Building	-	3.06	-	3.06	-	0.06	-	0.06	3.00	-
3	Plant & Machinery	88.83	3.14	0.03	91.94	6.94	4.31	-	11.25	80.70	81.90
4	Furniture & Fixtures	14.57	3.15	0.11	17.60	4.52	1.24	0.08	5.68	11.92	10.04
5	Electrical Fittings	4.84	0.75	-	5.59	0.89	0.32	-	1.20	4.38	3.95
6	Office Equipment	10.11	1.05	0.18	10.98	2.06	0.56	0.06	2.56	8.42	8.05
7	Computer Equipments	9.53	0.42	0.15	9.80	4.51	1.21	0.07	5.65	4.15	5.02
8	Vehicles	12.31	0.88	1.16	12.03	3.81	1.12	0.48	4.45	7.58	8.50
9	Air Craft	14.26	-	-	14.26	2.64	0.80	-	3.43	10.83	11.63
10	Ship	27.46	-	-	27.46	1.95	1.37	-	3.33	24.13	25.50
	(A) Total	**230.49**	**21.16**	**1.63**	**250.01**	**30.73**	**11.59**	**0.69**	**41.62**	**208.39**	**199.76**
B	**Intangible**										
1	Software	3.06	-	-	3.06	0.87	0.50	-	1.37	1.69	2.19
	(B) Total	**3.06**	**-**	**-**	**3.06**	**0.87**	**0.50**	**-**	**1.37**	**1.69**	**2.19**
	Grand Total(A+B)	**233.55**	**21.16**	**1.63**	**253.07**	**31.60**	**12.09**	**0.69**	**42.99**	**210.08**	**201.95**
	Previous Year	225.50	12.27	4.22	233.55	20.78	11.25	0.44	31.60	201.95	-

(Rs. in Crores)

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
	SCHEDULE : 6				
	INVESTMENTS -				
(A)	**LONG-TERM INVESTMENTS (NON TRADE) UNQUOTED)**				
	GOVERNMENT SECURITIES				
	(Lodged with Government departments)				
	- in 6 year National Saving Certificates		0.02		0.02
	INVESTMENT IN SUBSIDIARY COMPANIES				
	1) 64,000 (64,000) fully paid up equity shares of Adani Global Ltd. of $ 100/- each		30.90		30.90
	2) 10,22,385 (10,26,375) fully paid up redeemable preference				
	shares of Adani Global Ltd. of $ 100/- each.		520.90		409.53
	3) 4,56,10,000 (4,56,10,000) equity shares of Adani Agrifresh Ltd of Rs 10/ each		45.61		45.61
	4) 1,53,14,40,000 (50,00,00,000) Equity Shares of Adani Power Ltd of Rs 10/- each *		860.80		500.00
	5) 9,98,28,000 (6,98,28,000) equity shares of Adani Agri Logistics Ltd. of Rs. 10/- each. #		99.83		69.83
	6) Nil (3,00,00,000) equity shares of Adani Agri Logistics Ltd. of Rs. 10/- each. #	-		30.00	
	Less : Calls Unpaid	-	-	7.56	22.44
	7) 50,000 (50,000) equity shares of Adani Infrastructure & Developers Pvt Ltd of Rs 10/- each		0.05		0.05
	8) Nil (50,000) equity shares of Vyom Tradelink Pvt Ltd of Rs 10/- each		-		0.05
	9) Nil (50,000) equity shares of Adani Habitats Pvt Ltd of Rs 10/- each		-		0.05
	10) 31,50,000 (5,50,000) equity shares of Adani Welspun Exploration Pvt Ltd of Rs 10/- each		10.95		0.55
	11) 50,000 (50,000) equity shares of Miraj Impex Pvt Ltd of Rs 10/- each		0.05		0.05
	12) 50,000 (50,000) equity shares of Adani Mining Pvt Ltd of Rs 10/- each		0.05		0.05
	13) 3,70,000 (3,70,000) equity shares of Parsa Kente Collieries Ltd of Rs 10/- each		0.37		0.37
	14) 16,31,39,200 (Nil) equity shares of Adani Energy Limited of Rs 10/- each **		172.85		-
	OTHERS				
	1) 3,77,02,278 (2,98,59,108) Equity Shares of Adani Wilmar Ltd of Rs. 10/- each		157.73		87.15
	2) 20,000 (20,000) equity shares of Kalupur Commercial Co-op. Bank of Rs. 25/- each		0.05		0.05
	3) 3,52,000(3,52,000) equity shares of Mundra SEZ Textile & Apparel Park Pvt Ltd of Rs. 10/- each.		0.35		0.35
	4) 3,61,08,450(3,61,08,450) 0% Optionally Fully Convertible Preference shares of Adani Wilmar Ltd of Rs. 10/- each.		36.11		36.11
	5) 12,50,000 (12,50,000) equity shares of Indian Energy Exchange Ltd of Rs. 10/- each.		1.25		1.25
(B)	**INVESTMENT IN PARTNERSHIP FIRM**		38.70		252.85
(C)	**CURRENT INVESTMENT (QUOTED) BONDS**				
	1) Nil (37) Bond of Andhra Bank of Rs. 10,00,000/- each.		-		3.70
	2) Nil (138) Bond of State Bank of India of Rs.10,00,000/- each.		-		14.76

	PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
	3) Nil (40) Bond of State bank of Mysore of Rs. 10,00,000/- each.		-		4.05
	4) 2 (Nil) Bond of 7.49% GOI 2017 of Rs.5,00,00,000/- each	11.01			
	Less : Provision for diminution in value	(0.83)		-	
			10.18		-
(D)	**SHORT TERM INVESTMENTS (UNQUOTED)**				
	1) 75,503,609.073 (Nil) units of Reliance Liquidity Fund of Rs.10/- each		100.00		-
	2) 5,674,241.779 (Nil) units of HDFC Liquid Fund of Rs.10/- each		10.00		
	3) 7,248,793.076 (Nil) Units of Principal Mutual Fund of Rs 10/- each		10.00		-
	4) 3,624,633.006 (Nil) Units of J M High Liquidity Fund of Rs 10/- each		5.00		-
	5) 10,798,902.831 (Nil) Units of SBI premier liquid fund of Rs 10/- each		15.00		-
	6) 9,332,188.585 (Nil) Units of LICMF Liquid Fund of Rs 10/- each		15.00		-
	7) 11,220,070.462 (Nil) Units of Fortis overnight growth Fund of Rs 10/- each		15.00		
	8) Nil (8,280,522.004) Units of SBI Magnum Insta cash option of Rs 10/- each		-		15.00
			2,156.75		**1,494.77**
	Aggregate Book Value - Quoted		10.18		22.51
	- Unquoted		2,146.57		1,472.26
	Aggregate Market Value - Quoted		10.18		22.62

* Includes 53.14 crores shares pledged with banks as collateral security for loans taken by a Subsidiary company.

Include 5.10 crores shares pledged with banks as collateral security for loans taken by a Subsidiary company.

** Include 8.36 crores shares pledged with financial institutions as collateral security for loans taken by a Subsidiary company.

PURCHASED AND SOLD DURING THE YEAR

(A) MUTUAL FUND

Sr No	Name of Fund	Face value (Rs.)	Nos.	Cost (Rs in Crores)
1	UTI Liquid Cash Plan	1,000	115,568.486	16.00
2	Reliance Liquidity Fund -Growth Option	10	1,914,785,496.844	2,466.97
3	UTI Liquid Cash Regular Growth Plan	1,000	34,952.381	5.00
4	HDFC Liquid Fund -Premium Plan- Growth	10	291,765,953.096	499.29
5	Standard & Chartered Liquidity Man. Plus-Growth Plan	1,000	1,616,777.843	188.50
6	SBI Magnum Insta Cash Option	10	28,675,117.769	52.00
7	Principal Insti.Option. Growth Plan	10	382,498,134.292	496.83
8	UTI Money Market Fund -Growth Plan	10	2,042,836.256	5.00
9	AIG India Liquid Fund Super Institutional Growth Plan	1,000	2,479,605.250	266.25
10	ING Vysya Mutual Fund	10	18,275,769.770	24.00
11	Lotus India Liquid Fund-Institutional Plus Growth Plan	10	213,493,954.600	245.00
12	DSP Merril Cash Plus-Institutional Growth Plan	1,000	1,478,834.375	156.00
13	JM High Liquidity Fund Super Institutional Plan Growth	10	300,965,193.640	390.79

Sr No	Name of Fund	Face value	Nos.	Cost
		(Rs.)		(Rs in Crores)
	(94)			
14	SBI Premier Liquid Fund-Institutional Growth Plan	10	19,172,519.589	25.00
15	SBI Premier Liquid Fund-Super Institutional Growth Plan	10	830,135,608.186	1,108.58
16	SBI Premier Liquid Fund-Super Institutional Daily Dividend Option	10	19,938,747.538	20.00
17	IDFC Liquidity Manager Plus Growth Plan	1,000	1,279,257.972	151.00
18	Reliance Liquidity Fund-Daily Dividend Reinvestment Option	10	12,003,010.719	12.00
19	Reliance Liquid Plus Fund-Retail Option-Growth Plan	1,000	133,194.172	15.00
20	IDFC Liquid Fund-Growth Plan	1,000	79,284.544	9.50
21	LICMF Liquid Fund-Growth Plan	10	927,242,621.943	1,457.33
22	Fortis Money Plus Institutional Growth Plan	10	3,818,426.197	5.00
23	Fortis Overnight -Institutional Growth Plan	10	22,459,456.543	30.01
24	PRU ICICI Inst Liquidity - Super Inst Growth Plan	10	29,481,825.007	36.45

(B) BONDS

Sr No	Name of Bond	Face value	Nos.	Cost
		(Rs.)		(Rs in Crores)
1	Fertilizer 7.00%	1,000,000	50.000	5.01
2	GOI 7.5%	50,000,000	2.000	10.64
3	GOI 7.95%	50,000,000	3.000	15.78
4	GOI 8.24%	50,000,000	1.000	5.19
5	IOB 11.05%	1,000,000	50.000	5.63
6	IOC 11%	1,000,000	100.000	9.92
7	LICHF 9.8 %	1,000,000	100.000	9.34
8	PFC 11%	1,000,000	100.000	10.00
9	PFC 11.25%	1,000,000	150.000	16.11
10	SBI 10.10%	1,000,000	100.000	10.57

PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
SCHEDULE : 7				
INVENTORIES				
(AS CERTIFIED BY THE MANAGEMENT)				
Raw-materials		20.66		46.87
Finished Goods		310.89		868.02
Stores and Spares		0.25		-
		331.80		**914.89**

PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
SCHEDULE : 8				
RECEIVABLES				
(UNSECURED)				
Over six months				
Considered good	47.71		89.15	
Considered doubtful	5.34		3.61	
	53.05		92.76	
Less :- Provision for doubtful debts	(5.34)	47.71	(3.61)	89.15
Others, Considered good		1,694.71		1,150.58
		1,742.42		**1,239.73**

PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
SCHEDULE : 9				
CASH & BANK BALANCES				
Cash on hand (including cheques on hand Rs 6.51 Crores Previous Year Rs 0.72 Crores)		8.26		3.68
Balances with Scheduled Banks :				
In Margin money accounts :				
- Margin money accounts (lodged against Bank Guarantee & Letter of Credit)	231.50		206.92	
- Margin money accounts (Net of Buyers Credit & 100% Letter of Credit)	81.97		105.68	
		313.47		**312.60**
- In Fixed Deposit accounts (Including Pledged with govt. authorities Rs.0.12 Crore, previous year Rs. 0.14 crore)		20.80		0.14
- In Current Accounts		192.25		121.76
- In EEFC Accounts		8.79		3.32
- In Unclaimed Dividend Accounts		0.26		0.21
Balance with Foreign Bank :				
- In Current Accounts (Deutsche Bank, Luxembourg)	0.01		-	
(Maximum balance outstanding during the year Rs 448.55 Crores Previous Year Rs.0.57Crores)				
- In Deposit Accounts				
Deutsche Bank, Luxembourg	836.37		639.52	
ICICI Bank, Hongkong (Rs.20,769, P.Y.Rs.15,881)	-		-	
Maximum balance outstanding- Deutsche Bank, Luxembourg-Rs. 836.38 crores (P.Y.889.40 crores) ICICI Bank, Hongkong Rs. 0.00 crores (P.Y. 102.23 crores)		836.38		639.52
		1,380.21		**1,081.23**

PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
SCHEDULE : 10				
LOANS & ADVANCES				
(UNSECURED, CONSIDERED GOOD)				
Loans		298.64		1,071.94
Advances recoverable in cash or in kind or for value to be received		356.77		378.93
Balances with Service Tax Authorities		6.16		2.92
Interest accrued but not due		10.08		31.21
Interest accrued and due on NSC (Lodged with Govt. Authorities)		0.01		0.01
Advance payment of Income tax		192.82		151.02
		864.48		**1,636.03**

PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
SCHEDULE : 11				
CURRENT LIABILITIES				
Sundry Creditors				
-Micro,Small & Medium Enterprises (Refer Note 20)	-		-	
-Others	1,228.38		1,849.82	
		1,228.38		1,849.82
Other Liabilities		366.12		236.64
Unclaimed Dividend		0.26		0.21
Interest accrued but not due		15.06		26.07
		1,609.82		**2,112.74**

PARTICULARS	AS AT 31-03-2009		AS AT 31-03-2008	
SCHEDULE : 12				
PROVISIONS				
Provision for Taxation		183.20		138.70
Provision for Leave encashment / Gratuity		6.13		7.71
Proposed Dividend		24.66		14.79
Tax on Dividend (Including surcharge)		4.19		2.51
		218.18		**163.71**

SCHEDULES 13 TO 18 FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

(RS. IN CRORES)

PARTICULARS	2008-2009		2007-2008	
SCHEDULE : 13				
SALES & OPERATING EARNINGS				
Sales		10,698.20		11,034.15
Export Incentives		60.01		25.17
Insurance Claim Received		4.23		3.39
Service Income		231.19		128.01
Profit From Partnership Firm		232.04		177.28
Profit on sale/relinquishment of Development Rights		7.58		35.12
Other Operating Income		341.80		192.32
		11,575.05		**11,595.44**

PARTICULARS	2008-2009		2007-2008	
SCHEDULE : 14				
OTHER INCOME				
Dividend from Investment in Shares/Mutual fund		0.01		0.15
Interest from Current Investments		1.26		0.46
Dividend from Subsidiary Company		0.46		0.38
Income / Profit from Mutual Fund		6.34		3.89
Profit on Sale / transfer of Investments (net)		-		0.47
Recovery of Bad Debts		1.72		1.80
Miscellaneous Income		0.58		0.35
Liabilities no longer required w/back		2.47		0.97
Exceptional Items (Net)*		-		20.70
		12.84		**29.17**
*(Previous year- gain (net) arising out of sale of Asssociate company's share (long-term investment))				

PARTICULARS	2008-2009		2007-2008	
SCHEDULE : 15				
COST OF MATERIALS				
Raw material consumed				
Opening Stock	46.87		35.03	
Add : Purchases during the year (Including Incidental Expenses)	778.76		526.74	
	825.63		**561.77**	
Less : Closing Stock	20.66		46.87	
	804.97		**514.90**	
Add : Processing Charges	7.41		34.03	
		812.38		**548.93**
Purchase of traded goods (Including Incidental Expenses & Net of Stock transfer to Raw Material)		**9,095.14**		**10,587.82**
Decrease/(Increase) in stock				
Opening stock of finished / traded goods	868.02		363.75	
Closing stock of finished / traded goods	310.89		868.02	
		557.13		**(504.27)**
		10,464.65		**10,632.48**

PARTICULARS	2008-2009		2007-2008	
SCHEDULE : 16				
PERSONNEL EXPENSES				
Salaries & Bonus		57.76		46.62
Contributions to Provident & Other Funds		3.25		4.79
Staff Welfare Expenses		1.72		2.08
		62.73		**53.49**

PARTICULARS	2008-2009		2007-2008	
SCHEDULE : 17				
OPERATION & OTHER EXPENSES				
Rent (net)		1.85		1.56
Rates & Taxes		1.50		3.18
Communication expenses		2.42		3.14
Stationery & Printing Expenses		0.91		1.10
Repairs to:				
Buildings	1.37		1.10	
Plant & Machinery	4.66		0.54	
Others	3.28		4.14	
		9.31		5.78
Electric Power Expenses		2.54		1.26
Insurance Expenses		1.92		3.21
Fees & Subscription		22.49		19.42
Miscellaneous Expenses		10.19		15.70
Payment to Auditors		0.24		0.24
Office Expenses		1.40		1.25
Directors Sitting Fees		0.03		0.03
Loss / (Profit) on Sale of Assets (Net)		0.24		(0.11)
Clearing & Forwarding Expenses (Net)		293.13		277.50
Stores, Spares & Packing material Consumed		7.25		10.47
Supervision & Testing Expenses.		7.14		7.52
Donation to Political parties (Refer Note 24)		2.25		0.50
Loss of stock due to Accident/ In transit		0.01		-
Advertisement and Selling Expenses		26.08		32.87
Bad debts written off		41.30		13.21
Provision for Doubtful debts / Advance		5.03		4.06
Business Support Services		7.27		9.48
Travelling & Conveyance Expenses		7.73		9.70
Loss on Sale / transfer of Investments (net)		3.15		
Diminution in Value of Investments		0.83		-
		456.21		**421.07**

PARTICULARS	2008-2009		2007-2008	
SCHEDULE : 18				
FINANCE CHARGES				
INTEREST PAID				
Interest on Term Loan/Short Term Loan	174.19		145.75	
Interest on Debentures / Bond	92.57		81.63	
Interest on Bank Borrowings & Others	150.96	**417.72**	142.34	**369.72**
LESS : INTEREST INCOME				
Interest on Deposit & Others		(198.66)		(249.35)
(TDS Rs. 25.33 Crores, Previous Year Rs. 1.05 Crores)				
		219.06		120.37
Bank Commission / Charges		32.39		21.26

PARTICULARS	2008-2009		2007-2008	
Exchange Rate Difference (including premium)		(37.02)		12.75
		214.43		**154.38**

SCHEDULE: "19"

NOTES FORMING PART OF THE ACCOUNTS

A) **SIGNIFICANT ACCOUNTING POLICIES** adopted by the Company in the preparation and presentation of the Accounts: -

a) **BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The financial statements have been prepared under the historical cost convention using the accrual basis of accounting and comply with all the mandatory Accounting Standards as specified in the Companies (Accounting Standard) Rules 2006 and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

b) **USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which such revision are made.

c) **INVENTORIES**

i) Inventories are valued at lower of cost or Net Realisable value.

ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

iii) The basis of determining cost for various categories of inventories are as follows:

a) Raw material : Weighted Average Cost

b) Traded / Finished goods : Weighted Average Cost.

c) Stores and Spares : Weighted Average Cost.

d) **CASH FLOW STATEMENT**

The Cash flow Statement is being prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Stanadard-3 prescribed by the Institute of Chartered Accountants of India.

e) **PRIOR PERIOD ITEMS**

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Adjustment Account"

f) **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 read with the relevant circulars issued by the Department of Company Affairs.

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) Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

g) **REVENUE RECOGNITION**

i) Sales of goods is recognised on shipment or dispatch to customer sales and net of Value added tax and return.

ii) Dividend income from investments is recognised when the Company's right to receive payment is established.

a) Income from services rendered is accounted for when the work is performed.

b) Interest income are recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

c) Profit/Loss on sale investments are recognized on the contract date.

d) Export benefits under various scheme announced by the Central Government under Exim policies are accounted for on accrual basis to the extent considered receivable, depending on the certainty of receipt.

h) **FIXED ASSETS**

i) Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

ii) Expenditure on accounts of modification/alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.

iii) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, are charged off to revenue in the year of incurrence.

iv) The cost of fixed assets not put to use before the year end, are disclosed under capital work-in-progress.

i) **FOREIGN CURRENCY TRANSACTIONS**

i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

iii) Exchange Differences

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Profit and Loss Account.

iv) Forward Exchange Contracts

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The use of such foreign currency forward contracts is governed by the Company's policies approved by the management, which provide principles on use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instrument for speculative purposes.

In respect of transactions covered by forward exchange contracts, the difference between the yearend rate and the exchange rate at the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contracts.

j) **INVESTMENTS**

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

ii) Current investment are carried at the lower of cost and quoted/fair value, computed category wise.

iii) Investments in equity shares of foreign subsidiaries are expressed in Indian Currency at the rates of exchange prevailing at the time when the investment was made.

k) **EMPLOYEES RETIREMENT BENEFITS**

a. Defined Benefit Plan

Gratuity with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date. These contributions are covered through Group Gratuity Scheme with Life Insurance Corporation of India and are charged against revenue.

b. Defined Contribution plans

Company's contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Fund are determined under the relevant schemes and/or statute, charged to the Profit & Loss Account when incurred.

c. Provision is made for leave encashment based on actuarial valuation, carried out by an independent actuary as at the balance sheet date.

d. Termination benefits, if any, are recognized as an expense as and when incurred.

l) **BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or 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. All other borrowing costs are charged to revenue.

m) **SEGMENT ACCOUNTING**

Based on guiding principles given in Accounting Standard on "Segment Reporting"- AS 17, single financial report contains both Consolidated financial statement and the Standalone financial statements of the Company. Hence, the required segment information appended in the Consolidated financial statements.

n) **RELATED PARTY TRANSACTIONS**

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate note forming part of this Schedule. Related parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

o) **LEASES**

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, etc.) and land. The aggregate lease rental payable are charged as rent including lease rentals.

p) **EARNING PER SHARE**

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

q) **TAXES ON INCOME**

i. DEFERRED TAXATION

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii. CURRENT TAXATION

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

iii. FRINGE BENEFIT TAX

Provision for Fringe Benefit Tax has been recognized on the basis of a harmonious, contextual interpretation of the provisions of the Income Tax Act, 1961.

r) **IMPAIRMENT OF FIXED ASSETS**

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the profit and loss account.

s) **PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision involving substantial degree of estimation in measurements are recognized 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 recognized but are discloses in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

t) **EXPENDITURE**

Expenses are net of taxes recoverable, where applicable.

u) **FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTION**

In respect of derivative contracts, premium paid, gains / losses on settlements and provision for losses for cash flow hedges are recognised in Profit and Loss Account.

1. **ACCOUNTING OF CLAIMS**

   i) Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

   ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

2. **PROPOSED DIVIDEND**

   Dividend proposed by the Directors is provided for in the books of account pending approval by the members at the Annual General Meeting.

3. **DOUBTFUL DEBTS/ADVANCES**

Provision is made in the accounts for Debts/Advances which in the opinion of the management are considered doubtful of recovery.

(B) NOTES ON ACCOUNTS:-

1. The Company is a Partner in a Partnership firm namely M/s. Adani Exports. Information in respect of Partnership Firms in which the company is a partner :

Name of Partners	Capital (as on 31/03/2009)	Share of Profit (%)
Adani Enterprises Ltd.	386,976,973	99
	252,85,17,612	99
Adani Agro Private Ltd.	10,477,374	01
	2,70,52,674	01
Total	397,454,347	100
	255,55,70,286	100

2. Buildings includes cost of shares in Co-operative Housing Society Rs. 3,500/- (Previous year Rs. 3,500/-).

3. Office premises of Rs. 3.75 crores, includes Rs. 2.32 crores of unquoted Shares (160 equity shares of A type and 1,280 equity shares of B type of Rs. 100 each fully paid-up) in Ruparelia Theatres P. Ltd. By virtue of Investment in shares, the Company is enjoying rights in the leasehold land and Rs. 1.44 crores, towards construction contribution and exclusive use of terrace and allotted parking space.

4. **Capital work – in - progress includes:-**

   a) Building worth Rs. 0.65 crore (Previous Year Rs. 0.65 crore) which is in dispute and the matter is sub-judice.

   b) Agricultural Land worth Rs 0.45 crore (Previous Year Rs 0.45 crore) recovered under settlement of debts, in which certain formalities are yet to be executed.

5. The Company has ventured into Oil and Gas exploration business jointly with others, whereby two exploration blocks **-** at Palej and Aasam, has been awarded by Government of India through NELP –VI bidding round. All cost on acquisition, exploration and development incurred by the Company according to the participating interest (35%) are accounted under capital work in progress, as the extraction phase has not commenced.

6. For the Current Year on review as required by the Accounting Standard 28, Impairment of Fixed Assets, the management is of the opinion that no impairment or reversal of loss is required.

7. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonably necessary.

8. The Company has raised US$ 250 million by way of 25,000, 6% Foreign Currency Convertible Bonds (FCCB) of US$ 10,000 each during the financial year ended March 31, 2007. The Bondholders has an option to convert these bonds in to equity shares between January 27, 2008 to December 27, 2012 at a conversion price as specified in the Offering Circular.

At the time of Maturity, unless previously converted, redeemed or cancelled, the company must, if the 20 days volume weighted average is above the Minimum Floor Price 30 days before January 27, 2012, elect, 30 days before January 27, 2012, whether to redeem the bonds in cash or convert them in to Shares.

If the 20 days volume weighted average price is below minimum floor price, 30 days before January 27, 2012, the bonds will be redeemed in cash at par at January 27, 2012.

During the year 1,22,200 Equity Shares, having face value of Re. 1 each have been issued upon conversion of 200 FCCBs

9. The Company holds Redeemable Preference shares of its subsidiary, which are denominated in foreign currency. Such Preference shares have been considered to be monetary assets for the purpose of AS-11, the Accounting Standard of "the effects of changes in Foreign Exchange rates". As required by AS, the said monetary assets have been restated on the basis of the closing rate as on 31st March, 2009 and the difference of Rs. 112.26 crores has been reflected in financial charges and Rs.0.81 crore pertains to previous year, shown in prior period income.

10. In the opinion the management, exceptional items of Rs.4.02 crores (net) consist of Rs. 97.49 crores write-off for unutilisable licenses received under DFCE scheme and Rs.93.47 crores commission writeback , no longer payable.

11. **Disclosure Regarding Derivative Instruments And Unhedged Foreign Currency Exposure**

a) The outstanding foreign currency derivative contracts as at 31st March, 2009 in respect of various types of derivative hedge instruments and nature of risk being hedged are as follows.

i. Forward derivative contracts

1. In respect of Exports and other Receivables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	7.35	375.90	16.25	667.78
USD/JPY	1.61	76.57	-	-
EUR/INR	0.01	0.90	-	-

2. In respect of Imports and other Payables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	28.58	1,444.69	3.29	126.75

ii. Option derivative contracts :

1. In respect of Exports and other Receivables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	0.70	35.67	-	-

2. In respect of Imports and other Payables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	-	-	2.10	83.94
USD/JPY	-	-	0.10	4.00
EUR/CHF	-	-	0.03	1.00
USD/CHF	0.01	0.51	-	-
NZD/USD	-	-	0.20	7.99

b) In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Schedule VI of the Companies Act, 1956 the Company has charged an amount of Rs.0.82 crore (Previous Year Rs.1.96 crores) to profit and loss account in respect of derivative contracts outstanding as on 31st March, 2009.

c) Foreign currency exposures not covered by derivative instruments or otherwise as at 31st March, 2009 amounting to Rs.3, 751.27 crores.(Previous Year Rs. 2, 728.27 crores).

Particulars	Amount In Foreign Currency (In Crores)	Currency	Amount in Rs. (In crores)
Supplier Credit	1.287	USD	65.60
	7.897	USD	315.66
Packing Credit Forward Contract	0.192	USD	9.76
	-	USD	-
Sundry Creditors	0.001	EUR	0.01
	0.002	EUR	0.10
	0.000	GBP	0.01
	0.001	GBP	0.01
	-	SGD	-
	0.001	SGD	0.00
	1.391	USD	70.87
	6.312	USD	252.29
Other Payable	0.318	USD	16.23
	0.485	USD	19.39
	-	CHF	-
	0.001	CHF	0.05
	0.027	JPY	0.02
	-	JPY	-
Foreign Currency Convertible Bonds	24.800	USD	1,263.56
	25.000	USD	999.25
Sundry Debtors	0.010	EUR	0.65
	0.016	EUR	1.04

Particulars	Amount In Foreign Currency (In Crores)	Currency	Amount in Rs. (In crores)
	18.79	USD	957.41
	2.154	USD	86.09
Time Deposit	16.416	USD	836.37
	16.000	USD	639.52
Other Receivable	0.194	USD	9.87
	0.116	USD	4.63
Preference Share Investment	10.224	USD	520.91
	10.264	USD	410.24

12. **Receivable includes:-**

a) Amount due from Subsidiary Companies of Rs. 23.71 crores (Previous Year Rs. 526.26 crores).

b) Amount due from companies of Rs.14.32 crores (Previous Year Rs. 34.34 crores) in which some of the Directors of the Company are interested.

c) Amount due from a firm of Rs. 881.02 crores (Previous Year Rs. 545.68) in which the Company is a partner.

13. **Loans & Advances includes : -**

a) Amount due from subsidiary Companies of Rs. 297.86 crores (Previous Year Rs. 1,071.94).

b) Share application money pending allotment of Rs. Rs.117.95 crores (Previous Year Rs. 119.67) in which some of the Directors of the Company are interested.

(Rs. In crores)

Sr.No.	Particulars	2008-09	2007-08
1	Adani Agri Fresh Ltd.	56.96	56.96
2	Adani Power Ltd.	0.06	36.06
3	Adani Energy Ltd.	60.93	-
4	Adani Welspun Exploaration Ltd.	-	7.77
5	Adani Wilmar Ltd.	-	18.88
	TOTAL	117.95	**119.67**

c) Rs.23.46 crores (Previous Year Rs. 45.45 crores) paid as advance against Capital Asset.

14. Looking to the history and uncertainty attached to "Target Plus Scheme -2004-05", benefit under the scheme, will be accounted when certainty exists.

15. During the year, the company has invested Rs 614.64 crores (Previous year 687.02 crores) in shares of the following **Group Companies**.

(Rs in Crores)

Name of Company	Type	No of Shares	Total Investment	% of Holding As on 31st March 2009
Adani Global Ltd.	Preference	Nil (10,22,385)	Nil (407.89)	100% (100%)

Name of Company	Type	No of Shares	Total Investment	% of Holding As on 31st March 2009
Adani Agri Logistics Ltd.	Equity	Nil (Nil)	Nil (38.81)**	100% (100%)
Adani Wilmar Ltd.	Equity	78,43,170 (Nil)	70.59 (Nil)	50% (50%)
Adani Power Ltd.	Equity	103,14,40,000* (23,93,10,000)	360.80 (239.31)	83.14% (86.45%)
Adani Habitats Pvt Ltd.	Equity	Nil (50,000)	Nil (0.05)	100% (100%)
Adani Welspun Exploration Pvt. Ltd.	Equity	26,00,000 (5,50,000)	10.40 (0.55)	65% (65%)
Miraj Impex Pvt. Ltd	Equity	Nil (50,000)	Nil (0.05)	100% (100%)
Adani Mining Pvt. Ltd.	Equity	Nil (50,000)	Nil (0.05)	100% (100%)
Parsa Kente Collieries Ltd	Equity	Nil (3,70,000)***	Nil (0.37)***	74% (74%)
Adani Energy Ltd.	Equity	16,31,39,200 (Nil)	172.85 (Nil)	100% (NIL)
Total			614.64 (687.02)	

* Includes bonus shares issued nos. 68,06,40,000 during the year.

** Includes payment made towards unpaid calls.

*** Net of 130,000 shares amounting to Rs. 0.13 Crore transferred to Rajasthan Rajya Vidhyut Utpadan Nigam Limited without any consideration in cash as per the terms of Joint Venture agreement.

16. The Company has initiated legal proceedings against various parties for recovery of dues and such legal proceedings are at different stages as at the date of the Balance Sheet and are expected to materialise in recovering the dues in the future. Management is hopeful of their recovery. In the opinion of the Management adequate balance lying in General Reserve to meet the eventuality of this account being irrecoverable.

17. a) Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company as advised by the Company's tax consultants.

b) Various taxes related legal proceedings are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the management does not estimate any incremental liability in respect of the legal proceedings.

c) **Transfer pricing regulations :**

The Company has established a comprehensive system of maintenance information and documentation as required by the transfer pricing legislation under section 92 – 92F of the Income Tax Act, 1961.

The management is of the opinion that its international transactions are at arm's length such that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

18. **Contingent liabilities not provided for :**

(Rs. in Crores)

	PARTICULARS		AS AT 31-03-2009	AS AT 31-03-2008
a	Claims against the Company not acknowledged as Debts		40.40	38.99
b	In respect of Corporate Guarantee given:-			
	I	To Companies under the same Management	223.04	94.29
	II	For obligations to other parties	157.85	119.91
c	Bills of Exchange Discounted		909.49	1,042.94
d	Demand against the Company not admitted as debts regarding sales tax against which appeals are pending		29.26	2.16
e	In respect of Bank Guarantees given to Government agencies.		10.63	7.48
f)	Export obligation of Rs. NIL (Previous Year Rs. 6.04) is pending which is equivalent to 8 times of duty saved Rs. NIL (Previous Year Rs. 0.76)			
g	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims, based on internal evaluation of the management.			
h	Show cause notice in terms of value of export goods under section14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable. And under Section 16 of the Foreign Exchange Management Act, 1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule,2000, in which liability is unascertainable.			
i)	Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company.-Amount of contingent liability is to the extent of value of Shares Pledged.			
j)	Compliant filed by Asst. Labour Commissioner, Hubli under Section 30 of The Payment of Bonus Act, 1956. Matter being contested by the company and projected liability in terms of penalty would be not more than Rs.0.01 crore (P.Y. NIL).			

19. **Capital Commitments:-**

(Rs. in Crores)

PARTICULARS	AS AT 31-03-2009	AS AT 31-03-2008
Estimated amounts of contracts remaining to be executed and not provided for (Net of Advances)	59.94	64.50

20. The Company as circulated letters to all its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Act,2006 ('MSMED'). The Company has not received any intimation from "suppliers", regarding their status under the Micro, Small and Medium Enterprises Act,2006 ('MSMED') and hence disclosure requirements in this regards as per schedule-VI of The Companies act ,1956 could not be provided.

21. No amounts are due for deposits as at the Balance Sheet date to the Investors' Education and Protection Fund.

22. Currency Swap Losses of Rs 0.58 crore (Previous Year Rs 6.04 crores) has been charged/ netted off against interest expenses on term loans.

23. Items of Expenditure in the Profit and Loss Account include reimbursements for common sharing facilities to and by the Company.

24. The Company has paid donation to the political parties of Rs.2.25 crore (All India Congress Samiti Rs.1.50 crores & Bharatiya Janta Party Rs.0.75 crore), (Previous Year Rs.0.50 crore (Bharatiya Janta Party Rs.0.50 crore)).

25. Disclosure as required by the Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below :
Where the Company is lessee:

(i) The aggregate lease rentals payable are charged to the Profit and Loss Account as Rent in Schedule 17.

(ii) The Leasing arrangements, which are cancelable at any time on month to month basis and in some cases between 11 months to 5 years, are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally interest free refundable deposits have been given.

(iii) The Leasing arrangements, which are non-cancelable with Governor of Karnataka represented by the Director of Ports & Inland Water Transport, Karnataka. for use of port land. Disclosure in respect of the same arrangements:

(Rs. In Crores)

Particulars	2008-09	2007-08
Total of future minimum lease payments under non-cancelable operating lease for each of the following periods.		
Not later than one year	0.20	0.18
Later than one year and not later than five years	1.12	1.23
Later than five years	18.23	16.63
Lease payment recognised in Profit and Loss Accounts	0.18	0.20

26. As per the Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the Company has presented consolidated financial statements separately.

27. **Payments to Auditors (including service tax):-**

(Rs. in Crores)

	Particulars	2008-09	2007-08
I	Audit fee	0.17	0.15
Ii	Tax Audit fee	0.04	0.03
Iii	Other Matters	0.01	0.01
Iv	Reimbursement of Expenses	0.02	0.05
	Total	**0.24**	**0.24**

28. **Prior period adjustments include :**

(Rs. In Crores)

Particulars	2008-09	2007-08
Debits relating to earlier years	0.01	2.19
Credits relating to earlier years	(0.02)	(0.53)
Net Total	**(0.01)**	**1.66**

29. **Computation of Net Profit under Section 349 of the Companies Act,1956**

(Rs.in Crores)

PARTICULARS		2008-09	2007-08
A. Profit Before Taxation		**374.61**	**352.51**
ADD:	Depreciation as per accounts	12.09	11.25

PARTICULARS		2008-09	2007-08
	Directors Remuneration	6.12	5.66
	Commission to Non-executive directors	0.36	-
	Directors Commission	16.02	14.04
	Loss on sale of investments/assets	4.29	3.87
		413.49	**387.33**
LESS:	Depreciation as per Sec. 350 of the Companies Act, 1956	12.09	11.25
	Profit on sale of investments/assets	0.90	25.14
Profit for the purpose of Directors Commission		**400.50**	**350.94**
Chairman @ 2% on Rs.400.50 Crores		8.01	7.02
(Previous Year at 2% on Rs. 350.94 Crores)			
Managing Director @ 2% on Rs.400.50 Crores		8.01	7.02
(Previous Year at 2% on Rs. 350.94 Crores)			
		16.02	**14.04**
B. Managerial remuneration to Chairman, Managing & Whole			
-time Directors under section 198 of the Companies Act, 1956			
i) Salaries		5.78	5.32
ii) Contributions to provident and other funds		0.35	0.34
iii) Commission		16.02	14.04
		22.14	**19.70**

30. The Company has made provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under the AS 15 (Revised) furnished below are those which are relevant and available to company for this year.

a) Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

(Rs. in Crores)

Particulars	2008-09	2007-08
Employer's Contribution to Provident Fund	1.49	1.52
Employer's Contribution to Superannuation Fund	0.78	0.79
Employer's Contribution to Pension Fund	0.33	0.35

b) Contributions to Defined Benefit Plans are as under:

(i) Gratuity		
(Rs. in Crores)		
Particulars	**2008-09**	**2007-08**
Change In the defined benefit obligation		
Defined benefit obligation as at 1st April, 2008	**4.67**	3.28
Service cost	0.61	0.99
Interest cost	0.39	0.27
Actuarial loss/(gain)	(0.32)	0.36
Benefits paid	(0.84)	(0.23)
Defined benefit obligation as at 31st March, 2009	**4.51**	**4.67**
Change in plan assets		
Fair value of plan assets as at 1st April, 2008	**1.76**	1.32
Expected return on plan assets	0.14	0.14
Contributions by employer	1.30	0.55
Actuarial loss/(gain)	(0.01)	(0.02)

Benefits paid	(0.84)	(0.23)
Fair value of plan assets as at 31st March, 2009	**2.35**	**1.76**
Present value of unfunded obligations	**2.16**	2.91
The Net amount recognized in the statement of Profit & Loss for year ended 31st March, 2009 is as follows		
Current Service cost	0.61	0.99
Interest cost	0.39	0.28
Expected return on plan assets	(0.14)	(0.14)
Net actuarial loss/(gain) recognized	(0.30)	0.38
Net amount recognized	**0.54**	**1.51**
Actual return on Plan Assets	**2.35**	**1.76**
The major categories of plan assets as a percentage of total plan assets as at 31st March, 2009 are as follows:		
Government of India Securities	-	-
Insurer Managed Funds	-	-
Policy of Insurance	100%	100%
The principal actuarial assumption used as at 31st March, 2009 are as follows:		
Discount Rate	8.00%	8.33%
Expected rate of return on Plan Assets	8.00%	9.25%
Rate of increase in Compensation Levels (Refer Note below)	6.00%	6.00%
(ii) Leave Encashment		
Change In the defined benefit obligation		
Defined benefit obligation as at 1st April, 2008	**4.79**	2.71
Service cost	0.26	0.84
Interest cost	0.40	0.23
Actuarial loss/(gain)	(0.20)	1.29
Benefits paid	(1.28)	(0.28)
Defined benefit obligation as at 31st March, 2009	**3.97**	**4.79**
The Net amount recognized in the statement of Profit & Loss for year ended 31st March, 2009 is as follows		
Current Service cost	0.26	0.84
Interest cost	0.40	0.23
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognized	(0.20)	1.29
Net amount recognized	**0.46**	**2.36**
The principal actuarial assumption used as at 31st March, 2009 are as follows:		
Discount Rate	8.00%	8.33%
Expected rate of return on Plan Assets	-	-

Rate of increase in Compensation Levels (Refer Note below)	6.00%	6.00%
Note: The estimate of future salary increase, considered in actuarial variation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

31. As per the Accounting Standard 18, disclosure of transactions with related parties (As identified by the Management), as defined in Accounting Standard are given below:

i)	**Name of related parties & description of relationship**	
1.	**Controlling Companies** -	
2.	**Subsidiary Companies**	
	• Adani Agri Logistics Ltd.	• Aaloka Real Estate Pvt. Ltd.
	• Adani Agri Fresh Ltd.	• Adani Global Ltd., Mauritius.
	• Adani Power Ltd.	• Adani Global Pte. Ltd., Singapore.
	• Adani Power Maharashtra Ltd.	• Adani Global FZE, Dubai.
	• Adani Power Rajasthan Ltd.	• Adani Shipping Pte. Ltd, Singapore.
	• Adani Power Dahej Ltd.	• Adani Virginia Inc, USA
	• Mundra Power SEZ Ltd.	• Adani Power (Overseas) Ltd., Dubai
	• Adani Infrastructure and Developers Pvt. Ltd.	• PT Adani Global, Indonesia.
	• Adani Estates Pvt. Ltd.	• PT Kapuas Coal Mining, Indonesia.
	• Adani Land Developers Pvt. Ltd.	• Bay Bridge Enterprise LLC
	• Adani Developers Pvt. Ltd.	• Vyom Tradelink Pvt. Ltd.(Upto 01.11.2008)
	• Adani Energy Ltd.	• Libra Shipping Pte Ltd. (Upto 01.11.2008)
	• Adani Mining Pvt. Ltd.	• Adani Habitats Pvt.Ltd. (Upto 20.02.2009)
	• Adani Landscapes Pvt. Ltd.	• M/s. Adani Township and Real Estate Company
	• Columbia Chrome (India) Pvt. Ltd.	• M/s. Adani Exports
	• Swayam Realtors and Traders Ltd.	• Jade Food and Properties Pvt. Ltd.
	• Miraj Impex Pvt. Ltd.	• Jade Agri Land Pvt. Ltd.
	• Shantigram Estate Management Pvt. Ltd.	• Jade Agricultural Co. Pvt. Ltd.
	• Adani Mundra SEZ Infrastructure Pvt. Ltd.	• Rajendra Agri Trade Pvt. Ltd.
	• Belvedere Golf and Country club Pvt. Ltd.	• Rohit Agri-Trade Pvt. Ltd.
	• Shantigram Utility Services Pvt Ltd.	• Sunanda Agri-Trade Pvt. Ltd.
	• Lushgreen Landscapes Pvt. Ltd.	• Panchdhara Agro Farms Pvt. Ltd.
	• Natural Growers Pvt. Ltd.	
3.	**Associate Entities**	
	• Adani Petronet (Dahej) Port Pvt. Ltd.	• Gujarat Adani Infrastructure Pvt. Ltd.
	• Accurate Finstock Pvt. Ltd.	• B2B India Pvt. Ltd.
	• Adani Retail Pvt. Ltd.	• Adani Habitats Pvt. Ltd. (W.e.f. 21.02.2009)
	• Mundra SEZ Textile and Apparel Park Pvt. Ltd.	• Adani Properties Pvt. Ltd.
	• Rajasthan SEZ Pvt. Ltd.	• I-Gate India Pvt. Ltd.
	• Mundra Port and Special Economic Zone Ltd.	• Dholera Infrastructure Pvt. Ltd.

i)	**Name of related parties & description of relationship**	
	• Adani Logistics Ltd.	• Dholera Port and Special Economic Zone Ltd.
	• Adani Energy (UP) Pvt. Ltd.	• Mundra Aviation U.K.
	• Inland Conware Pvt. Ltd.	• Gujarat Adani Aviation Pvt. Ltd.
	• Inland Conware (Ludhiana) Pvt. Ltd.	• Mundra SEZ Utilities Pvt. Ltd.
	• I Call India Pvt. Ltd.	• Ventura Trade & Investment Pvt Ltd., Mauritius
	• Komal Marketing Pvt. Ltd.	• Trident Trade & Investment Pvt Ltd., Mauritius
	• Aditya Corpex Pvt. Ltd.	• Pride Trade & Investment Pvt Ltd., Mauritius
	• Hinduja Exports Pvt. Ltd.	• Radiant Trade & Investment Pvt Ltd., Mauritius
	• Adani Shipyard Pvt. Ltd.	• Baramati Power Pvt. Ltd.
	• Komal Infotech Pvt. Ltd.	• Shankheshwar Buildwell Pvt. Ltd.
	• Gujarat State Exports Corporation Ltd.	• M/s. Adani Commodities {(Formerly Adani Investments)}
	• Shantikrupa Estates Pvt. Ltd.	• M/s Advance Exports
	• Shantikrupa Services Pvt. Ltd.	• M/s Advance Investments
	• Shantikrupa Infrastructure Pvt. Ltd.	• M/s. Adani Tradelinks {(Formerly Intercontinental (India)}
	• Adani Infrastructure Services Pvt. Ltd.	• M/s. Crown International
	• m to M Traders Pvt. Ltd.	• M/s. Shanti Builders
	• Netvantage International Pvt. Ltd.	• Adani Agro Pvt. Ltd.
	• M/s. Adani Textile Industries	• M/s. Ezy Global
4.	**Joint Control**	
	• Adani Wilmar Ltd.	• Chemoil Adani Pte Ltd. Singapore
	• Parsa Kente Collieries Ltd.	• Adani Welspun Exploration Ltd.
	• Chemoil Adani Pvt. Ltd.	
5.	**Key Management Personnel**	
	• Shri Gautam S. Adani – Chairman	• Shri Pradeep Mittal – Whole Time Director (Resigned w.e.f. 15.10.2008)
	• Shri Rajesh S. Adani – Managing Director	
6.	**Relatives of Key Management Personnel with whom transactions done during the year.**	
	• Smt. Suvarna M. Adani	• Shri Bhavik B. Shah
	• Shri. Vinod S. Adani	

ii) Nature And Volume of Transaction with Related Parties

(Rs.in Crores)

	Particulars	Subsidiary Company	Associate Entities	Jt Control Company	Key Mgmt Personnels	Relatives of Key Management Personnel
1	**Sales (Net of Return)**	3,213.86	92.07	119.22	-	-

	Particulars	Subsidiary Company	Associate Entities	Jt Control Company	Key Mgmt Personnels	Relatives of Key Management Personnel
		3,282.30	31.25	94.72	-	-
2	**Purchase (Net of Return)**	787.30	26.99	3.23	-	-
		519.21	327.79	38.26	-	-
3	**Sale of Investment**	-	0.05	-	-	-
		-	0.04	-	-	-
4	**Sale of Fixed Asset**	-	-	2.45	-	-
		-	0.32	-	-	-
5	**Purchase of Fixed Asset**	-	-	0.05	-	-
		-	-	-	-	-
6	**Purchase of Investments**	106.04	-	-	-	-
		0.60	-	-	0.00	0.00
7	**Interest – received / (paid)**	82.39	-	0.55	-	-
		116.87	-	-	-	-
8	**Dividend received**	0.46	-	-	-	-
		0.38	-	-	-	-
9	**Funds given [includes investment in Preference shares/equity participation/ business arrangement]**	1,005.69	483.42	61.60	-	-
		2,411.42	164.73	18.88	-	-
10	**Funds received [including redemption of Preference share/business arrangement]**	1,381.44	451.56	10.85	-	-
		1,703.69	76.08	-	-	-
11	**Service rendered**	8.11	4.97	0.26	-	-
		2.34	10.96	0.11	-	-
12	**Service availed**	15.04	621.56	0.06	-	-
		16.78	181.58	0.03	-	-
13	**Profit/(Loss) Sharing / Business Arrangement**	360.30	-	-	-	-
		228.39	-	-	-	-
14	**Rent paid**	-	0.67	0.03	-	0.02
		-	0.01	0.09	-	0.03
15	**Rent received**	-	0.02	0.03	-	-
		0.00	0.02	0.13	-	-
16	**Remuneration**	-	-	-	22.14*	-
		-	-	-	19.70*	-
17	**Guarantee & Collateral securities**	157.85	-	223.04	-	-

	Particulars	Subsidiary Company	Associate Entities	Jt Control Company	Key Mgmt Personnels	Relatives of Key Management Personnel
	(Outstanding facility as on 31-03-2009)	119.91	-	94.29	-	-
18	**Balance Outstanding (Due From)**					
	31st March 2009 (Due From)	1,376.37	50.16	14.45	-	-
	31st March 2009 (Due To)	204.44	17.55	5.99	-	-
	31st March 2008 (Due From)	2,469.34	112.19	47.88	-	-
	31st March 2008 (Due To)	119.76	-	26.75	-	0.08

* The above does not include Provision for Leave Encashment and Gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be identified.

Disclosure in Respect of Material Related Party Transactions during the year :

a) **Sales (Net of Return)** to M/s. Adani Exports Rs. 2,644.97 Crores (Previous Year Rs. 2,164.45 Crores); Adani Global FZE Rs. 204.72 Crores (Previous Year Rs. 466.31 Crores); Adani Global Pte Ltd. Rs.327.57 Crores (Previous Year Rs. 623.76 Crores); Mundra Port & Special Economic Zone Ltd.Rs. 34.12 Crores (Previous Year Rs. 31.25 Crores); Hinduja Exports Pvt. Ltd. Rs. 30.63 (Previous Year Rs. Nil); Gujarat State Exports Corporation Ltd. Rs. 27.33 Crores (Previous Year Rs. Nil); Adani Wilmar Ltd. Rs.110.26 Crores (Previous Year Rs.94.72 Crores).

b) **Purchase (Net of Return)** from Adani Global FZE Rs.83.94 Crores (Previous Year Rs. 15.36 Crores); Adani Global Pte Ltd. Rs.703.31 Crores (Previous Year Rs. 503.78 Crores); Aditya Corpex Pvt. Ltd. Rs.26.99 Crores (Previous Year Rs. 123.90 Crores); Gujarat State Exports Corporation Ltd. Rs. Nil (Previous Year Rs. 202.80 Crores); Adani Wilmar Ltd. Rs.3.23 Crores (Previous Year Rs.38.26 Crores).

c) **Sale of Investment** to Adani Agro Pvt. Ltd. Rs. Nil (Previous Year Rs. 0.03 Crore); Mundra Port & Special Economic Zone Ltd. Rs.Nil (Previous Year Rs. 0.00 Crore); B2B India Pvt. Ltd. Rs. 0.05 Crore (Previous Year Rs. Nil).

d) **Sale of Fixed Asset** to Mundra Port & Special Economic Zone Ltd. Rs.Nil (Previous Year Rs. 0.32 Crore); Adani Wilmar Ltd. Rs.2.45 Crores (Previous Year Rs.Nil).

e) **Purchase of Fixed Asset** from Adani Wilmar Ltd. Rs.0.05 Crore (Previous Year Rs.Nil).

f) **Purchase of Investments** from Adani Habitats Pvt. Ltd. Rs.106.04 Crores (Previous Year Rs. 0.54 Crore).

g) **Interest – received / (paid)** from Adani Infrastructure and Developers Pvt. Ltd. Rs.77.57 Crores (Previous Year Rs. 116.52 Crores); Adani Welspun Exploration Ltd. Rs. 0.23 Crore (Previous Year Rs. Nil); Parsa Kente Collieries Ltd. Rs.0.32 Crore (Previous Year Rs. Nil).

h) **Dividend received** from Adani Global Ltd. Rs.0.46 Crore (Previous Year Rs. 0.38 Crore).

i) **Funds given [includes investment in Preference shares/equity participation/ business arrangement]** to Adani Global Ltd. Rs.NIL (Previous Year Rs. 412.57 Crores); Adani Infrastructure and Developers Pvt. Ltd. Rs.423.63 Crores (Previous Year Rs. 1,266.02 Crores); Adani Power Ltd. Rs.326.15 Crores (Previous Year Rs. 255.37 Crores); Aditya Corpex Pvt. Ltd. Rs. 403.82 Crores (Previous Year Rs. 113.64 Crores);

Adani Port Infrastructure Pvt. Ltd. Rs.Nil (Previous Year Rs. 32.50 Crores); M/s. Adani Tradelinks {Formerly Intercontinental (India)} Rs.Nil (Previous Year Rs. 0.12 Crore); Adani Agro Pvt. Ltd. Rs.Nil (Previous Year Rs. 2.25 Crores); Hinduja Exports Pvt. Ltd. Rs. 78.60 Crores (Previous Year Rs.Nil); Adani Welspun Exploaration Ltd. Rs. 7.79 Crores (Previous Year Rs. 10.73 Crores); Adani Wilmar Ltd. Rs.50.87 Crores (Previous Year Rs. 18.88 Crores).

j) **Funds received [including redemption of Preference share/business arrangement]** from Adani Infrastructure and Developers Pvt. Ltd. Rs.1,061.88 Crores (Previous Year Rs. 1,445.71 Crores); Adani Developers Pvt. Ltd. Rs.NiL (Previous Year Rs.1.74 Crores); Adani Habitats Pvt. Ltd. Rs.176.39 Crores (Previous Year Rs. 3.62 Crores); Aditya Corpex Pvt. Ltd. Rs. 403.82 Crores (Previous Year Rs. 9.84 Crores); Adani Port Infrastructure Pvt. Ltd. Rs. Nil (Previous Year Rs. 32.50 Crores); M/s.Adani Tradelinks {Formerly Intercontinental (India)} Rs. Nil (Previous Year Rs. 0.12 Crore); Adani Agro Pvt. Ltd. Rs.4.00 Crores (Previous Year Rs. 2.25 Crores); Hinduja Exports Pvt. Ltd. Rs. 43.55 (Previous Year Rs. Nil); Adani Welspun Exploaration Ltd. Rs.10.85 Crores (Previous Year Rs. 2.41 Crores).

k) **Service rendered** to Adani Agri Fresh Ltd. Rs.0.17 Crore (Previous Year Rs. 0.48 Crore); Adani Agri **Logistics** Ltd. Rs.0.14 Crore (Previous Year Rs.0.31 Crore); Adani Power Ltd. Rs.5.92 Crores (Previous Year Rs. 1.26 Crores); Adani Energy Ltd.Rs.1.74 Crores (Previous Year Rs. 0.02 Crore); Mundra Port & Special Economic Zone Ltd. Rs. 4.47 Crores (Previous Year Rs.10.54 Crores); Adani Wilmar Ltd. Rs.0.08 Crore (Previous Year Rs. 0.11 Crore); Parsa Kente Collieries Ltd..Rs.0.03 Crore (Previous Year Rs. Nil); Chemoil Adani Pvt. Ltd. Rs.0.14 Crore (Previous Year Rs. Nil).

l) **Service availed** from Libra Shipping Pte. Ltd. Rs.14.97 Crores (Previous Year Rs. 16.78 Crores); Mundra Port & Special Economic Zone Ltd. Rs. 620.33 Crores (Previous Year Rs. 181.36 Crores); Adani Wilmar Ltd. Rs.0.06 Crore (Previous Year Rs. 0.03 Crore).

m) **Profit/(Loss) Sharing / Business Arrangement** from M/s. Adani Exports Rs.232.04 Crores (Previous **Year** Rs. 177.28 Crores); Adani Global Pte Ltd. Rs. 128.26 Crores (Previous Year Rs. 51.11 Crores).

n) **Rent paid** to Mundra Port & Special Economic Zone Ltd. Rs. 0.13 Crore (Previous Year Rs. 0.01Crore); **Adani** Properties Pvt. Ltd. Rs.0.54 Crore (Previous Year Rs. Nil); Adani Wilmar Ltd. Rs.0.03 Crore (Previous Year Rs. 0.09 Crore); Shri Vinod S. Adani Rs.0.02 Crore (Previous Year Rs. 0.03 Crore).

o) **Rent received** from Adani Mining Pvt.Ltd. Rs.Nil (Previous Year Rs. 0.00 Crore); Mundra Port & Special **Economic** Zone Ltd. Rs. 0.02 Crore (Previous Year Rs. 0.02 Crore); Adani Wilmar Ltd. Rs.0.03 Crore (Previous Year Rs. 0.13 Crore).

p) **Remuneration** to Mr. Gautam S Adani Rs.9.20 Crores (Previous Year Rs. 8.09 Crores); Mr.Rajesh S Adani Rs.9.95 Crores (Previous Year Rs. 8.68 Crores); Mr. Pradeep Mittal Rs.2.99 Crores (Previous Year Rs. 2.93 Crores).

q) **Guarantee & Collateral securities** to Adani Global Pte Ltd. Singapore Rs.120.50 Crores (Previous Year Rs. 39.97 Crores); Adani Global FZE, Dubai Rs. 101.90 Crores (Previous Year Rs. 79.94 Crores); Adani Wilmar Ltd. Rs.101.49 Crores (Previous Year Rs. 94.29 Crores); Adani Welspun Exploaration Ltd. Rs.121.55 Crores (Previous Year Rs. Nil).

iii) As required by the amendment to the clause 32 of the listing agreement vide SEBI circular no. 2 / 2003 of 10th January, 2003, the following disclosure have been made :

(a) Loans and advances in the nature of loans to subsidiaries

(Rs. in Crores

Sr. No.	Name of Entity	Closing Balance As at 31-03-2009	Maximum amount Outstanding during the year
1	Adani Agri Fresh Ltd.	6.35	6.85
		NIL	1.03

Sr. No.	**Name of Entity**	**Closing Balance As at 31-03-2009**	**Maximum amount Outstanding during the year**
2	Adani Infrastructure Developers Pvt. Ltd.	187.99	918.55
		895.05	1,527.72
3	Adani Power Ltd.	NIL	11.00
		NIL	NIL
4	Adani Agri Logistics Ltd.	2.94	2.94
		NIL	NIL
5	Adani Habitats Pvt.Ltd	NIL	173.93
		147.35	150.15
6	Adani Mining Pvt.Ltd	10.93	10.95
		1.81	1.81
7	Miraj Impex Pvt.Ltd.	11.12	11.12
		10.58	10.58
8	Vyom Tradelink Pvt. Ltd.	NIL	33.28
		16.81	16.81
9	Adani Energy Ltd.	4.00	4.00
		NIL	NIL

(b) Loans and Advances shown above, to subsidiaries fall under the category of Loans & Advances in nature of Loans where there is no repayment schedule and are re-payable on demamd.

All the above loans and advances are interest bearing except for an amount of Rs. 4.00 crore to Adani Energy Ltd.

(c) Loans and advances in the nature of loans to firms / companies in which directors are interested :

(Rs in Crores)

Sr. No.	Name of Entity	Closing Balance As at 31-03-2009	Maximum amount Outstanding during the year
1	Adani Agri Fresh Ltd.	6.35	6.85
		NIL	1.03
2	Adani Infrastructure Developers Pvt. Ltd.	187.99	918.55
		895.05	1,527.72
3	Adani Power Ltd.	NIL	11.00
		NIL	NIL
4	Adani Agri Logistics Ltd.	2.94	2.94
		NIL	NIL
5	Adani Habitats Pvt.Ltd	NIL	173.93
		147.35	150.15
6	Adani Mining Pvt.Ltd	10.93	10.95
		1.81	1.81
7	Miraj Impex Pvt.Ltd.	11.12	11.12
		10.58	10.58
8	Vyom Tradelink Pvt. Ltd.	NIL	33.28
		16.81	16.81
9	Adani Energy Ltd.	4.00	4.00
		NIL	NIL
10	Adani Welspun Exploration Ltd.	NIL	4.85
		NIL	NIL
11	Parsa Kente Collieries Ltd.	3.12	3.12
		0.34	0.34

(d) Investments by the loanee in the shares of the Company as on 31st March, 2009:Nil (P.Y. NIL)

32. **Earning Per Share**

(Rs. in Crores)

Particulars	Year ended 31-03-2009	Year ended 31-03-2008
Net Profit after tax available for Equity Shareholders	326.41	312.07
Number of shares used in computing Earning Per Share		
Basic	24,66,09,175	24,64,86,975
Diluted	26,34,13,236	26,17,63,530
Earning Per Share (Equity Shares, face value Re. 1/-)		
Basic (in Rs.)	13.24	12.66
Diluted (in Rs.)	12.39	11.92

Dilutive potential equity shares are those which are deemed for the purpose of the computation pertains to the expected conversion of Foreign Currency Convertible Bonds.

33. **a) Deferred Tax**

(Rs. In Crores)

Particulars	As At	As At
	31-03-2009	**31-03-2008**
Deferred Tax Liability on account of		
(i) Depreciation	22.65	19.18
Total	**22.65**	**19.18**
Deferred Tax Assets on Account of		
(i) Leave Encashment	-	-
(ii) Provision for Bad-debts	2.07	1.38
(iii) Gratuity	0.74	1.65
Total	**2.81**	**3.03**
Net Deferred Tax Liability	**19.84**	**16.15**

b) In accordance with the Accounting Standard 22, the deferred tax liability of Rs.3.69 crores (Previous year Rs. 0.09 crore) for the year has been recognised in the Profit & Loss Account.

34. Pursuant to Accounting Standard (AS 27) – Financial Reporting of Interests in Joint Venture, the disclosures relating to the Joint Ventures are as follows :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March,2009	Percentage of ownership interest as at 31st March,2008
Adani Wilmar Ltd.	India	50.00%	50.00%
Parsa Kente Collieries Ltd.	India	74.00%	74.00%
Chemoil Adani Pvt. Ltd.	India	50.00%	---
Adani Welspun Exploration Ltd.	India	65.00%	65.00%
Chemoil Adani Pte Ltd.	Singapore	50.00%	---

Particulars		As at 31st March,2009 (Rs.in Crores)	As at 31st March,2008 (Rs.in Crores)
I	**ASSETS**		
1	Fixed Assets (Including Capital Work In Progress)	443.85	293.37
2	Investments	48.25	2.01
3	Current Assets, Loans & Advances		
(a)	Inventories	651.17	785.54
(b)	Sundry Debtors	223.12	110.04
(c)	Cash & Bank Balances	324.37	163.26
(d)	Loans & Advances	112.63	36.57
	Total	**1,803.38**	**1,390.79**
II	**LIABILITIES**		
1	Share Capital	205.61	133.28
2	Share Application Money	0.00	47.90
3	Reserve & Surplus	303.91	83.47
4	Loan Funds		
(a)	Secured Loans	421.08	100.62
(b)	Unsecured Loans	7.55	23.89
5	Deferred Tax Net	41.27	37.54
6	Current liabilities and Provisions		
(a)	Current Liabilities	820.29	962.36
(b)	Provisions	3.68	1.73
	Total	**1,803.38**	**1,390.79**
	MISCELLANEOUS EXPENDITURE		
		2008-09	**2007-08**
III	**INCOME**		
1	Sales And Operating Earnings	6,048.93	3,392.57
2	Other Income	1.01	0.36
		6,049.94	**3,392.93**
IV	**EXPENSES**		
1	Operating Expenses	5,908.42	3,280.72
2	Finance Expenses	42.02	40.27
3	Miscellaneous Expenditure Written off	0.26	-
4	Depreciation	16.95	15.34
		5,967.65	**3,336.34**
	PROFIT FOR THE YEAR BEFORE PRIOR PERIOD ADJUSTMENTS	**82.29**	**56.59**
Add:	Prior Period Income / (Expenses)	(0.19)	(0.01)
	PROFIT FOR THE YEAR BEFORE TAXATION	**82.10**	**56.58**
Less:	Provision For Taxation	22.77	26.37
Add	Excess Tax Provision of Earlier years	0.13	(0.87)

Particulars		As at 31st March,2009 (Rs.in Crores)	As at 31st March,2008 (Rs.in Crores)
:			
	PROFIT AFTER TAXATION	**59.20**	**31.08**
	Surplus brought forward from previous year	9.07	17.99

35. **Quantitative information to the extent applicable for the year pursuant to the paragraph 3 & 4 of part II of Schedule VI to the Companies Act, 1956 (As certified by the management)**

(A) Installed and License Capacity

SR. No.	CLASS	UNITS	License Capacity		Installed Capacity	
			2008-09	2007-08	2008-09	2007-08
1	**AGRO**					
	SEED CRUSHING	MT	N.A.	N.A.	121,000.000	N.A.
	SOLVENT REFINING	MT	N.A.	N.A.	54,450.000	N.A.
	OIL REFININING	MT	N.A.	N.A.	66,550.000	N.A.

PRODUCTION QUANTITY

SR. NO.	CLASS	UNITS	Actual Production	
			2008-2009	2007-2008
1	AGRO PRODUCTS	MT	86,290.007	298,579.940
2	PRECIOUS & OTHER METAL	KGS	27,537.651	50.012
3	CHEMICAL / PLASTICS	MT	596.768	-
4	TEXTILE PRODUCTS	KGS	951,823.360	-

(B) SALES AND STOCKS OF GOODS TRADED AND PROCESSED

(Rs. In Crores)

SR. NO.	CLASS	UNITS	OPENING STOCK		CLOSING STOCK		SALES	
			QTY	RUPEES	QTY	RUPEES	QTY	RUPEES
1	CHEMICAL / PLASTICS	MT	189.453	0.87	-	-	1,061.940	8.24
			39,782.852	94.91	189.453	0.87	74,230.970	163.15
2	AGRO PRODUCTS	MT	443,608.786	704.46	41,272.898	79.58	1,069,959.365	1,807.48
			137,896.360	157.26	443,608.786	704.46	2,754,061.516	3,786.51
3	PRECIOUS & OTHER METAL	KGS	-	-	300.000	44.69	48,237.651	3,208.03
			68.052	6.28	-	-	23,399.737	2,191.65
		CTS	-	-	55,826.550	29.55	3,111,155.480	1,628.60
			-	-	-	-	3,984,574.260	2,546.18
4	MINERALS / OILS	MT	318,147.302	156.39	468,116.470	154.15	2,950,469.705	1,924.57
			295,591.482	96.75	318,147.302	156.39	2,733,392.830	1,485.17
		CBM	221.061	0.28	100.795	0.08	78.127	0.02
			304.061	0.35	221.061	0.28	83.000	0.09
		SFT	42,581.496	0.83	22,109.870	0.19	97,162.860	1.68

SR. NO.	CLASS	UNITS	OPENING STOCK		CLOSING STOCK		SALES	
			QTY	RUPEES	QTY	RUPEES	QTY	RUPEES
			125,625.679	2.45	42,581.496	0.83	419,649.276	8.20
5	POWER TRADING	KWH	-	-	-	-	2,788,000,000.00	2,051.08
			-	-	-	-	1,393,155,500.00	771.56
6	TEXTILE PRODUCTS	KGS	-	-	9,420.000	0.14	942,403.600	12.68
			-	-	-	-	-	-
		MTR	4,485.500	0.04	-	-	3,300,280.000	18.01
			4,485.500	0.04	4,485.500	0.04	4,773,196.500	23.54
7	FERTILIZERS	MT	4,114.150	5.15	2,346.090	2.51	22,076.750	36.99
			4,562.469	5.71	4,114.150	5.15	50,675.660	58.12
8	OTHERS	NOS	-	-	-	-	1.000	0.81
			-	-	-	-	-	-
	GRAND TOTAL			**868.02**		**310.89**		**10,698.19**
				363.75		**868.02**		**11,034.15**

(C) PURCHASE OF TRADED GOODS

(Rs. In Crores)

SR. NO.	CLASS	UNITS	2008-2009		2007-2008	
			QTY	AMOUNT	QTY.	AMOUNT
1	CHEMICAL / PLASTICS	MT	-	0.21	35,615.497	52.68
2	AGRO PRODUCTS	MT	603,145.052	906.48	3,082,367.011	3,635.25
3	PRECIOUS & OTHER METAL	KGS	21,000.000	2,687.24	23,281.725	2,181.11
		CTS	3,166,982.030	1,629.07	3,984,574.270	2,532.42
4	MINERALS / OILS	MT	3,113,938.887	1,762.72	2,773,068.261	1,339.11
	MINERALS / OILS	SFT	44,423.480	1.05	353,184.093	5.18
5	POWER TRADING	KWH	2,788,000,000.000	2,039.42	1,393,155,500.000	765.01
6	TEXTILE PRODUCTS	MTR	3,295,794.000	17.31	4,773,196.500	22.63
7	FERTILIZERS	MT	20,300.340	50.84	50,658.160	54.43
8	OTHERS	NOS	1.000	0.81	-	-
	TOTAL			9,095.15		**10,587.82**

(D) RAW MATERIAL CONVERTED

(Rs. In Crores)

SR. NO.	CLASS	UNITS	2008-2009		2007-2008	
			QTY	AMOUNT	QTY.	AMOUNT

SR. NO.	CLASS	UNITS	2008-2009 QTY	2008-2009 AMOUNT	2007-2008 QTY.	2007-2008 AMOUNT
1	PRECIOUS METAL	KGS	27,540.469	567.91	50.013	6.00
2	TEXTILES	KGS	1,009,415.340	13.38	-	-
3	AGRO PRODUCTS	MT	87,456.653	224.35	296,640.289	542.93
4	CHEMICAL / PLASTICS	KGS	598.250	6.74	-	-
	TOTAL			812.38		**548.93**

(E) IMPORTED & INDIGENOUS CONSUMPTION

(Rs. In Crores)

Particulars		2008-2009		2007-2008	
		AMOUNT	%	AMOUNT	%
RAW MATERIALS	–IMPORTED	588.03	72.38	6.00	1.09
	–INDIGENOUS	224.35	27.62	542.93	98.91
TOTAL		**812.38**	**100.00**	**548.93**	**100.00**
STORES AND SPARES	–IMPORTED	-	-	-	-
	–INDIGENOUS	1.04	100	-	-
TOTAL		**1.04**	**100.00**	**-**	**-**

(F) VALUE OF IMPORTS ON CIF BASIS

(Rs. In Crores)

Particulars	**2008-2009**	2007-2008
Trade goods	5,666.59	4,503.73
TOTAL	**5,666.59**	**4,503.73**

(G) EXPENDITURE IN FOREIGN CURRENCY

(Rs. In Crores)

Particulars	**2008-2009**	2007-2008
Travelling expenses	0.59	0.75
Other matter	1.35	1.26
Interest	185.69	179.68
Bank charges	1.04	1.07
Clearing & Forwarding	37.20	20.69
Brokerage & Commission	1.34	1.94
Professional Fees	1.51	0.37
TOTAL	**228.72**	**205.76**

(H) EARNING IN FOREIGN CURRENCY

(Rs. in Crores)

Particulars	**2008-2009**	2007-2008
Export of Goods on F.O.B. Basis	5,987.94	5,857.98
Interest Income	20.30	39.75
Dividend Income	0.46	0.38
Other Income	128.38	52.65

Particulars	2008-2009	2007-2008
TOTAL	**6,137.08**	**5,950.76**

36. The Ministry of Corporate Affairs , Government of India vide its Order No.47/194/2009/-CL –III dated 14th May, 2009 has granted approval that the requirement to attach various documents in respect of Subsidiary Companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. As per the Order, financial Information of each Subsidiary company is attached.

37. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

38. 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.	:	L51100GJ1993LC19067
	State Code	:	04
	Balance Sheet Date	:	31-03-2009
II.	**Capital Raised during the year (Amount in Rs. Thousands)**		
	Public Issue - NIL		Right Issue - NIL
	Bonus Issue - NIL		Private Placement - NIL
III.	**Position of Mobilisation and Deployment of Founds(Amount in Rs. Thousands)**		
	Total Liabilities	:	66976374
	Total Assets	:	66976374
	Sources of Funds:		
	Paid –up Capital	:	246609
	Reserves & Surplus	:	16184354
	Secured Loans	:	3538200
	Unsecured Loans	:	28528966
	Deferred Tax Liability	:	198431
	Application of Funds:		
	Net Fixed Assets	:	2219992
	Investments	:	21567508
	Net Current Assets	:	24909061
	Miscellaneous Expenditure	:	-----
	Accumulated Losses	:	-----
IV.	**Performance of Company (Amount in Rs. Thousands)**		
	Turnover (Including other Income)	:	115878814
	Total expenditure	:	112132734
	Profit/(Loss) before tax	:	3746080
	Profit/(Loss) after tax	:	3264216
	Earning per share (Rs.)	:	13.24
	Dividend Rate %	:	100
V	**Generic Names of Three Principal products/services of Company (as per monetary terms)**		
	Item Code No. (ITC Code)		Not Ascertainable
	Product Description		Merchant Exporters

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ADANI ENTERPRISES LIMITED.

1) We have audited the attached consolidated Balance Sheet of Adani Enterprises Limited its subsidiaries and associates (the Adani Group) as at March 31, 2009 and the related consolidated Profit and Loss Account and consolidated cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding its subsidiaries and associates. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform and audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3) a) We conducted the audit financial statements of 16 (Sixteen) Indian subsidiary for the year ended 31st March, 2009 whose financial statements reflect total assets of Rs. **1,134.88** Crore as at 31st March, 2009, total revenue of Rs. **324.64** Crore and cash flows amounting to Rs.**(1.66)** Crore for the year then ended. The said financial statements have been considered for consolidation.

b) We did not audit the financial statements of 9 (Nine) Foreign subsidiaries for the year ended 31st March, 2009 whose financial statements reflect total assets of Rs. **3,919.84** Crore as at 31st March, 2009, total revenue of Rs. **13,776.74** Crore and cash flows amounting to Rs. **213.55** Crore 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, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

c) We did not audit the financial statements of 17 (Seventeen) Indian subsidiary for the year ended 31st March, 2009, whose financial statements reflect total assets of Rs**. 12,694.56** Crore as at 31st March, 2009, total revenue of **Rs. 369.41** Crore and cash flows amounting to Rs.**354.61** Crore 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, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

4) a) We conducted the audit of the separate financial statements of 3 (Three) joint venture company for the year ended 31st March, 2009 whose audited financial statements reflect total assets of Rs. **1,517.08** Crore as at 31st March, 2009, total revenue of Rs. **5,799.76** Crore and cash flows amounting to Rs.**86.24** Crore for the year then ended. The said financial statements have been considered for consolidation.

b) We did not audit the financial statements of joint venture company namely Chemoil Adani Pte. Ltd. for the year ended 31st March, 2009 whose financial statements reflect total assets of Rs. **271.58** as at 31st March, 2009, total revenue of Rs. **250.18** Crore and cash flows amounting to Rs. **130.10** Crore 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, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

5) a) We conducted the audit of the separate financial statements of partnership firm namely Adani Exports. whose audited financial statements reflect total assets of **Rs. 946.00** Crore as at March 31, 2009, total revenues of **Rs. 2,835.42** Crore and cash flows amounting to Rs.**1.13** Crore for the year ended on that date. The said financial statements have been considered for consolidation.

b) We did not audit the financial statements of partnership firm namely Adani Township and Real Estate Company. whose audited financial statements reflect total assets of **Rs. 143.50** Crore as at March 31, 2009, total revenues of Rs.**0.09** and cash flows amounting to Rs.**(1.15)** Crore for the year ended on that date. The said financial statements have been considered for consolidation.

6) We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21–Consolidated Financial Statements, Accounting Standard 23–Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27– Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.

7) On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the its subsidiaries and associates in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Adani Group as at March 31, 2009;

b) in the case of the Consolidated Profit and Loss Account, of the profit of the Adani Group for the year ended on that date; and

c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Adani Group for the year ended on that date.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

Place: Ahmedabad
Date : 20th May,2009.

(D. A. PARIKH)
Partner
Membership No. 045501

The subsidiary companies considered in consolidation financial statements are :

ANNEXURE I

Sr. No.	Name of the Subsidiary (Foreign)
1	Adani Global Ltd.
2	Adani Global FZE
3	Adani Global Pte Ltd.
4	Adani Virginia Inc.
5	PT Adani Global
6	Adani Shipping PTE Ltd.
7	PT Kapuas Coal Mining
8	Adani Power (Overseas) Ltd.
9	Libra Shipping Pte Ltd. (Upto 01.11.2008)

ANNEXURE II

Sr. No.	Name of the Subsidiary (Domestic)
1	Adani Agri Fresh Ltd.
2	Adani Agri Logistic Ltd.
3	Adani Power Ltd.
4	Adani Power (Maharastra) Ltd.
5	Adani Power Rajasthan Ltd.
6	Mundra Power SEZ Ltd.
7	Adani Infrastructure Developers Pvt. Ltd.
8	Adani Landscapes Pvt. Ltd
9	Adani Estate Pvt. Ltd.
10	Swayam Realtors and Traders Ltd.
11	Columbia Chrome Pvt. Ltd.
12	Shantigram Estate Management Pvt.Ltd.
13	Adani Land Developers Pvt. Ltd.
14	Adani Developers Pvt. Ltd.

Sr. No.	Name of the Subsidiary (Domestic)
15	Rajendra Agri Trade Pvt. Ltd.
16	Rohit Agri Trade Pvt. Ltd.
17	Sunanda Agri Trade Pvt. Ltd.
18	Shantigram Utility Services Pvt.Ltd.
19	Belvedere Golf and country club pvt. Ltd.
20	Aaloka Real Estate Pvt. Ltd.
21	Panchdhara Agro Farms Pvt. Ltd.
22	Adani Power Dahej Pvt Ltd.
23	Adani Mining Pvt. Ltd
24	Adani Energy Ltd
25	Miraj Impex Pvt.Ltd.
26	Adani Mundra SEZ Infrastructure Pvt.Ltd.
27	Lushgreen Landscapes Pvt Ltd
28	Natural Growers Pvt Ltd
29	Jade Food & Properties Pvt Ltd
30	Jade Agri Land Pvt Ltd.
31	Jade Agriculture Company Pvt. Ltd.
32	Vyom Tradelink Pvt. Ltd.(Upto 01.11.2008)
33	Adani Habitats Pvt.Ltd. (Upto 20.02.2009)

For **DHARMESH PARIKH & CO.**
Chartered Accountants

Place: Ahmedabad
Date : 20th May,2009.

(D. A. PARIKH)
Partner
Membership No. 045501

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

(Rs. In Crores)

	PARTICULARS	SCH	AS AT 31-3-2009		AS AT 31-03-2008	
A	**SOURCES OF FUNDS :**					
I.	**SHAREHOLDERS' FUND**					
	(A) Share Capital	1	24.66		24.65	
	(B) Share Application Money pending allotment		0.25		7.62	
	(C) Reserves & Surplus	2	2,994.01		2,092.68	
				3,018.92		**2,124.95**
II.	**LOAN FUNDS :**					
	(A) Secured Loans	3	6,699.16		2,746.00	
	(B) Unsecured Loans	4	5,385.08		3,358.12	
				12,084.24		**6,104.12**
III.	**MINORITY INTEREST**					
	Capital		402.74		273.10	
	Add : Reserves & Surplus		74.18		77.23	
				476.92		**350.33**
IV.	**DEFERRED TAX LIABILITY**					
	Deferred Tax Liability		64.88		55.82	
	Less :-					
	Deferred Tax Assets		12.67		16.45	
				52.21		**39.37**
	TOTAL			**15,632.29**		**8,618.77**
B	**APPLICATION OF FUNDS :**					
I.	**FIXED ASSETS**					
	(A) Gross Block	5	2,130.52		927.54	
	(B) Less : Depreciation		212.05		115.34	
	(C) Net block		**1,918.46**		**812.20**	
	(D) Capital Work-in-Progress		6,951.96		2,984.26	
				8,870.42		**3,796.46**
	PRE-OPERATIVE EXPENDITURE					**297.49**
	(PENDING CAPITALISATION)					
II.	**INVESTMENTS**	6		**464.71**		**330.30**
III.	**CURRENT ASSETS, LOANS & ADVANCES**					
	(A) Inventories	7	3,098.34		3,269.46	
	(B) Receivables	8	3,400.57		1,405.83	
	(C) Cash & Bank Balances	9	2,583.20		1,634.64	
	(D) Loans & Advances	10	1,703.91		1,658.25	
			10,786.02		**7,968.18**	
	LESS :-					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current Liabilities	11	4,269.63		3,602.69	
	(B) Provisions	12	243.14		178.21	
			4,512.77		**3,780.90**	
	NET CURRENT ASSETS			**6,273.25**		**4,187.28**
IV.	**MISCELLANEOUS EXPENDITURE**	13		**23.91**		**7.24**
	(To The Extent Not Written Off Or Adjusted)					
	TOTAL			**15,632.29**		**8,618.77**
	Notes forming part of the accounts	20				

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(Rs. In Crores)

	PARTICULARS	SCH	2008-09		2007-08	
A	**INCOME :**					
	Sales & Operating earnings	14		26,258.28		19,609.71
	Other income	15		14.64		39.00
				26,272.92		**19,648.71**
B	**EXPENDITURE :**					
	Cost of materials	16		24,195.81		18,044.59
	Personnel expenses	17		114.63		91.90
	Operation & other expenses	18		938.23		757.14
	Finance Charges	19		348.82		277.01
	Depreciation			82.18		44.77
	Misc. expenditure written off			7.61		0.42
				25,687.28		**19,215.83**
	Profit for the year before Prior Period Adjustments & Exceptional items			**585.64**		**432.88**
	Less: Prior Period Adjustment			0.72		(1.86)
	Add/(Less) : Exceptional items			(2.44)		2.24
	Profit for the year before taxation			**583.92**		**433.26**
	Provision for taxation: (including share of joint venture)					
	- Current Tax			65.94		51.98
	- Adjustment of earlier years			0.33		(1.87)
	- Deferred Tax			10.97		5.00
	- Fringe Benefit Tax			1.24		2.15
	Profit after taxation, before share of Associate's Profit and Minority Interest			**505.44**		**376.00**
	Less: Share of Minority Interest			0.79		6.25
	Less: Share of Loss from Associate					
	Net Profit			**504.65**		**369.75**
	Add : Surplus brought forward from Previous Year			746.59		474.14
	Profit available for appropriation			**1,251.24**		**843.89**
	APPROPRIATIONS :					
	Proposed Dividend on Equity Shares			24.67		14.79
	Tax on Dividend (including surcharge)			4.19		2.51
	Interim Dividend on Equity Shares					
	Tax on Interim Dividend (including surcharge)					
	Transfer to General Reserve			75.71		70.00
	Transferred to Debenture Redemption Reserve			10.00		10.00
	Balance carried to balance sheet			**1,136.67**		**746.59**
				1,251.24		**843.89**
	Earning per Share - Re. 1/- each (in Rupees)					
	- Basic			20.46		15.00
	- Diluted			19.16		14.12
	Notes forming part of the accounts	20				

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. In Crores)

	Particulars	2008-2009		2007-2008	
A	**CASH FLOW FROM OPERATIONS**				
	Net Profit before tax		**583.92**		**433.26**
	Adjustment for:				
	Depreciation	82.18		44.77	
	Impairment of Loss	2.29		-	
	Diminution in Value of Investments	0.83		-	
	Income from investments	(1.27)		(0.64)	
	Income from Mutual Fund	(6.72)		(3.89)	
	Profit/Loss on sale of Investment	3.04		(3.96)	
	Profit/Loss on sale of fixed assets	0.22		(0.10)	
	Bad Debts / Provision for Doubtful debts & Advances	50.10		19.25	
	Liabilities No Longer Required	(2.47)		-	
	Loss of Stock due to Accident	0.01		-	
	Exceptional Item	2.44		(20.70)	
	Deferred Revenue Expenditure	7.61		0.42	
	Share of Minority Interest	(0.79)		(6.25)	
	Interest Expense	498.64		369.58	
	Interest Income	(130.66)		(144.55)	
			505.45		253.93
	Operating Profit before working capital changes		**1089.37**		**687.19**
	Adjustment for:				
	Trade & other receivables	(2044.84)		1012.04	
	Inventories	171.11		(1382.34)	
	Loans & Advances	(21.02)		(888.67)	
	Trade Payables	668.93		1254.23	
			(1225.82)		(4.75)
	Cash generated from operations		**(136.45)**		**682.44**
	Direct tax (paid) / refund		(61.57)		(57.43)
	Net cash from operating activities		**(198.02)**		**625.01**
B	**Cash Flow from Investing Activities**				
	Additions to fixed assets	(1211.85)		(265.40)	
	Additions to intangible Assets	(5.32)		(6.99)	
	Additions to work in progress	(3670.21)		(2181.74)	
	Sale of fixed assets	2.09		5.63	
	Deferred Revenue Expenditure	(17.92)		(3.38)	
	Sale of Investments	19.47		30.99	
	Purchase of Investments	(53.20)		(260.65)	
	Income from Mutual Fund	6.72		3.89	
	Income from Investments	1.27		0.64	
	Interest received	150.97		128.40	
	Net cash used in Investing Activities		**(4777.98)**		**(2548.61)**
C	**Cash Flow from Financing Activities**				
	Proceeds from Share Appliacation Money Received	-		7.37	
	Proceeds from Share Premium	493.67		632.08	
	Proceeds/(repayment) from working capital borrowings (net)	(435.31)		389.27	

	Particulars	2008-2009		2007-2008	
	Proceeds from long term borrowings (net)	4385.59		152.42	
	Proceeds from short term borrowings (net)	1930.68		948.29	
	Interest Paid	(496.48)		(354.13)	
	Dividend paid	(14.74)		(0.68)	
			5863.40		**1774.62**
D	**Others**				
	Exchange Reserve	41.40		(11.69)	
	Adjustment for Subsidiary and Joint Venture	124.28		226.91	
			165.69		**215.22**
	Net Increase/(Decrease) in cash & cash equivalents		**1053.09**		**66.24**
	Cash & cash equivalent at the beginning of the year		1702.88		1636.64
	Cash & cash equivalent as at 31/03/2009		**2755.97**		**1702.88**

Notes: Cash and Cash equivalents includes Short Term Investments of Rs. 172.77 crores (Previous Year Rs. 68.24 crores) and Rs.483.61crores (Previous Year Rs.321.99 crores) which are not available for use by the company (refer schedule 9 to accounts)

SCHEDULES 1 TO 13 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

(Rs. In Crores)

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	SCHEDULE : 1				
	SHARE CAPITAL				
	AUTHORISED				
	50,00,00,000 (Previous Year 50,00,00,000)		50.00		50.00
	Equity Shares of Re. 1/-				
	5,00,00,000 (Previous year 5,00,00,000)		50.00		50.00
	Preference Shares of Rs. 10/- each				
			100.00		**100.00**
	ISSUED, SUBSCRIBED & PAID-UP				
	24,66,09,175 (Previous Year 24,64,86,975)		24.66		24.65
	Equity Shares of Re. 1/- each				
			24.66		**24.65**
	NOTES :				
	Of the above Equity Shares				
(i)	2,61,35,175 (Previous Year 2,60,12,975) Equity shares of Re. 1/- each were allotted as fully paid up at premium on conversion of foreign currency convertible bonds.				
(ii)	50,00,000 (Previous Year 50,00,000) Equity Shares of Re. 1/- each were allotted as fully paid up at premium without payment being received in cash, on amalgamation				
(iii)	50,00,000 (Previous Year 50,00,000) Equity Shares of Re. 1/- each were issued as Bonus Shares by capitalization of profit.				
(iv)	16,53,55,000 (Previous Year 16,53,55,000) Equity Shares of Re. 1/- each were issued as Bonus shares by capitalization of share premium.				

(Rs. In Crores)

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	SCHEDULE : 2				
	RESERVES & SURPLUS				
1	**GENERAL RESERVE**				
	As per last balance sheet	515.15		396.61	
	ADD :- Transferred during the year from Profit & Loss Account	75.70		70.00	
	ADD :- Transferred from Debenture redemption Reserve	16.00		50.00	
	LESS :- Adjustment for Gratuity(As per AS-15-Revised) net of deferred tax			1.46	
			606.85		**515.15**
2	**DEBENTURE REDEMPTION RESERVE**				
	As per last balance sheet	30.00		70.00	
	ADD :- Created during the year	10.00		10.00	
	LESS :-Transfer to General Reserve	16.00		50.00	
			24.00		**30.00**
3	**SHARE PREMIUM ACCOUNT**				
	As per last balance sheet	813.39		181.31	

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	ADD :- Amount received on conversion of Foreign Currency Convertible Bonds	7.87			
	ADD :- Amount received during the year	493.67		632.08	
	ADD : On Equity Shares issued upon conversion of Cumulative Compulsorily Convertible Participatory Preference Shares	117.94			
	less :- Utilsed for issue of Bonus Share	787.43			
			645.44		**813.39**
4	**CAPITAL RESERVE**		547.76		
5	**EXCHANGE RESERVE**		33.30		**(8.10)**
6	**SURPLUS IN PROFIT & LOSS ACCOUNT**	1,136.67		746.59	
	Less: Adjustment against Goodwill *			(4.35)	
			1,136.67		**742.24**
			2,994.01		**2,092.68**

* Proportionate current year profit of the subsidiary company acquired during the year

(Rs. In Crores)

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	SCHEDULE : 3				
	SECURED LOANS				
1	From Banks - Term Loans (Note I & II)		5,978.01		1,825.55
2	From Banks - Working Capital (Note I & II)				
	a) Foreign Currency		9.76		95.98
	b) Rupee Loan		231.13		580.22
3	Non Convertible Debenture(Note III)		33.33		50.00
4	Vehicle Loans(Note - IV)		0.28		0.38
5	Home Loans (Note - V)		0.37		0.81
6	From Others - Trust Receipts		227.94		142.75
			6,480.82		**2,695.69**
	Share in joint Venture		**218.34**		**50.31**
			6,699.16		**2,746.00**
	NOTES :				
I	**Above facilities are secured by :**				
	a) Hypothecation of the stocks and book debts by way of first charge ranking pari-passu among the Banks.				
	b) Term loan of Rs. 2000 Millions availed from Central Bank of India is secured by subservient charge over current assets of the Company which is not ranking pari-passu with first charge created in favour of consortium bankers.				
	c) Hypothication of furnitures & fixtures at Corporate House Guargaon.				
	d) Tangible movable properties ranking pari-passu among the Banks.				
	e) Guarantee given by some of the Directors in their personal capacity.				
	f) Pledge of 95,00,000 equity shares of Mundra Port & SEZ Ltd.held by an associate Company.				
II	**Further secured by creation of Equitable Mortgage :**				
	a) Over certain immovable properties of the Company.				
	b) Over certain immovable properties of the associate Company.				
III	**The above debentures are secured by**				

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	a) Hypothication on movable properties of the Company situated at Belekeri Port (Karnataka).				
	b) Equitable Mortgage over an immovable property of the Company.				
	c) Pledge of shares of some of the promoters and their relatives				
	d) Non Convertible Debentures of Rs. 500 millions redeemable in three equal installments at the end of third, fourth and fifth year from the date of allotment i.e. 26th August, 2005. Out of which first installment of Rs. 166.70 millions has been redeemed				
IV	Vehicles loans are secured by hypothecation of assigned vehicles.				
V	Home loans are secured by hypothecation of assigned properties.				

(Rs. In Crores)

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	SCHEDULE : 4				
	UNSECURED LOANS				
	Foreign Currency Convertible Bonds		1,263.56		999.25
	Inter Corporate Loans		1,631.36		458.35
	Loans from Banks / Financial institutions(Note I)		2,485.34		1,888.86
	Loans from Directors		-		-
			5,380.26		**3,346.46**
	Share in joint Venture		**4.82**		11.66
			5,385.08		**3,358.12**
	NOTES :-				
I	Loans from Banks / Financial Institutions are secured by Demand Promissory Note and/or Pledge of shares of some of the Promoters and their relatives and /or guaranteed by some of the Directors in their personal capacity.				

SCHEDULE: 5

FIXED ASSETS AS AT 31ST MARCH, 2009

(Rs. In Crores)

Sr. No.	PARTICULARS	GROSSBLOCK					DEPRECIATION				NETBLOCK	
		As at 1/4/2008	Additions during the year	Deductions during the year	Transfer	As at 31/3/2009	As at 1/4/2008	Provided for they ear	Deductions during the year	As at 31/3/2009	As at 31/3/2009	As at 31/3/2008
A	**Tangible**											
	Owned Assets											
1	Land	29.52	44.51	-	-	74.03	-	-	-	-	74.03	29.52
2	Building	83.33	166.28	-	-	249.61	6.02	11.54	-	17.56	232.05	77.31
3	Plant & Machinery	453.18	629.49	0.13	-	1,082.55	47.66	55.86	0.03	103.49	979.05	405.52
4	Furniture & Fixtures	25.27	10.35	0.16	-	35.46	8.26	3.03	0.10	11.18	24.28	17.02
5	Electrical Fittings	16.01	0.76	-	-	16.77	1.29	1.03	-	2.32	14.45	14.72
6	Office Equipment	15.46	5.17	0.20	0.02	20.41	2.80	1.12	0.07	3.85	16.56	12.66
7	Computer Equipments	17.81	9.14	0.23	0.01	26.71	5.87	3.60	0.10	9.36	17.35	11.94
8	Vehicles	18.30	3.86	1.23	-	20.93	4.96	2.24	0.52	6.69	14.24	13.33
9	Air Craft	14.26	-	-	-	14.26	2.64	0.80	-	3.44	10.82	11.62
10	Ship	27.46	-	-	-	27.46	1.95	1.37	-	3.32	24.14	25.51
11	Site Establishment	1.27	0.30	-	-	1.57	0.25	0.31	-	0.56	1.00	1.01
	Subtotal	**701.87**	**869.87**	**1.95**	**0.02**	**1,569.76**	**81.71**	**80.90**	**0.82**	**161.78**	**1,407.98**	**620.16**
	Leased Assets											
1	Building	0.26	14.62	0.26	-	14.62	0.06	0.49	0.26	0.29	14.33	0.20
2	Land	36.54	273.69	-	-	310.23	0.76	3.09	-	3.85	306.38	35.78
	Subtotal	**36.80**	**288.31**	**0.26**	**-**	**324.85**	**0.81**	**3.59**	**0.26**	**4.14**	**320.71**	**35.98**
	SUB TOTAL –A	**738.66**	**1,158.18**	**2.21**	**0.02**	**1,894.61**	**85.52**	**84.48**	**1.08**	**165.92**	**1728.69**	**656.14**
B	**Intangible**											
1	Software	10.23	5.32	-	-	15.55	2.35	2.42	-	4.76	10.79	7.89
2	Goodwill	4.97	-	-	-	4.97	0.54	0.21	-	0.76	4.22	4.43
3	Right of Use of Land	0.42	-	-	-	0.42	0.05	-	-	0.05	0.37	0.37
	Subtotal	**15.62**	**5.32**	**-**	**-**	**20.94**	**2.94**	**2.63**	**-**	**5.57**	**15.37**	**12.68**
	Total(A+B)	**754.29**	**1,163.50**	**2.21**	**0.02**	**1,915.56**	**85.46**	**87.11**	**1.08**	**171.49**	**1,744.07**	**668.82**

Sr. No.	PARTICULARS	GROSSBLOCK					DEPRECIATION				NETBLOCK	
		As at 1/4/2008	Additions during the year	Deductions during the year	Transfer	As at 31/3/2009	As at 1/4/2008	Provided for they ear	Deductions during the year	As at 31/3/2009	As at 31/3/2009	As at 31/3/2008
	Share of Joint Venture	**162.46**	**53.67**	**1.17**	**-**	**214.96**	**32.01**	**8.56**	**0.01**	**40.56**	**174.40**	**130.45**
	Grand Total	**916.75**	**1,217.17**	**3.38**	**0.02**	**2,130.52**	**117.47**	**95.67**	**1.09**	**212.05**	**1,918.46**	**799.28**
	Previous Year	**679.45**	**272.39**	**24.30**	**-**	**927.54**	**68.95**	**47.46**	**1.07**	**115.34**	**812.20**	

(Rs. In Crores)

	PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
	SCHEDULE : 6				
(A)	**LONG TERM INVESTMENTS (NON TRADING) (UNQUOTED)**				
	GOVERNMENT SECURITIES				
	(Lodged with Government departments)		0.03		0.03
	in 6 year National Saving Certificates				
	OTHERS				
	1) 20,000(20,000) equity shares of KCCB of Rs. 25/- each		0.05		0.05
	2) 3,52,000 (3,52,000) equity shares of Mundra Sez Textile & Apparel Park Pvt Ltd of Rs. 10/- each.		0.35		0.35
	3) Land - Khatau Mills		266.10		236.88
	4) 12,50,000(Nil) equity shares of Indian Energy Exchange Ltd of Rs. 10/- each.		1.25		1.25
(B)	**CURRENT INVESTMENT (QUOTED)**				
	1) Nil (37) Bond of Andhra Bank of Rs. 10, 00,000/- each.		-		3.70
	2) Nil (138) Bond of State Bank of India of Rs.10, 00,000/- each.		-		14.76
	3) Nil (40) Bond of State bank of Mysore of Rs. 10, 00,000/- each.				4.05
	4) 2 (Nil) Bond of 7.49% GOI 2017 of Rs.5,00,00,000/- each	11.01			
	Less : Provision for diminution in value	(0.83)			
			10.18		
(C)	**SHORT TERM INVESTMENTS (UNQUOTED)**				
	1) 75,503,609.073 (Nil) units of Reliance Liquidity Fund of Rs.10/- each		102.77		-
	2) 5,674,241.779 (Nil) units of HDFC Liquid Fund of Rs.10/- each		10.00		-
	3) 7,248,793.076 (Nil) Units of Principal Mutual Fund of Rs 10/- each		10.00		
	4) 3,624,633.006 (Nil) Units of J M High Liquidity Fund of Rs 10/- each		5.00		-
	5) 10,798,902.831 (Nil) Units of SBI premier liquid fund of Rs 10/- each		15.00		
	6) 9,332,188.585 (Nil) Units of LICMF Liquid Fund of Rs 10/- each		15.00		-
	7) Nil (8,280,522.004) Units of SBI Magnum Insta cash option of Rs 10/- each		-		15.00
	8) 11,220,070.462 (Nil) Units of Fortis overnight growth Fund of Rs 10/- each		15.00		
	9) Nil (32956765) DWS Liquid Plus Fund		-		23.08
	10) Nil (79984027) DWS Money Plus Fund		-		30.13
	11) Nil (265615554) DWS Money Insta Cash		-		0.03
			450.74		**329.30**
	Share in joint Venture		**13.97**		**1.00**
			464.71		**330.30**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 7				
INVENTORIES				
(AS CERTIFIED BY THE MANAGEMENT)				
Raw-materials		21.25		47.48
Finished Goods / Stock in Process		2,653.93		2,708.84
Stores, Chemicals & Packing Materials		23.51		20.18
Capital Inventory		74.06		100.19
		2,772.75		**2,876.69**
Share In Joint Venture		**325.59**		392.77
		3,098.34		**3,269.46**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 8				
RECEIVABLES				
(UNSECURED)				
Over six months				
Considered Good	49.01		90.23	
Considered Doubtful	6.23		3.61	
	55.24		93.84	
Less :- Provision for doubtful debts	(6.23)	49.01	(4.11)	89.73
Others, Considered Good		3,240.01		1,261.08
		3,289.02		**1,350.81**
Share in Joint Venture		**111.55**		55.02
		3,400.57		**1,405.83**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 9				
CASH & BANK BALANCES				
Cash on hand (including cheques on hand Rs 65.1 Millions Previous Year Rs 7.20 Millions)		8.70		4.20
Balances with Scheduled Banks :-				
In Margin Money accounts:				
- Margin money account (lodged against Bank Guarantee & Letter of Credit)	399.47		214.82	
- Margin money accounts (net of Buyers Credit & 100% Letter of Credit)	83.76	483.23	106.82	321.64
In Fixed Deposit accounts (Including Pledged with govt. authorities Rs.1.20 Millions, previous year Rs. 1.40 Millions)		117.05		47.61
- In Current Account		534.20		328.77
- In EEFC account		9.89		3.41
- Unclaimed Dividend account		0.26		0.21
Balance with Foreign Bank :-				
- In Current Accounts		175.06		59.38
- In Deposit Accounts		1,090.49		787.83
		2,418.88		**1,553.05**
Share in Joint Venture		**164.32**		81.59
		2,583.20		**1,634.64**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 10				
LOANS & ADVANCES				
(UNSECURED, CONSIDERED GOOD)				
Loans		4.27		116.69
Advances recoverable in cash or kind or for value to be received		1,382.70		1,296.03
Balances with Government Authorities		34.63		26.84
Interest accrued but not due		11.08		31.82
Interest accrued and due on NSC (Lodged with Govt. Authorities)		0.44		0.01
Advance payment of Income tax		211.70		162.73
		1,644.82		**1,634.12**
Share in Joint Venture		59.09		24.13
		1,703.91		**1,658.25**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 11				
CURRENT LIABILITIES				
Sundry Creditors				
-Micro, Small & Medium Enterprises		-		-
-Others		2,681.07		2,077.20
Other Liabilities		1,132.88		1,004.51
Unclaimed Dividend / Dividend payable		0.26		0.21
Interest accrued but not due		43.54		41.38
		3,857.75		**3,123.30**
Share in Joint Venture		411.88		479.39
		4,269.63		**3,602.69**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 12				-
PROVISIONS				
Provision for Taxation		201.94		149.78
Provision for Fringe Benefit Tax		0.06		0.03
Provision for Leave Encashment/Gratuity		10.43		10.28
Proposed Dividend		24.66		14.79
Tax on Dividend (including surcharge)		4.19		2.51
		241.28		**177.39**
Share in Joint Venture		1.86		0.82
		243.14		**178.21**

(Rs. In Crores)

PARTICULARS	AS AT 31-3-2009		AS AT 31-03-2008	
SCHEDULE : 13				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
1)Deferred Revenue Expenditure	15.31		2.45	
Less : 1/5th written off during the year	1.12	14.19	0.15	2.30
2)Preliminary Expenses	10.07		5.01	
Less : 1/5th amortised	0.35	9.72	0.07	4.94
		23.91		**7.24**
Share in Joint Venture				-
		23.91		**7.24**

SCHEDULES 14 TO 19 FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. In Crores)

PARTICULARS	2008-09		2007-08	
SCHEDULE : 14				
SALES & OPERATING EARNINGS				
Sales		22,573.63		17,532.52
Export Incentives		60.08		25.17
Insurance Claim Received		8.81		3.39
Service Charges		370.09		157.34
Profit on sale of Development Rights		7.58		35.12
Other Operating Income		213.62		159.88
		23,233.81		**17,913.42**
Share of Joint Venture		3,024.47		1,696.29
		26,258.28		**19,609.71**

(Rs. In Crores)

PARTICULARS	2008-09		2007-08	
SCHEDULE : 15				
OTHER INCOME				
Dividend from Investment		0.01		0.18
Interest from Current Investments		1.26		0.46
Income from Mutual Fund		6.72		3.89
Profit/ Loss on sale of investments (net)		0.11		3.96
Bad Debt Recovery		1.72		1.80
Miscellaneous Income		1.85		6.86
Liabilities no longer required w/back		2.47		0.97
Exceptional Items (Net)*		-		20.70
		14.14		**38.82**
Share of Joint Venture		0.50		0.18
		14.64		**39.00**
*(Previous year- gain (net) arising out Sale of Associates company's share (long term investment))				

PARTICULARS	2008-09		2007-08	
SCHEDULE : 16				
COST OF MATERIALS/ SERVICES				
Raw materials consumed				
Opening Stock	47.68		35.26	
Add : Purchases during the year (Including Incidental Expenses)	3,423.72		2,910.28	
	3,471.40		2,945.54	
LESS : Closing Stock	21.25		47.68	
	3,450.15		2,897.86	
Add : Stock Transfer	2,206.12		-	
	5,656.27		2,897.86	
Add : Processing Charges	87.08		71.44	
		5,743.35		2,969.30
Service Charges		1,222.89		1,431.57
Purchase of traded goods (Including Incidental Expenses & Net of Stock transfer to Raw Material)		16,294.92		12,748.03
Decrease / (Increase) in stock				
Opening stock of finished / traded goods	950.89		405.25	
Closing stock of finished / traded goods	2,652.81		950.89	
		(1,701.92)		(545.64)
		21,559.24		**16,603.26**
Share of Joint Venture		2,636.57		1,441.33
		24,195.81		**18,044.59**

PARTICULARS	2008-09		2007-08	
SCHEDULE : 17				
PERSONNEL EXPENSES				
Salaries & Bonus		88.55		70.70
Contribution to provident & other funds		4.56		5.93
Staff welfare expenses		5.53		4.32
		98.64		**80.95**
Share of Joint Venture		15.99		10.95
		114.63		**91.90**

PARTICULARS	2008-09		2007-08	
SCHEDULE : 18				
OPERATION & OTHER EXPENSES				
Rent (net)		5.11		4.51
Rates & Taxes		2.86		3.48
Postage, telephone & telex expenses		4.79		4.46
Stationery & printing expenses		1.36		1.45
REPAIRS TO :				
Office building	1.68		1.56	
Plant & Machinery / Office Equipments	7.77		2.45	
Others	5.29		4.76	
		14.74		8.77
Electric power expenses		5.90		8.57
Insurance expenses		19.45		6.60

PARTICULARS	2008-09		2007-08	
Fees & Subscription		44.69		39.84
Miscellaneous expenses		13.11		27.35
Payment to Auditors		0.80		0.53
Office Expenses		7.74		4.24
Computer software		0.22		-
Directors sitting fees		0.03		0.03
Loss / Profit on sale of assets (Net)		0.22		(0.10)
Clearing & Forwarding Expenses (Net)		313.46		291.31
Packing Materials Consumed		7.27		10.50
Supervision & testing expenses.		7.32		7.54
Donation to Political parties (All India Congress Samiti Rs.15 Millions & Barratry Janta Party Rs.7.50 Millions)		2.25		0.50
Loss of stock due to Accident/in transit		0.01		0.40
Advertisement and Selling Expenses		106.40		96.39
Provisions/ Writeoff for Doubtful Debts, Loans & Advances		50.85		19.25
Business support services		7.27		16.99
Travelling & conveyance expenses		14.45		13.55
Diminution in Value of Investments		0.83		-
Damages on contract settlements		-		2.90
Impairment Loss		2.29		-
Loss on Sale / transfer of Investments (net)		3.15		-
		636.57		**569.06**
Share of Joint Venture		301.66		188.08
		938.23		**757.14**

PARTICULARS	2008-09		2007-08	
SCHEDULE : 19				
FINANCE CHARGES				
INTEREST EXPENSES				
Interest on Term Loan / Short Term Loan	218.08		216.96	
Interest on Debentures/Bonds	98.45		81.63	
Interest on Bank Borrowings & Others	161.10		50.85	
		477.63		349.44
Less : Interest Income				
Interest on Deposit & Others		(130.66)		(144.55)
		346.97		**204.89**
Bank Commission / Charges		59.69		34.90
Exchange Rate Difference (including premium)		(78.85)		17.08
		327.81		**256.87**
Share of Joint Venture		21.01		20.14
		348.82		**277.01**

SCHEDULE: "20"

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES adopted by the Company in the preparation and presentation of the Accounts: -

1. **Basis of accounting:**

The financial statements have been prepared under the historical cost convention using the accrual basis of accounting and comply with all the mandatory Accounting Standards as specified in the Companies (Accounting Standard) Rules 2006 and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. **Principles of consolidation:**

a) The consolidated financial statements have been prepared in accordance with Accounting Standard 21(AS 21) on "Consolidated Financial Statements", Accounting Standard 23(AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Venture" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Adani Enterprises Limited (AEL) its subsidiaries, associates and jointly controlled entities. Reference in the notes to "Group" shall mean to include AEL, its subsidiaries, associates and jointly controlled entities consolidated in these financial statements unless otherwise stated.

b) The consolidated financial statements have been prepared on the following basis.

i) The financial statements of the Group are combined on a line-by-line basis by adding together the book values 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 (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) In case of associates where the Group directly or indirectly holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for investments" in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.

iii) Interest in jointly controlled entities are reported using proportionate consolidation.

iv) The difference between the cost of investment in the subsidiaries / Associates over the net assets at the time of acquisition of the investment in the subsidiaries / Associates is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

v) Minority Interest's share of net profit of consolidated subsidiary 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.

vi) Minority Interest’s share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company’s shareholders.

vii) Investments made by the parent company in subsidiary company subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statement.

viii) Intragroup balances and intragroup transactions are eliminated to the extent of share of the parent company in full.

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

x) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.

The list of companies / firms included in consolidation, relationship with Adani Enterprises Limited and Adani Enterprises Limited’s shareholding therein is as under: The reporting date for all the entities is 31-03-2009

Name of Company / firm	**Country of incorporation**	**Relationship**	**Shareholding**
Adani Global Ltd. (AGL)	Mauritius	Subsidiary	100% by AEL
Adani Global FZE (AGFZE)	U.A.E.	Subsidiary	100% by AGL
Adani Global Pte Ltd. (AGPTE)	Singapore	Subsidiary	100% by AGL
Adani Virginia Inc. (AVINC)	U.S.A.	Subsidiary	100% by AGFZE
Bay Bridge Enterprise LLC (BBELLC)	U.S.A.	Subsidiary	100% by AVINC
PT Adani Global (PT AG)	Indonesia	Subsidiary	95% by AGPTE, 5 % by AGL
Adani Shipping PTE Ltd.(ASPL)	Singapore	Subsidiary	100% by AGL
Adani Agrifresh Ltd (AAGL)	India	Subsidiary	100% by AEL
Adani Agri Logistics Ltd (AALL)	India	Subsidiary	100% by AEL
Adani Power Ltd. (APL)	India	Subsidiary	83.14% by AEL
Adani Power Maharashtra Ltd. (APML)	India	Subsidiary	76.64% by APL
Adani Power Rajasthan Ltd. (APRL)	India	Subsidiary	100% by APL
Adani Energy Ltd. (AENL)	India	Subsidiary	65% by AEL from AHPL on 13-01-2009. 35% by AEL from Opal on 22-11-2008
Adani Mining Pvt.Ltd.(AMPL)	India	Subsidiary	100 % AEL
Parsa Kente Collieries Ltd. (PKCL)	India	Joint –Venture	74% AEL
Adani Welspun Exploration Ltd.(AWEL)	India	Joint –Venture	65 % AEL
Adani Infrastructure Developers Pvt Ltd (AIDPL)	India	Subsidiary	95% by AEL
Adani Estate Pvt. Ltd (AEPL)	India	Subsidiary	100% by AIDPL
Swayam Realtors & Traders Ltd. (SRTL)	India	Subsidiary	60% by AEPL
Columbia Chrome Pvt. Ltd.(CCPL)	India	Subsidiary	60% by AEPL

Name of Company / firm	Country of incorporation	Relationship	Shareholding
Shantigram Estate Management Pvt.Ltd.(SEMPL)	India	Subsidiary	100% by AIDPL
Adani Developers Pvt Ltd.(ADPL)	India	Subsidiary	100% by AIDPL
Adani Land Developers Pvt Ltd.(ALDPL)	India	Subsidiary	100% by AIDPL
Adani Landscape Pvt Ltd.(ALPL)	India	Subsidiary	100% by AIDPL
Miraj Impex Pvt.Ltd.(MIPL)	India	Subsidiary	100% by AEL
Adani Power Dahej Ltd.(APDL)	India	Subsidiary	100% by APL
Adani Mundra SEZ infrastructure Pvt. Ltd. (AMSEZ)	India	Subsidiary	100% by AIDPL
Lushgreen Landscapes Pvt. Ltd. (LLPL)	India	Subsidiary	100% by AIDPL
Natural Growers Pvt. Ltd. (NGPL)	India	Subsidiary	100% by AIDPL
Jade Food and Properties Pvt. Ltd.(JFPL)	India	Subsidiary	100% by AIDPL
Jade Agri Land Pvt. Ltd. (JALPL)	India	Subsidiary	100% by AIDPL
Jade Agricultural Co. Pvt. Ltd. (JACPL)	India	Subsidiary	100% by AIDPL
Mundra Power SEZ Ltd.(MSEZL)	India	Subsidiary	100% by APL
Adani Power (Overseas) Ltd.(APOL)	Dubai	Subsidiary	100% by APL
PT Kapuas Coal Mining (PTKCM)	Indonesia	Subsidiary	87% by AGPTE
Rajendra Agri Trade Pvt Ltd (RATPL)	India	Subsidiary	100% by AIDPL
Rohit Agri Trade Pvt Ltd (RTPL)	India	Subsidiary	100% by AIDPL
Sunanda Agri Trade Pvt Ltd (SATPL)	India	Subsidiary	100% by AIDPL
Shantigram Utility Services Pvt Ltd.(SUSPL)	India	Subsidiary	100 % SEMPL
Belvedere Golf and Country club Pvt Ltd.(BGPL)	India	Subsidiary	100 % SEMPL
Aaloka Real Estate Pvt. Ltd.(AREPL)	India	Subsidiary	100% by AIDPL
Panchdhara Agro Farms Pvt. Ltd. (PAFPL)	India	Subsidiary	100% by AIDPL
Adani Wilmar Ltd. (AWL)	India	Joint -Venture	50 % AEL
Chemoil Adani Pvt. Ltd. (CAPL)	India	Joint –Venture	50 % CA PTE
Chemoil Adani Pte Ltd. (CA PTE)	Singapore	Joint -Venture	50 % AGL
M/s Adani Township And Real Estate Co. (ATRECO, FIRM)	India	Partnership	75% by ALDPL
M/s Adani Exports (AE ,FIRM)	India	Partnership	99 % by AEL
Vyom Tradelink Pvt. Ltd.(Upto 01.11.2008)	India	Subsidiary	100% by AEL
Libra Shipping Pte Ltd. (Upto 01.11.2008)	India	Subsidiary	100% by AGL
Adani Habitats Pvt.Ltd. (Upto 20.02.2009)	India	Subsidiary	100% by AEL

The list of companies included in consolidation in the previous year, relationship with Adani Enterprises Limited and Adani Enterprises Limited's shareholding therein is as under:

Name of Company / firm	Country of incorporation	Relationship	Shareholding
Adani Global Ltd. (AGL)	Mauritius	Subsidiary	100% by AEL
Adani Global FZE (AGFZE)	U.A.E.	Subsidiary	100% by AGL
Adani Global Pte Ltd. (AGPTE)	Singapore	Subsidiary	100% by AGL

Name of Company / firm	Country of incorporation	Relationship	Shareholding
Adani Virginia Inc. (AVINC)	U.S.A.	Subsidiary	100% by AGFZE
Bay Bridge Enterprise LLC (BBELLC)	U.S.A.	Subsidiary	100% by AVINC
PT Adani Global (PT AG)	Indonesia	Subsidiary	95% by AGPTE, 5 % by AGL
Adani Shipping PTE Ltd.(ASPL)	Singapore	Subsidiary	100% by AGL
Libra Shipping PTE Ltd.(LSPL)	Singapore	Subsidiary	100% by AGL
Adani Agrifresh Ltd (AAFL)	India	Subsidiary	100% by AEL
Adani Agri Logistics Ltd (AALL)	India	Subsidiary	100% by AEL
Adani Power Ltd. (APL)	India	Subsidiary	90.57 % by AEL
Adani Power Maharashtra Ltd. (APML)	India	Subsidiary	100% by APL
Adani Power Rajasthan Ltd. (APRL)	India	Subsidiary	100% by APL
Adani Habitats Pvt Ltd. (AHPL)	India	Subsidiary	100% by AEL
Adani Energy Ltd. (AENL)	India	Subsidiary	65 % by AHPL
Adani Mining Pvt.Ltd.(AMPL)	India	Subsidiary	100 % by AEL
Parsa Kente Collieries Ltd. (PKCL)	India	Subsidiary	74 % by AEL
M/s Adani Exports (AE ,FIRM)	India	Partnership	99 % by AEL
Adani Welspun Exploration Ltd.(AWEL)	India	Subsidiary	65 % AEL
Vyom Tradelink Pvt Ltd.(VYOM)	India	Subsidiary	100% by AEL
Adani Infrastructure Developers Pvt Ltd (AIDPL)	India	Subsidiary	100% by AEL
Adani Estate Pvt. Ltd (AEPL)	India	Subsidiary	100% by AIDPL
Swayam Realtors & Traders Ltd. (SRTL)	India	Subsidiary	60% by AEPL
Columbia Chrome Pvt. Ltd.(CCPL)	India	Subsidiary	60% by AEPL
M/s Adani Township And Real Estate Co. (ATRECO, FIRM)	India	Partnership	75% by ALDPL
Shantigram Estate Management Pvt.Ltd.(SEMPL)	India	Subsidiary	100% by AIDPL
Adani Developers Pvt Ltd.(ADPL)	India	Subsidiary	100% by AIDPL
Adani Land Developers Pvt Ltd.(ALDPL)	India	Subsidiary	100% by AIDPL
Adani Landscapes Pvt Ltd.(ALPL)	India	Subsidiary	100% by AIDPL
MIraj Impex Pvt.Ltd. (MIPL)	India	Subsidiary	100% by AEL
Adani Power Dahej Pvt. Ltd. (APDPL)	India	Subsidiary	100% by APL
Adani Mundra SEZ infrastructure Pvt. Ltd. (AMSEZ)	India	Subsidiary	100% by AIDPL
Adani Wilmar Ltd. (AWL)	India	Joint -Venture	50 % AEL

3. **SIGNIFICANT ACCOUNTING POLICIES:**

a) **BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The financial statements have been prepared under the historical cost convention using the accrual basis of accounting and comply with all the mandatory Accounting Standards as specified in the Companies (Accounting Standard) Rules 2006 and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

Most of the accounting policies of the Reporting Company and those of its Subsidiaries, Joint Venture and Associates are similar. However, since certain Subsidiaries/ Joint Venture/ Associates are in businesses that are distinct from that of the Reporting Company and function in different regulatory environments, certain accounting policies may differ. The accounting policies of all the Companies are in line with generally accepted accounting principles.

b) **USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which such revision are made.

c) **INVENTORIES**

i) Inventories are valued at lower of cost or Net Realisable value.

ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

iii) The basis of determining cost for various categories of inventories are as follows:

a) Raw material : Weighted Average Cost

b) Traded / Finished goods : Weighted Average Cost.

c) Stores and Spares : Weighted Average Cost.

d) **CASH FLOW STATEMENT**

The Cash flow Statement is being prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Stanadard-3 prescribed by the Institute of Chartered Accountants of India.

e) **MATERIAL EVENTS**

Material events occurring after the balance sheet date are taken into cognizance.

f) **PRIOR PERIOD ITEMS**

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Adjustment Account"

g) **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 read with the relevant circulars issued by the Department of Company Affairs.

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) Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

h) **REVENUE RECOGNITION**

i) Sales of goods is recognised on shipment or dispatch to customer sales and net of Sales-tax and return.

ii) Dividend income from investments is recognised when the Company's right to receive payment is established.

iii) Income from services rendered is accounted for when the work is performed.

iv) Interest revenues are recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

v) Profit/Loss on sale investments are recognized on the contract date.

vi) Export benefits under various scheme announced by the Central Government under Exim policies are accounted for on accrual basis to the extent considered receivable, depending on the certainty of receipt.

vii) **Income from Construction Contracts**

Revenue from construction contracts is recognized on the 'Percentage of Completion method' of accounting.

Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

i) **GOVERNMENT GRANTS AND SUBSIDIES**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

j) **GOODWILL**

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognized as Goodwill.

Goodwill which has a limited useful economic life is amortised over a period of fifteen years on straight line basis from the year of creation.

k) **FIXED ASSETS**

i) Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

ii) Expenditure on accounts of modification/alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.

iii) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, are charged off to revenue in the year of incurrence.

iv) **Capital work in progress**

Expenditure related to and incurred during implementation of capital projects is included under "Capital work in progress". The same will be allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

l) **FOREIGN CURRENCY TRANSACTIONS**

i) **Initial Recognition**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) **Conversion**

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

iii) **Exchange Differences**

All exchange differences arising on settlement and conversion on foreign currency transaction are included in the Profit and Loss Account or Capital work in progress as the case may be.

iv) **Forward Exchange Contracts**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The use of such foreign currency forward contracts is governed by the Company's policies approved by the management, which provide principles on use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instrument for speculative purposes.

In respect of transactions covered by forward exchange contracts, the difference between the yearend rate and the exchange rate at the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contracts.

m) **INVESTMENTS**

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

ii) Current investment are carried at the lower of cost and quoted/fair value, computed category wise.

iii) Investment in shares of foreign subsidiary Company is expressed in Indian Currency at the rates of exchange prevailing at the time when the investment was made.

n) **EMPLOYEES RETIREMENT BENEFITS**

a. Defined Benefit Plan :

Gratuity with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date. These contributions are covered through Group Gratuity Scheme with Life Insurance Corporation of India and are charged against revenue.

b. Defined Contribution plans :

Company's contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Fund are determined under the relevant schemes and/or statute, charged to the Profit & Loss Account when incurred.

c. Provision is made for leave encashment based on actuarial valuation, carried out by an independent actuary as at the balance sheet date.

d. Termination benefits, if any, are recognized as an expense as and when incurred.

o) **BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or 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. All other borrowing costs are charged to revenue.

p) **RELATED PARTY TRANSACTIONS**

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate statement annexed to this Schedule. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

q) **LEASES**

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, etc.) and land. The aggregate lease rental payable are charged as rent including lease rentals.

r) **EARNING PER SHARE**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

The Diluted EPS have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

s) **TAXES ON INCOME**

i) **DEFERRED TAXATION**

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) **CURRENT TAXATION**

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

iii) **FRINGE BENEFIT TAX**

Provision for Fringe Benefit Tax has been recognized on the basis of a harmonious, contextual interpretation of the provisions of the Income Tax Act, 1961.

t) **IMPAIRMENT OF FIXED ASSETS**

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the profit and loss account.

u) **PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision involving substantial degree of estimation in measurements are recognized 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 recognized but are discloses in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

v) **EXPENDITURE**

Expenses are net of taxes recoverable, where applicable.

w) **FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTION**

In respect of derivative contracts, premium paid, gains / losses on settlements and provision for losses for cash flow hedges are recognised in Profit and Loss Account.

x) **ACCOUNTING OF CLAIMS**

i) Claims received are accounted at the time of lodgement depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any are made in the year in which disputes are finally settled.

y) **PROPOSED DIVIDEND**

Dividend proposed by the Directors is provided for in the books of account pending approval by the members at the Annual General Meeting.

z) **DOUBTFUL DEBTS/ADVANCES**

Provision is made in the accounts for Debts / Advances which in the opinion of the management are considered doubtful of recovery.

aa) **MISCELLANEOUS EXPENDITURE – DEFERRED REVENUE EXPENSE AND PRELIMINARY EXPENDITURE**

This represents preliminary and pre-operating costs incurred during the period. It will be fully written off on commence of operations.

bb) **OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are set out in the notes to accounts under "Statement of Accounting Policies" of the financial statements of the Company, AGL, AGFZE, AGPTE, AVINC, BBELLC, PT AG, ASPL, AAFL, AALL, APL, APML, APRML, AENL, AMPL, PKCL, AE, AWEL, AIDPL, AEPL, SRTL, CCPL, ATRECO, SEMPL, ADPL, ALDPL, ALPL, MIPL, APDPL, AMSEZ , LLPL , NGPL , JFPL , JALPL , JACPL , MSEZL , APOL , PTKCM , RATPL , RTPL , SATPL , SUSPL , BGPL , AREPL , PAFPL , CAPL , CA PTE ,and AWL.

(B) NOTES ON ACCOUNTS:-

1. In AGL, AGFZE, AGPTE, AVINC, BBELLC, PT AG, ASPL, PTKCM, CAPTE, the summarized revenue and expenses transactions at the year end reflected in Profit & Loss Account have been translated into Indian Rupees at an average of monthly exchange rate.

   The assets and liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year end. The resultant translation exchange, gain / loss has been disclosed as Exchange Reserves in Reserves and Surplus.

The Company has disclosed only such policies and notes from individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

2. **Contingent liabilities not provided for**

(Rs. in Crores)

	PARTICULARS		AS AT 31-03-2009	AS AT 31-03-2008
a)	Claims against the Company not acknowledged as debts		451.47	450.10
b)	In respect of Corporate Guarantee given:-			
	(i)	To Companies under the same Management	223.04	94.29
	(ii)	For obligations to other parties	157.85	119.91
c)	Bills of Exchange Discounted		909.49	1,049.73
d)	Demand against the company not admitted as debts regarding sales tax against which appeals are pending		33.89	6.79
e)	In respect of Bank Guarantees given to Government agencies.		492.71	396.51
f)	Bonds Submitted to Development Commissioner on behalf of Government of India		2,286.72	2,225.00
g)	Letter of Credit		1,631.10	921.25
h)	Export obligations though completed but procedural relinquishments are pending of Rs.NIL before DGFT (Previous Year Rs. 0.07) and of Rs.NIL before Customs (Previous Year Rs. 0.28).			
i)	Additional stamp duty on transfer of Land/ Immovable properties, in which liability is unascertainable.			
j)	An export obligation of Rs. 4.10 (Previous Year Rs. 6.96) is pending which is equivalent to 8 times of duty saved Rs.1.20 (Previous Year Rs. 0.88).			
k)	Estimated amounts of contracts remaining to be executed and not provided for (Net of Advances) Rs. 22,007.33 crores (Previous Year Rs.16,931.23).			
l)	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from internal evaluation of the management.			
m)	Show cause notice in terms of value of export goods under section14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable. And under Section 16 of the Foreign Exchange Management Act,1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule,2000, in which liability is unascertainable.			
n)	Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company.-Amount of contingent liability is to the extent of value of Shares Pledged.			
o)	Compliant filed by Asst. Labour Commissioner, Hubli under Section 30 of The Payment of Bonus Act, 1956. Matter being contested by the company and projected liability in terms of penalty would be not more than Rs.0.01 crore (P.Y. NIL).			

3. **Segment Reporting**

i) **Primary Segment**

Segments have been identified in line with Accounting Standard-17 “Segment Reporting”, taking into account the organization structure as well as different risk and returns of these segments.

ii) **Secondary Segment**

Two Secondary Segments have been identified based on the geographical locations of customers: **within India** and **outside India**.

Primary Segment Information:

(Rs.in Crores)

Particulars	Trading	Real Estate	Power	Others	Inter Segment Elimination	Total
REVENUE						
Sales and Operating Earning (External)	21,914.01	0.35	-	4,343.92	-	26,258.28
	17,570.29	2.29		2,037.13	-	19,609.71
Inter Segment transaction	4.18	-	-	1,151.94	-	1,156.12
	27.77			1,414.59	-	1,442.36
Total Sales and Operating Earning (Net)	21,918.19	0.35	0.00	5,495.86	(1,156.12)	26,258.28
	17,598.06	2.29	-	3,451.72	(1,442.36)	19,609.71
Other Income	13.81	0.52	-	(22.05)	22.36	14.64
	29.45	0.06	-	6.79	2.70	39.00
Total Revenue	21,931.99	0.87	-	5,473.82	(1,133.76)	26,272.92
	17,627.51	2.35	-	3,458.51	(1,439.66)	19,648.71
RESULT						
Segment Result (PBIT)	1,120.23	(2.38)	(5.54)	52.83	(232.40)	932.74
	778.94	(2.27)	-	96.31	(162.70)	710.28
Interest Expenses (Net)						348.82
						277.01
Income taxes						78.48
						57.26
Net Profit after tax						505.44
						375.99
Share of Minority Interest						0.79
						6.25
Net Profit Attributable to Share holders						504.65
						369.74
OTHER INFORMATION						
Segment assets	11,775.97	2,514.85	7,760.30	2,309.08	(4,228.14)	20,145.06
	9,565.92	2,116.44	2,918.37	2,993.26	(4,784.19)	12,409.80
Segment liabilities	11,775.97	2,527.85	7,760.30	2,309.08	(4,228.14)	20,145.06
	9,565.92	2,116.44	2,918.37	2,993.26	(4,784.19)	12,409.80
Depreciation/Amortisatio n	47.52	0.68	-	33.98	-	82.18
	17.56	0.44	-	26.77	-	44.77
Capital Expenditure	225.22	9.35	4,689.22	258.41	(0.08)	5,182.12
	70.28	16.93	1,794.52	846.02	0.16	2,727.92

Secondary Segment Information :

(Rs.in Crores)

Particulars	Within India	Outside India	Elimination	Total
Sales	17,982.41	13,798.67	(5,522.80)	26,258.28
	15,445.23	2,087.29	(3,979.69)	**13,552.83**

4. Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below:

Being the Company is lessee:

(i) The Company's significant leasing arrangements are in respect of godowns / residential / office premises (Including furniture and fittings therein, as applicable). The aggregate lease rental payable is charged to Profit and Loss Account as Rent in Schedule 17.

(ii) The Leasing arrangements, which are cancelable, range between 11 months and 5 years. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. Disclosure in respect of the same arrangements:

(Rs. In Crores)

Particulars	2008-09	2007-08
Total of future minimum lease payments under cancelable operating lease for each of the following periods		
Not later than one year	3.15	1.57
Later than one year and not later than five years	4.33	0.05
Lease payment recognised in Profit and Loss Accounts	1.67	1.27

(iii) The Leasing arrangements, which are non-cancelable, and for a period of 5 years or more. Disclosure in respect of the same arrangements:

(Rs. In Crores)

Particulars	2008-09	2007-08
Total of future minimum lease payments under non-cancelable operating lease for each of the following periods		
Not later than one year	7.22	1.87
Later than one year and not later than five years	5.86	2.10
Later than five years	22.72	17.13
Lease payment recognised in Profit and Loss Accounts	0.71	0.28

5. **Disclosure Regarding Derivative Instruments And Unhedged Foreign Currency Exposure**

a) The outstanding foreign currency derivative contracts as at 31st March, 2009 in respect of various types of derivative hedge instruments and nature of risk being hedged are as follows.

i. Forward derivative contracts

a) In respect of Exports and other Receivables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	7.62	389.82	16.60	681.66
USD/JPY	1.61	76.57	-	-
EUR/INR	0.01	0.90	-	-

b) In respect of Imports and other Payables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	34.45	1,743.05	9.65	382.27

ii. Option derivative contracts :

c) In respect of Exports and other Receivables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	0.70	35.67	-	-

d) In respect of Imports and other Payables

(Amount in Crores)

Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
	31st March, 2009	31st March, 2009	31st March, 2008	31st March, 2008
USD/INR	-	-	2.10	83.94
USD/JPY	-	-	0.10	4.00
EUR/CHF	-	-	0.03	1.00
USD/CHF	0.01	0.51	-	-
NZD/USD	-	-	0.20	7.99

b) In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Schedule VI of the Companies Act, 1956 the Company has charged an amount of Rs. 6.84 Crores (Previous Year Rs. 4.33 Crores) to profit and loss account in respect of derivative contracts outstanding as on 31st March, 2009.

c) Foreign currency exposures not covered by derivative instruments or otherwise as at 31st March, 2009 amounting to Rs. 7,768.71 Crores.(Previous Year Rs. 3,936.96 Crores).

Particulars	Amount In Foreign Currency (In Crore)	Currency	Amount in Rs.(In crore)
Supplier Credit	1.287	USD	65.60
	7.897	USD	315.66
Packing Credit Forward Contract	0.922	USD	46.96
	-	USD	-
Sundry Creditors	1.291	EUR	87.10
	0.002	EUR	0.10
	0.000	GBP	0.01
	0.001	GBP	0.01
	-	SGD	-
	0.001	SGD	0.00
	75.751	USD	3,794.28
	35.832	USD	1,432.20
Other Payable	0.318	USD	16.23
	0.485	USD	19.39
	-	CHF	-
	0.001	CHF	0.05
	0.027	JPY	0.02
	-	JPY	-
Foreign Currency Convertible Bonds	24.800	USD	1,263.56
	25.000	USD	999.25
Sundry Debtors	0.087	EUR	5.74
	0.033	EUR	2.06
	20.275	USD	1,032.99
	2.846	USD	113.85
EEFC Accounts	1.314	EUR	88.65
	-	EUR	-
	0.008	USD	0.42
	-	USD	-
Time Deposit	16.416	USD	836.37
	16.000	USD	639.52
Other Receivable	0.194	USD	9.87
	0.116	USD	4.63
Preference Share Investment	10.224	USD	520.91
	10.264	USD	410.24

6. As per the Accounting Standard 18, disclosure of transactions with related parties (As identified by the Management), as defined in Accounting Standard are given below:

i)	Name of related parties & description of relationship	
1.	**Associate Entities**	
	• Adani Petronet (Dahej) Port Pvt. Ltd.	• Gujarat Adani Infrastructure Pvt. Ltd.
	• Accurate Finstock Pvt. Ltd.	• B2B India Pvt. Ltd.
	• Adani Retail Pvt. Ltd.	• Adani Properties Pvt. Ltd.
	• Mundra SEZ Textile and Apparel Park Pvt. Ltd.	• Adani Habitats Pvt. Ltd. (W.e.f. 21.02.2009)
	• Rajasthan SEZ Pvt. Ltd.	• I-Gate India Pvt. Ltd.
	• Mundra Port and Special Economic	• Dholera Infrastructure Pvt. Ltd.

i)	Name of related parties & description of relationship	
	Zone Ltd.	
	• Adani Logistics Ltd.	• Dholera Port and Special Economic Zone Ltd.
	• Adani Energy (UP) Ltd.	• Mundra Aviation U.K.
	• Inland Conware Pvt. Ltd.	• Gujarat Adani Aviation Pvt. Ltd.
	• Inland Conware (Ludhiana) Pvt. Ltd.	• Mundra SEZ Utilities Pvt. Ltd.
	• I Call India Pvt. Ltd.	• Ventura Trade & Investment Pvt Ltd., Mauritius
	• Komal Marketing Pvt. Ltd.	• Trident Trade & Investment Pvt Ltd., Mauritius
	• Aditya Corpex Pvt. Ltd.	• Pride Trade & Investment Pvt Ltd., Mauritius
	• Hinduja Exports Pvt. Ltd.	• Radiant Trade & Investment Pvt Ltd., Mauritius
	• Adani Shipyard Pvt. Ltd.	• Baramati Power Pvt. Ltd.
	• Komal Infotech Pvt. Ltd.	• Shankheshwar Buildwell Pvt. Ltd.
	• Gujarat State Exports Corporation Ltd.	• M/s. Adani Commodities {(Formerly Adani Investments)}
	• Shantikrupa Estates Pvt. Ltd.	• M/s Advance Exports
	• Shantikrupa Services Pvt. Ltd.	• M/s Advance Investments
	• Shantikrupa Infrastructure Pvt. Ltd.	• M/s. Adani Tradelinks {(Formerly Intercontinental (India)}
	• Adani Infrastructure Services Pvt. Ltd.	• M/s. Crown International
	• m to M Traders Pvt. Ltd.	• M/s. Shanti Builders
	• Netvantage International Pvt. Ltd.	• Adani Agro Pvt. Ltd.
	• M/s. Adani Textile Industries	• M/s. Ezy Global
2.	**Key Management Personnel**	
	• Shri Gautam S. Adani – Chairman	• Shri Pradeep Mittal – Whole Time Director (Resigned w.e.f. 15.10.2008)
	• Shri Rajesh S. Adani – Managing Director	
3.	**Relatives of Key Management Personnel with whom transactions done during the year.**	
	• Smt. Suvarna M. Adani	• Shri Bhavik Shah
	• Shri Vinod S. Adani	

iii. Nature & Volume of Transaction with Related Parties

(Rs. In Crores)

SR. NO.	Particulars	Associate Entities	Key Mgmt Personnel	Relatives of Key Management Personnel
1	Sales (Net of Return)	93.62	-	-
		31.25	-	-
2	Purchase (Net of Return)	32.19	-	-
		328.71	-	-
3	Sale of Investment	0.05	-	-

SR. NO.	Particulars	Associate Entities	Key Mgmt Personnel	Relatives of Key Management Personnel
		0.04	-	-
4	Sale of Fixed Asset	-	-	-
		0.32	-	-
5	Purchase of Fixed Asset	-	-	-
		0.04	-	-
6	Purchase of Investments	-	-	-
		106.04	-	-
7	Interest - received / (paid)	-	-	-
		0.86	-	-
8	Funds given [including investment in preference shares/equity participation/ business arrangement]	493.11	-	-
		338.47	0.08	3.38
9	Funds received [including redemption of Preference share/business arrangement]	497.42	-	-
		83.96	0.12	-
10	Service rendered	5.47	-	
		11.11	-	-
11	Service availed	656.06	-	-
		208.34	-	4.36
12	Rent paid	90.35	-	0.02
		470.63	-	0.03
13	Rent received	0.23	-	
		0.13	-	-
14	Remuneration	-	22.14*	
		-	19.70*	-
15	Balance Outstanding			-
	31St March, 2009 (Due From)	67.59	-	-
	31st March, 2009 (Due To)	158.52	-	-
	31St March, 2008 (due from)	112.19	-	-
	31St March, 2008 (due to)	165.32	-	0.08

***** The above does not include Provision for Leave Encashment and Gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be identified.

Disclosure in Respect of Material Related Party Transactions during the year :

a) **Sales (Net of Return)** to Mundra Port & Special Economic Zone Ltd.Rs. 34.12 Crores (Previous Year Rs. 31.25 Crores); Hinduja Exports Pvt. Ltd. Rs. 30.63 Crores (Previous Year Rs. Nil); Gujarat State Exports Corporation Ltd. Rs. 27.33 Crores (Previous Year Rs. Nil).

b) **Purchase (Net of Return)** from Aditya Corpex Pvt. Ltd. Rs.26.99 Crores (Previous Year Rs. 123.90 Crores); Gujarat State Exports Corporation Ltd. Rs. Nil (Previous Year Rs. 202.80 Crores); M/s Adani Tradelink Rs.4.47 Crores (Previous Year Rs. Nil)

c) **Sale of Investment** to Adani Agro Pvt. Ltd. Rs. Nil (Previous Year Rs. 0.03 Crore); Mundra Port & Special Economic Zone Ltd. Rs.Nil (Previous Year Rs. 0.00 Crore); B2B India Pvt. Ltd. Rs. 0.05 Crore (Previous Year Rs. Nil).

d) **Sale of Fixed Asset** to Mundra Port & Special Economic Zone Ltd. Rs.Nil (Previous Year Rs. 0.32 Crore).

e) **Purchase of Fixed Asset** from M/s Ezy Global Rs.Nil (Previous Year Rs. 0.04 Crore).

f) **Purchase of Investments** from Adani Infrastructure Services Pvt. Ltd. Rs.Nil (Previous Year Rs. 106.04 Crores).

g) **Interest – received / (paid)** from Aloka Real Estate Pvt. Ltd. Rs.Nil (Previous Year Rs. 0.44 crore); Mundra Port & Special Economic Zone Ltd. Rs.Nil (Previous Year Rs. 0.42 Crore).

h) **Funds given [includes investment in Preference shares/equity participation/ business arrangement]** to Aditya Corpex Pvt. Ltd. Rs. 403.82 Crores (Previous Year Rs. 113.64 Crores); M/s. Adani Tradelinks {Formerly Intercontinental (India)} Rs.Nil (Previous Year Rs. 0.12 Crore); Adani Agro Pvt. Ltd. Rs.Nil (Previous Year Rs. 2.25 Crores); Hinduja Exports Pvt. Ltd. Rs. 78.60 Crores (Previous Year Rs.Nil); Adani Infrastructure Services Pvt. Ltd. Rs.Nil (Previous Year Rs. 138.54 Crore); Aloka Real Estate Pvt. Ltd. Rs.Nil (Previous Year Rs. 60.00 Crores).

i) **Funds received [including redemption of Preference share/business arrangement]** from Aditya Corpex **Pvt**. Ltd. Rs. 403.82 Crores (Previous Year Rs. 9.84 Crores); Adani Infrastructure Services Pvt. Ltd. Rs. Nil (Previous Year Rs. 32.50 Crores); M/s. Adani Tradelinks {Formerly Intercontinental (India)} Rs. Nil (Previous Year Rs. 0.12 Crore); Adani Agro Pvt. Ltd. Rs.4.00 Crores (Previous Year Rs. 2.25 Crores).

j) **Service rendered** to Mundra Port & Special Economic Zone Ltd. Rs. 4.47 Crores (Previous Year Rs.10.54 Crores).

k) **Service availed** from Mundra Port & Special Economic Zone Ltd. Rs. 625.90 Crores (Previous Year Rs. 200.47 Crores).

l) **Rent paid** to Mundra Port & Special Economic Zone Ltd. Rs. 89.53 Crore (Previous Year Rs. 470.36 Crores).

m) **Rent received** from Mundra Port & Special Economic Zone Ltd. Rs. 0.12 Crore (Previous Year Rs. 0.08 **Crore**); Adani Logistics Ltd. Rs.0.10 Crore (Previous Year Rs. 0.05 Crore).

n) **Remuneration** to Mr. Gautam S Adani Rs.9.20 Crores (Previous Year Rs. 8.09 Crores); Mr.Rajesh S **Adani** Rs.9.95 Crores (Previous Year Rs. 8.68 Crores); Mr. Pradeep Mittal Rs.2.99 Crores (Previous Year Rs. 2.93 Crores).

7 . **Earning Per Share**

(Rs.in Crores)

Particulars	**Year ended 31-03-2009**	**Year ended 31-03-2008**
Net Profit after tax available for Equity Shareholders	504.65	369.74
Number of shares used in computing Earning Per		

Share		
Basic	24,66,09,175	24,64,86,975
Diluted	26,34,13,236	26,17,63,530
Earning Per Share (Equity Shares, face value Rs.1/-)		
Basic (in Rs.)	20.46	15.00
Diluted (in Rs.)	19.16	14.12

Dilutive potential equity shares are those which are deemed for the purpose of the computation pertains to the expected conversion of Bonds/Debentures.

8 . **a) Deferred Tax**

(Rs.in Crores)

Particulars	As At	As At
	31-03-2009	31-03-2008
Deferred Tax Liability on account of (i) Depreciation	64.88	55.82
Total	64.88	55.82
Deferred Tax Assets on Account of		
(i) Leave Encashment	0.39	0.47
(ii) Other	12.28	15.98
Total	12.67	16.45
Net Deferred Tax Liability	52.21	39.37

1. In accordance with "Accounting Standard 22", the deferred tax Liabilities of Rs. 10.97 Crores (Previous year of Rs. 5.00 Crores) for the year has been recognised in the Profit & Loss Account.

9. Pursuant to Accounting Standard (AS 27) – Financial Reporting of Interests in Joint Venture, the disclosures relating to the Joint Venture are as follows :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March,2009	Percentage of ownership interest as at 31st March,2008
Adani Wilmar Ltd.	India	**50.00%**	50.00%
Parsa Kente Collieries Ltd.	India	**74.00%**	74.00%
Chemoil Adani Pvt.Ltd.	India	**50.00%**	---
Adani Welspun Exploration Ltd.	India	**65.00%**	65.00%
Chemoil Adani Pte. Ltd.	Singapore	**50.00%**	---
Particulars		**As at 31st March,2009 (Rs.in Crores)**	**As at 31st March,2008 (Rs.in Crores)**
I	**ASSETS**		
1.	Fixed Assets (Including Capital	443.85	293.37

Name	Country of Incorporation	Percentage of ownership interest as at 31st March,2009	Percentage of ownership interest as at 31st March,2008
	Work In Progress)		
2.	Investments	48.25	2.01
3.	Current Assets, Loans & Advances		
(a)	Inventories	651.17	785.54
(b)	Sundry Debtors	223.12	110.04
(c)	Cash & Bank Balances	324.37	163.26
(d)	Loans & Advances	112.63	36.57
		1,803.38	**1,390.79**
II	**LIABILITIES**		
1.	Share Capital	205.61	133.28
2.	Share Application Money	0.00	47.90
3.	Reserve & Surplus	303.91	83.47
4.	Loan Funds		
(a)	Secured Loans	421.08	100.62
(b)	Unsecured Loans	7.55	23.89
5.	Deferred Tax Net	41.27	37.54
6.	Current liabilities and Provisions		
(a)	Current Liabilities	820.29	962.36
(b)	Provisions	3.68	1.73
		1,803.38	**1,390.79**
	MISCELLANEOUS EXPENDITURE	**-**	**-**
III	**INCOME**	**2008-09**	**2007-08**
1.	Sales And Operating Earnings	6,048.93	3,392.57
2.	Other Income	1.01	0.36
		6,049.94	**3,392.93**
IV	**EXPENSES**		
1.	Operating Expenses	5,908.42	3,280.72
2.	Finance Expenses	42.02	40.27
3.	Miscellaneous Expenditure Written off	0.26	-
4.	Depreciation	16.95	15.34
		5,967.65	**3,336.34**
	PROFIT FOR THE YEAR BEFORE PRIOR PERIOD ADJUSTMENTS	**82.29**	**56.59**
Add:	Prior Period Income / (Expenses)	(0.19)	(0.01)
	PROFIT FOR THE YEAR BEFORE TAXATION	**82.10**	**56.58**
Less:	Provision For Taxation	22.77	26.37
Add :	Excess Tax Provision of Earlier	0.13	(0.87)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March,2009	Percentage of ownership interest as at 31st March,2008
	years		
	PROFIT AFTER TAXATION	**59.20**	**31.08**
	Surplus brought forward from previous year	9.07	17.99

10. In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statement", the consolidated financial statement do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.

11. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

The Board of Directors
Adani Enterprises Limited
Ahmedabad.

Dear Sir,

Sub: Limited Review Report

We have reviewed the accompanying unaudited standalone and consolidated Financial Statements (incorporating Profit and Loss account and Assets and Liabilities) of Adani Enterprises Limited ("the Company") for the period ended September 30, 2009. These statements are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2400 "Engagements to Review Financial Statements", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited financial statements prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Yours faithfully,

For **DHARMESH PARIKH & CO.**
Chartered Accountants

Place : Ahmedabad
Date : 22-02-2010.

D.A. PARIKH
(Partner)
Membership No. 45501

LIMITED REVIEWED STANDALONE BALANCE SHEET

AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

	PARTICULARS	AS AT 30-09-2009	
A	**SOURCES OF FUNDS :**		
I.	**SHAREHOLDERS' FUND**		
	(A) Share Capital	24.73	
	(B) Reserves & Surplus	1,824.39	
			1,849.12
II.	**LOAN FUNDS :**		
	(A) Secured Loans	284.77	
	(B) Unsecured Loans	3,365.98	
			3,650.75
III.	**DEFERRED TAX LIABILITY**		
	Deferred Tax Liability	22.33	
	Less :		
	Deferred Tax Assets	4.28	
			18.05
	TOTAL		**5,517.92**
B	**APPLICATION OF FUNDS :**		
I.	**FIXED ASSETS**		
	(A) Gross Block	253.73	
	(B) Less : Depreciation	47.84	
	(C) Net block	**205.89**	
	(D) Capital Work-In-Progress	17.53	
			223.42
II.	**INVESTMENTS**		**2,090.64**
III.	**CURRENT ASSETS, LOANS & ADVANCES**		
	(A) Inventories	606.16	
	(B) Receivables	2,237.60	
	(C) Cash & Bank Balances	1,310.54	
	(D) Loans & Advances	1,388.84	
		5,543.14	
	Less :		
	CURRENT LIABILITIES & PROVISIONS		
	(A) Current Liabilities	2,124.00	
	(B) Provisions	215.28	
		2,339.28	
	NET CURRENT ASSETS		**3,203.86**
	TOTAL		**5,517.92**

LIMITED REVIEWED CONSOLIDATED BALANCE SHEET

AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

	PARTICULARS	AS AT 30-09-2009	
A	**SOURCES OF FUNDS :**		
I.	**SHAREHOLDERS' FUND**		
	(A) Share Capital	24.73	
	(B) Share Application Money pending allotment	-	
	(C) Reserves & Surplus	5,406.50	
			5,431.23
II.	**LOAN FUNDS :**		
	(A) Secured Loans	8,595.31	
	(B) Unsecured Loans	4,963.91	
			13,559.22
III.	**MINORITY INTEREST**		
	Capital	768.83	
	Add : Reserves & Surplus	1,042.07	
			1,810.90
IV.	**DEFERRED TAX LIABILITY**		
	Deferred Tax Liability	72.99	
	Less :-		
	Deferred Tax Assets	14.38	
			58.61
	TOTAL		**20,859.96**
B	**APPLICATION OF FUNDS :**		
I.	**FIXED ASSETS**		
	(A) Gross Block	2,230.63	
	(B) Less : Depreciation	269.78	
	(C) Net block	**1,960.85**	
	(D) Capital Work-in-Progress	10,182.58	
			12,143.43
	PRE-OPERATIVE EXPENDITURE		-
	(PENDING CAPITALISATION)		
II.	**INVESTMENTS**		**1,043.40**
III.	**CURRENT ASSETS, LOANS & ADVANCES**		
	(A) Inventories	3,594.53	
	(B) Receivables	2,869.07	
	(C) Cash & Bank Balances	2,800.82	
	(D) Loans & Advances	2,507.55	
		11,771.96	
	LESS :-		
	CURRENT LIABILITIES & PROVISIONS		
	(A) Current Liabilities	3,893.42	
	(B) Provisions	254.92	
		4,148.34	
	NET CURRENT ASSETS		**7,623.62**
IV.	**MISCELLANEOUS EXPENDITURE**		**49.50**
	(To The Extent Not Written Off Or Adjusted)		
	TOTAL		**20,859.96**

LIMITED REVIEWED STANDALONE FINANCIAL RESULTS

AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

Sr. No	Particulars	Standalone	
		For the quarter ended on 30th September 2009 (Unaudited)	**For the half year ended on 30th September 2009 (Unaudited)**
1	**Net Sales / Income from operations/Other operating Income**	**3,077.87**	**5,800.64**
	(a) Net Sales / Income from operations	3,072.80	5,786.54
	(b) Other operating Income	5.07	14.10
2	**Expenditure**	**2,928.73**	**5,404.05**
	(a) Decrease/ (Increase) in stock in trade	(64.54)	(294.97)
	(b) Purchase of Traded Goods	2,833.97	5,404.66
	(including consumption of raw material)		
	(c) Employees Cost	11.04	21.38
	(d) Depreciation	3.03	6.05
	(e) Other Expenditure	145.23	266.93
3	**Profit from operation before Other Income, Interest & Exceptional items (1-2)**	**149.14**	**396.59**
4	Other Income	10.28	13.17
5	**Profit before Interest & Exceptional items (3+4)**	**159.42**	**409.76**
6	Interest / Finance Charges (net)	70.72	233.63
7	**Profit after Interest but before Exceptional items (5-6)**	**88.70**	**176.13**
8	Add / (Less) : Prior period adjustments (net)	(0.16)	(0.17)
	Exceptional items (net)	14.88	14.87
9	**Net Profit before Taxation (7+8)**	**103.42**	**190.83**
10	Provision for Taxation	15.53	24.21
	(a) Current Tax	17.85	26.00
	(b) Deferred Tax	(2.32)	(1.79)
	(c) Fringe Benefit Tax	-	-
11	**Net Profit before Minority Interests (9 - 10)**	**87.89**	**166.62**
12	Add / (Less): Share of profit of Minority Interest	-	-
13	**Net Profit (11 - 12)**	**87.89**	**166.62**
14	Paid-up Equity Share Capital (Face Value of Re. 1 each)	24.73	24.73
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-
16	Basic and diluted EPS (before and after Extraordinary items)		
	(a) Basic EPS (not annualised)	3.54	6.74
	(b) Diluted EPS (not annualised)	3.31	6.30
17	Public shareholding :		
	(a) No. of equity shares of Re. 1 each	626,06,944	626,06,944

Sr. No	Particulars	Standalone	
		For the quarter ended on 30th September 2009	For the half year ended on 30th September 2009
		(Unaudited)	(Unaudited)
	(b) Percentage of shareholding	25.31	25.31
18	Promoters and Promoter group shareholding:		
	(a) Pledged / Encumbered		
	-No. of shares	4,76,35,000	4,76,35,000
	-Percentage of shares		
	(as a% of the total shareholding of Promoters and Promoter group)	25.79	25.79
	-Percentage of shares		
	(as a% of the total share capital of the Company)	19.26	19.26
	(b) Non-encumbered		
	-No. of shares	13,70,92,231	13,70,92,231
	-Percentage of shares		
	(as a% of the total shareholding of Promoters and Promoter group)	74.21	74.21
	-Percentage of shares		
	(as a% of the total share capital of the Company)	55.43	55.43

LIMITED REVIEWED CONSOLIDATED FINANCIAL RESULTS

AS AT 30th SEPTEMBER, 2009

(Rs. In Crores)

Sr. No	Particulars	Consolidated	
		For the quarter ended on 30th September 2009 (Unaudited)	For the half year ended on 30th September 2009 (Unaudited)
1	**Net Sales / Income from operations/Other operating Income**	**5,305.60**	**11,691.81**
	(a) Net Sales / Income from operations	5,301.06	11,677.67
	(b) Other operating Income	4.54	14.14
2	**Expenditure**	**5,040.61**	**11,070.45**
	(a) Decrease/ (Increase) in stock in trade	(117.20)	(293.82)
	(b) Purchase of Traded Goods	4,833.21	10,689.92
	(including consumption of raw material)		
	(c) Employees Cost	32.57	58.77
	(d) Depreciation	26.11	50.22
	(e) Other Expenditure	265.92	565.36
3	**Profit from operation before Other Income, Interest & Exceptional items (1-2)**	**264.99**	**621.36**
4	Other Income	11.13	14.53
5	**Profit before Interest & Exceptional items (3+4)**	**276.12**	**635.89**
6	Interest / Finance Charges (net)	119.05	331.25
7	**Profit after Interest but before Exceptional items (5-6)**	**157.07**	**304.64**
8	Add / (Less) : Prior period adjustments (net)	(0.16)	(0.17)
	Exceptional items (net)	14.88	14.87
9	**Net Profit before Taxation (7+8)**	**171.79**	**319.34**
10	Provision for Taxation	23.42	42.88
	(a) Current Tax	25.15	38.02
	(b) Deferred Tax	(1.73)	4.86
	(c) Fringe Benefit Tax	-	-
11	**Net Profit before Minority Interests (9 - 10)**	**148.37**	**276.46**
12	Add / (Less): Share of profit of Minority Interest	(0.42)	(0.84)
13	**Net Profit (11 - 12)**	**147.95**	**275.62**
14	Paid-up Equity Share Capital (Face Value of Re. 1 each)	24.73	24.73
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-
16	Basic and diluted EPS (before and after Extraordinary items)		
	(a) Basic EPS (not annualised)	5.97	11.15
	(b) Diluted EPS (not annualised)	5.57	10.42
17	Public shareholding :		
	(a) No. of equity shares of Re. 1 each	6,26,06,944	6,26,06,944
	(b) Percentage of shareholding	25.31	25.31

Sr. No	Particulars	Consolidated	
		For the quarter ended on 30th September 2009	For the half year ended on 30th September 2009
		(Unaudited)	(Unaudited)
18	Promoters and Promoter group shareholding:		
	(a) Pledged / Encumbered		
	-No. of shares	4,76,35,000	4,76,35,000
	-Percentage of shares		
	(as a% of the total shareholding of Promoters and Promoter group)	25.79	25.79
	-Percentage of shares		
	(as a% of the total share capital of the Company)	19.26	19.26
	(b) Non-encumbered		
	-No. of shares	13,70,92,231	13,70,92,231
	-Percentage of shares		
	(as a% of the total shareholding of Promoters and Promoter group)	74.21	74.21
	-Percentage of shares		
	(as a% of the total share capital of the Company)	55.43	55.43

Notes:

a) The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 30th October, 2009.

b) The Statutory Auditors of the Company have carried out limited review of the standalone financial results of the Company for the quarter ended on 30th September, 2009.

c) The Company is a global trading organisation with operations covering a wide range of commodities like Agro, Energy, Metals & Minerals and others. In view of its integrated nature of business, it is necessary to view the business in its entirety and therefore, there are no separate segments within the Company as defined by Accounting Standard 17 (Segmental Reporting) issued by the ICAI.

d) Income from operation includes profit from a majority owned partnership firm & sharing arrangements.

e) During the quarter, the Company has allotted 7,25,000 equity shares of Re. 1 each upon conversion of 1000 Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each and as a result paid-up share capital of the company has been increased to Rs. 24.73 crores.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following table presents certain accounting and other ratios derived from the Company's audited financial statements as at and for the year ended March 31, 2009 included in the section "Financial Statements" on page 69.

Particulars	
Number of equity shares outstanding at the end of the year ended March 31, 2009	24,66,09,175
Earning Per Share (Rs.):	
- Basic	20.46
- Diluted	19.16
Return on Net Worth (%)	16.86
Net Asset Value Per Share (Rs.)	121.44

The Ratios have been computed as below:

Earning Per Share (Basic) (Rs.)

$$\frac{\text{Net profit attributable to Equity Shareholders (excluding extraordinary items, if any)}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

Earning Per Share (Diluted) (Rs.)

$$\frac{\text{Net profit attributable to Equity Shareholders (excluding extraordinary items, if any)}}{\text{Number of Diluted Equity Shares outstanding at the end of the year}}$$

Return On Net worth (%):

$$\frac{\text{Net profit attributable to Equity Shareholders (excluding extraordinary items, if any)}}{\text{Net Worth at the end of the year (excluding revaluation reserves)}}$$

Net Asset Value per Share (Rs.)

$$\frac{\text{Net Worth at the end of the year (excluding revaluation reserves)}}{\text{Number of Equity shares outstanding at the end of the year}}$$

Capitalization Statement

(Rs. in Crores)

Particulars	Pre-issue as at March 31, 2009	Adjusted for the Issue
Borrowing		
- Short – Term Debt	4,362.41	4,362.41
- Long – Term Debt	7,721.83	7,721.83
Total Debt	**12,084.24**	**12,084.24**
Shareholders' funds		
Equity Share Capital	24.66	27.77
Share Application Money pending Allotment	0.25	0.25
Reserves & Surplus	2,994.01	4,469.41
Total Shareholders' Funds	**3,018.92**	**4,497.44**

Particulars	Pre-issue as at March 31, 2009	Adjusted for the Issue
Total Debt/ Equity Ratio	4.00	2.69
Long-term Debt/Equity ratio	2.56	1.72

The Ratios have been computed as below:

$$\textbf{\textit{Total Debt / Equity Ratio}} = \frac{\text{Short Term Debt + Long Term Debt}}{\text{Equity (i.e., Equity Share Capital + Reserves \& Surplus)}}$$

$$\textbf{\textit{Long Term Debt/ Equity Ratio}} = \frac{\text{Long Term Debt}}{\text{Equity (i.e., Equity Share Capital + Reserves \& Surplus)}}$$

STOCK MARKET DATA FOR EQUITY SHARES OF THE COMPANY

The Company's Equity Shares are currently listed on the BSE and the NSE. Stock market data for our Equity Shares has been given separately for the BSE and NSE. For details of listing of our Equity Shares, please see the section "History and Certain Corporate Matters" on page 56. As the Company's Equity Shares are actively traded on both the BSE and the NSE, stock market data has been given separately for each of these Stock Exchanges.

The high and low closing prices recorded on the BSE and the NSE for the preceding three Fiscals and the number of Equity Shares traded on the days the high and low prices were recorded are stated below.

BSE

Year ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of Equity Shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (Rs.)
2009	880.20	May 21, 2008	74,767	243.30	March 5, 2009	38,620	499.48
2008	1,274.35	January 3, 2008	8,58,397	204.65	April 2, 2007	70,883	552.26
2007	251.30	February 6, 2007	10,49,883	59.15	April 13, 2006	4,70,948	158.14

Source: www.bseindia.com

NSE

Year ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (Rs.)
2009	881.00	May 21, 2008	88,030	243.25	March 19, 2009	51,022	499.25
2008	1,272.65	January 3, 2008	6,84,690	204.80	April 2, 2007	70,314	551.98
2007	251.50	February 6, 2007	11,03,502	59.30	April 13, 2006	3,81,664	158.17

Source: www.nseindia.com

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

BSE

Month, Year	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of low	Volume on date of low (no. of shares)	Average price for the month (Rs.)
February 2010	518.60	February 17, 2010	3,07,789	458.00	February 1, 2010	53,852	484.65
January 2010	509.55	January 6, 2010	7,77,909	443.10	January 29, 2010	40,729	471.31
December 2009	436.15	December 31, 2009	3,38,999	408.25	December 2, 2009	39,004	422.61
November 2009	863.2	November 9, 2009	2,76,451	729.95	November 3, 2009	1,88,551	814.73
October 2009	732.05	October 27, 2009	1,14,049	644.95	October 9, 2009	8,704	684.96
September 2009	699.05	September 1, 2009	28,939	627.15	September 14, 2009	35,601	666.25

Source: www.bseindia.com

NSE

Month, Year	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of low	Volume on date of low (no. of shares)	Average price for the month (Rs.)
February 2010	518.65	February 17, 2010	7,48,471	457.75	February 1, 2010	1,09,156	484.70
January 2010	507.65	January 6, 2010	11,22,953	443.25	January 29, 2010	1,20,703	470.93
December 2009	436.00	December 31, 2009	1,02,999	408.85	December 2, 2009	1,05,526	422.54
November 2009	862.25	November 9, 2009	4,98,224	729.50	November 3, 2009	1,90,575	814.44
October 2009	731.35	October 27, 2009	2,77,023	645.40	October 9, 2009	29,411	684.68
September 2009	700.10	September 1, 2009	45,886	624.55	September 14, 2009	96,602	666.48

Source: www.nseindia.com

In the event the high, or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our consolidated financial statements as of and for the years ended March 31, 2008 and 2009, including the notes thereto and reports thereon, each included in this Letter of Offer. You should also read the sections titled "Risk Factors" and "Forward Looking Statements" included in this Letter of Offer which discuss a number of factors and contingencies that could affect our financial conditions and results of operations. The financial statements included in this Letter of Offer are prepared in accordance with Indian GAAP, which differs in certain material respects from U.S. GAAP and IFRS.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve month period ended March 31 of that year.

Overview

We are the flagship company of the Adani Group, a leading business conglomerate in India. We operate in a diverse range of sectors such as power project development, coal mining, commodities trading (focussed on coal), real estate development, agro-processing, city gas distribution and logistics. We had total revenues (revenue from sales and operating income) of Rs. 26,258.28 crores for Fiscal 2009.

Our trading business includes trading in coal, power, agro-commodities, ferrous scrap and precious metals. We are one of the largest traders of coal in India for the year ended March 31, 2009, with coal mining rights both in the international and domestic markets, and according to Central Electricity Regulatory Commission, for the year ended March 31, 2009, we were one of the largest power traders by volume in India. We also operate a shipbreaking yard in the United States and trade in diamonds, gold and jewellery.

Our energy business includes power generation and transmission, oil and gas exploration, coal mining (as mine developer and operator), gas distribution and ship fuelling (or "bunkering"). Our subsidiary, Adani Power is developing six thermal power projects with a combined installed capacity of 9,240 MW and is planning to develop three power projects with a combined installed capacity of 3,960 MW. To further integrate our power trading business, Adani Power is also venturing into power transmission through projects set up by Adani Power and its subsidiaries. In addition, Adani Power has been allocated two coal blocks in India to mine coal for one of its power projects. However, in relation to the Tiroda coal block, the terms of reference submitted under the EIA Notification has been withdrawn by the Government of India due to its proximity to a Tiger conservation reserve and other environmental considerations. Adani Indonesia, our wholly owned subsidiary, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu Island, Indonesia. We have entered into a joint venture agreement with RRVUNL for development and operation of a coal block in Chhattisgarh. We have also received an LOI from Mahaguj Collieries Limited for undertaking development and operation of Machhakata coal block located in Orissa and delivery of coal to designated power plants of Maharashtra Power Generation Company Limited and Gujarat State Electricity Corporation Limited. Further, the Company has received a LOA from Chhattisgarh State Power Generation Company Limited regarding selection as joint venture partner for development, mining and transportation of coal from Parsa coal block. We have entered the oil and gas exploration sector and formed a joint venture, Adani Welspun Exploration Limited (in which the Welspun Group has 35% stake), for oil and gas exploration. We are also involved in the business of bunkering at Mundra port through Chemoil Adani Private Limited, our 50% joint venture with Chemoil Energy Limited, Singapore.

Our real estate business includes development of a township, and residential and commercial projects. We are currently involved in developing a township in Ahmedabad, Gujarat with an approximate saleable area of 41.60 million sq. ft.; a commercial office space of approximately 1.50 million sq. ft. in Mumbai's Bandra-Kurla complex; residential project in Borivali, Mumbai of approximately 1.20 million sq. ft. and a residential-cum-commercial project of approximately 0.7 million sq. ft. in Byculla, Mumbai.

Adani Shipping, a wholly-owned subsidiary of Adani Power Limited has entered into a contract for purchase of two newly-built capesize vessels with expected delivery by December 2010.

Our agro-related business is focused on manufacturing, storage and transportation of various agricultural-based products in India. Through a 50% joint venture with Singapore's Wilmar Group, we also have a significant presence in the Indian edible oil industry and we operate several fully integrated (from oilseed crushing to oil packaging) refineries, with a total refining capacity of 3,590 tpd, crushing capacity of 5,650 tpd and hydrogenation capacity of 525 tpd. We also have a separate captive manufacturing and packaging facility for our products that enables us to lower production costs. Our subsidiary, Adani Agri Fresh has set up modern controlled atmospheric storage facilities for the storage of fruits and vegetables. We have also entered into a 20 year contract with the Food Corporation of India to store and transport food grain.

Background

We are a part of the Adani Group and are an asset-backed, diversified commodities trader, sourcing, producing, marketing and transporting various commodities across many countries. We operate from corporate centers across India and have additional operations in the Asia-Pacific region, the Middle East and North America.

Adani Exports Limited was incorporated as a public limited company in March 1993 with a primary focus on commodities trading. We changed our name to Adani Enterprises Limited in August 2006 as part of our strategy to move into asset-backed commodities trading. We are a leading diversified natural resources merchant and we source, produce, market, transport and deliver a wide selection of industrial raw materials, agricultural-based (or "agro") commodities and energy products.

Our overall business consists of groups focused on trading operations, energy operations, logistics and infrastructure operations and agro-commodities operations.

For further details on our divisions across our businesses and our subsidiaries see "Our Business".

Basis of Presentation

Our consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) on Consolidated Financial Statements, Accounting Standard 23 (AS 23) on Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 (AS 27) on Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India. See schedule 20 of our audited consolidated financial statements for a list of the companies we consolidate in our consolidated financial statements for the fiscal years, 2008 and 2009, as subsidiaries, associates or joint ventures.

Critical Accounting Policies

Critical accounting policies are those policies that require the application of our management's most challenging, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Critical accounting policies involve judgments and uncertainties that are sensitive to results under different assumptions and conditions. We believe that our most critical accounting policies are those described below:

- Revenue from sales of goods is recognized once a shipment is dispatched to a customer and is recognized net of sales-tax and returns. Dividend income from investments is recognized when our right to receive payment is established. Income from services rendered is accounted for when such services are completed. Interest revenues are recognized on a time-proportion basis taking into account the amount outstanding and the rate applicable. Profit or a loss is recognized upon the sale of an investment on the date of contract for such sale. Export benefits from the Government under its export and import policies are accounted for on an accrual basis to the extent considered receivable, depending on the certainty of receipt.

- Long term investments are carried at cost less provision, if any, for permanent diminution in the value of such investments. Current investments are carried at lower of cost or fair value, which is computed category wise. Our investment in the equity shares of our foreign subsidiaries is expressed in Indian Rupee terms, at the rates of exchange prevailing at the time when such investments were made.

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the relevant transaction. At the end of the financial year, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into Indian Rupee equivalents at the year end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are included in the profit and loss account. For transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract. We use foreign currency forward contracts to hedge our risks associated with foreign currency fluctuation relating to certain firm commitments and forecasted transactions. The use of such foreign currency forward contracts is governed by our policies approved by our management, which provide principles on use of such financial derivatives consistent with our risk management strategy. We do not use derivative financial instrument for speculative purposes.

- Fixed assets are stated at the cost of acquisition or construction. They are stated on the basis of the historical cost less accumulated depreciation. Expenditure on account of modifications or alterations to plant and machinery is capitalized. Where there is capital expenditure on assets that are not owned by us, such expenditure is charged to revenue in the year of incurrence. The cost of fixed assets not put to use before the year end are disclosed under capital work-in-progress.

- Inventories are valued at the lower of cost or net realizable value. Finished or traded goods, raw materials and packing materials include the cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Customs duty in respect of finished goods is also included as cost of inventory.

- Depreciation on assets is provided on the straight line method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis on the date of the acquisition or disposal. Individual assets costing up to Rs.5,000.00 are fully depreciated in the year of capitalization.

- Goodwill is recognized as the difference between the purchase consideration and the value of the net assets acquired on the acquisition of an undertaking. Goodwill is amortized over a period of 15 years on a straight line basis from the year of creation.

- Commodity hedging contracts are accounted on the date of their settlement and the realized gain or loss of settled contracts are recognized in the profit and loss account, together with the underlying transactions. In the case of unsettled contracts, mark to mark position is recognized in the case of losses and ignored in the case of profits.

- Tax expense consists of current taxes, deferred tax charges and fringe benefit tax. Current tax is calculated in accordance with applicable tax laws and generally income tax is incurred in the year we recognize revenue. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year. We recognize deferred tax assets only if we believe that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax can be realized. Fringe benefit tax is recognized in accordance with applicable income tax laws.

Description of Income and Expenditure Items

Income

Our total income consists of the following items:

- Sales and operating earnings; and
- Other income.

Sales and operating earnings: Sales and operating earnings comprises (i) sales; (ii) export incentives; (iii) insurance claims received; (iv) service charges;(v) profit on the sale of development rights; and (vi) other operating income.

Sales comprise sourcing, producing, marketing and transporting various commodities in India and internationally, including grains, pulses, castor and soya, ore, scrap metal, gems and jewellery, trading electricity, coal, petroleum and natural gas.

Export incentives : Export incentives comprise incentives in the nature of DEPB, DFRC, KVUY, Duty Drawback available on Agro Products.

Insurance claims received **:** claims received relates to the claim for goods

Service charges

Profit on sale of development rights, is derived from the our initiatives in the infrastructure sector including developing townships and residential and commercial projects.

Other operating income : Other Operating income are in the nature of amount received by commodity contract settlements and other income related to the operations.

Other income: Other income comprises (i) dividend from investments; (ii) interest from current investments; (iii) income from mutual funds; (iv) profit from sale of investments; (v) bad debt recovery; (vi) miscellaneous income; (vii) liabilities no longer required to be written back; (viii) exceptional items; and (ix) share of joint venture.

Expenditure Items

Our total expenditure consists of the following items:

- cost of materials;
- personnel expenses;
- operation and other expenses;
- finance charges;
- depreciation; and
- miscellaneous expenses written off.

Cost of materials: Cost of materials consists of raw material costs in our various businesses. Our costs of raw materials primarily consists of purchasing (a) coal; (b) power from electricity boards; (c) petrochemicals including alcohols, monomers, and other chemicals and solvents; (d) oil seeds; (e) metal scrap; (f) iron ore; and (g) polished gems and gold.

Personnel expenses: Personnel include salaries and bonuses, allowances and other related benefits paid to employees.

Operation and other expenses: Operation and other expenses comprise among other things, rents, insurance expenses, clearing and forwarding expenses, advertisement and selling expenses, business support services, travel and conveyance expenses and others.

Finance charges: Finance charges incurred by us include net interest charges payable by us for long term and short term debt, including working capital loans and interest charges on debentures and bonds and others.

Depreciation: Depreciation expenses incurred by us result from the depreciation of buildings, furniture, fixtures, motor vehicles, computers, office equipment and certain other items.

Miscellaneous expenses written off: : Miscellaneous expenses written off is expenses incurred during the project period and written off after the commencement of Project and Deferred Revenue expenses which are expensed out in a systematic manner.

Factors Affecting our Results of Operations

General economic and business conditions. As a company operating in India, we are affected by the general economic conditions in the country and in particular the factors affecting the various businesses in which we are engaged. The Indian economy grew steadily over the past several years, with GDP growth of 9.4% in fiscal year 2007 and 8.7% in fiscal year 2008 and following the global financial crisis, India's economic growth has slowed down significantly to 6.9% for the first three quarters (April – December) of the fiscal year 2009, as compared to 9.0% in the corresponding period of the previous year (Source: Reserve Bank of India Annual Policy Statement for the Year 2009-10, dated April 21, 2009). Conditions outside India, such as slow downs in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and government policy may change in response to such conditions. We believe that growth in the overall economy in India will propel demand in the industries we operate in the future. The overall economic growth will therefore impact the results of our operations. The growth prospects of our business and our ability to implement our strategies will be influenced by macro-economic growth within India.

Entry into the energy sector. We are one of India's largest private sector traders in the energy sector and are engaged in trading coal, power, petrochemicals and petroleum products. We are currently entering into new initiatives in the energy sector (including electricity generation) and we expect a significant amount of our revenues to be based on our energy business in the future. The energy business is heavily regulated in India, which has historically been the domain of the central and state governments, and has been constrained by various factors such as shortages of public funding, political considerations and issues of transparency and accountability. Changes in government policies have facilitated the entry of private capital into the Indian energy industry and have led to rapid growth in the sector. For example, the GoI has expressed a "Power for All by 2012" objective, and has enacted legislation in 1991, and again in 2003, designed to increase private sector participation in the Indian energy sector, especially the power sector. Further, the Government's focus has also led to an increase in captive power generation capacity in India. For example, the Electricity Act exempts captive power generators from license requirements. We believe that with the policy and regulatory reforms continuing to move in the right direction, our growth and financial condition and results of operations will be positively affected.

Availability of cost effective funding. Our ability to grow in our various businesses depends largely on cost effective avenues of funding and will be primarily met through funding by increased borrowing from external sources and the incurrence of new debt. Our debt service costs as well as our overall cost of funding depend on many external factors, including developments in the Indian credit market and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. With the growth of our operations, we have had to increasingly access commercial borrowings. We believe that going forward the availability of sources of cost effective funding will be crucial and the non-availability of such funding at favorable terms could affect our business, financial condition and results of operations.

Seasonal business. Our commodities trading business may be adversely affected by changes in the supply and demand of agricultural and industrial commodities and raw materials that are caused by market fluctuations outside our control. These include global and regional economic conditions, developments in international trade, supply and demand for commodities, weather patterns, crop yields, foreign exchange fluctuations, armed conflicts, embargoes and strikes, among other factors. These can negatively affect the creditworthiness of our customers and suppliers and may affect the business, results of operations and financial position of our business.

Our coal business is affected by sensitivity in the world coal markets to changes in coal mining capacity and output levels, coal demand and consumption patterns from the electricity generation industry and other industries for which coal is the principal fuel and changes in the world economy. The coal consumption patterns of the electricity generation and steel industries are affected by demand for these customers' products, local environmental and other governmental regulations, technological developments and the price and availability of competing coal and alternate fuel supplies. Global coal prices tend to be highly cyclical and subject to significant fluctuations, which affect our coal prices along with other factors over which we have no control, including weather, distribution problems or changes in government policies affecting coal mining, imports and exports.

We operate in a highly regulated environment. We operate in the agricultural and industrial commodities industries, several aspects of which are highly regulated. In addition, our recent additions to our businesses, power generation, power trading and maritime transportation are also highly regulated. Agricultural production and trade flows are significantly affected by government policies and regulations. Government policies affecting the agricultural industry and commodities, such as taxes, tariffs, duties, subsidies, import and export restrictions and food safety and hygiene can influence industry profitability. Future government policies may adversely affect the demand for and the supply and prices of our products and markets and restrict our ability to do business in our existing and target markets which could have an adverse effect on our business, financial position and results of operations.

The vessels that we have acquired, chartered or manage have to operate within the rules of international conventions and regulations adopted by the International Maritime Organization, an agency of the United Nations, as well as the environmental protection laws, health and safety regulations and other marine protection laws in each of the jurisdictions in which the our vessels will operate. Our operations are also affected by extensive and changing environmental protection laws and other regulations, compliance with which may entail significant expenses, including expenses for ship modifications and changes in operating procedures. Additional laws and regulations may be adopted which could limit our ability to do business and which could have an adverse effect on our business, financial position and results of operations.

Competition. The businesses that we are engaged in are highly competitive and we have competitors in each of our major business operations on a local, regional, national and international level. Although barriers to entry are high in a number of our businesses due to the costs associated with such entry, we continue to face competition from new entrants. Increased competition may reduce the growth in our customer base, reduce the profit margins and the market share that we currently enjoy, and result in higher selling and promotional expenses. The markets for our metals, minerals, ores, agro-commodities and energy products are also price competitive and sensitive to product substitution. Competition with these and other suppliers, processors and distributors is based on price, quality of service and geographic location, which we will need to manage effectively.

Results of Operations

The following table sets forth selected financial data from our consolidated profit and loss accounts, the components of which are also expressed as a percentage of total income for the periods indicated:

	Fiscal Year			
	2009		2008	
Particulars	Amount (Rs. in crores)	% of Total Income	Amount (Rs. in crores)	% of Total Income
Income:				
Sales and operating earnings	26,258.28	99.94	19,609.71	99.80
Other income	14.64	0.06	39.00	0.20
Total income	26,272.92	**100.00**	19,648.71	**100.00**
Expenditure:	-		-	
Cost of materials	24,195.81	92.09	18,044.59	91.84
Personnel expenses	114.63	0.44	91.90	0.47
Operation and other expenses	938.23	3.57	757.14	3.85
Finance charges	348.82	1.33	277.01	1.41
Depreciation	82.18	0.31	44.77	0.23
Miscellaneous expenditure written off	7.61	0.03	0.42	0.00
Total expenditure	25,687.28	**97.77**	19,215.83	**97.80**
Profit for the year before prior period adjustments and exceptional items	585.64	**2.23**	432.88	**2.20**
Add / Less: Prior Period Adjustment	0.72	4.92	(1.86)	(4.77)
Add / (Less) Exceptional Items (net)	(2.44)	(0.01)	2.24	0.01
Profit for the year before tax	583.92	**2.22**	433.26	**2.21**
Provision for taxation:	-		-	
Current tax	65.94	0.27	51.98	0.29
Adjustment of earlier years	0.33	0.29	(1.87)	(2.03)
Deferred tax	10.97	1.17	5.00	0.66
Fringe benefit tax	1.24	0.36	2.15	0.78
Profit after taxation, before share of Associates profit and minority interest	505.44	**1.92**	376.00	**1.91**
Less: share of minority interest	0.79	0.00	6.25	0.03
Net profit	504.65	**1.92**	369.75	**1.88**

Fiscal 2009 compared to Fiscal 2008

Income

Our total income increased to Rs. 26,272.92 crores in fiscal 2009 from Rs. 19,648.71 crores in fiscal 2008, an increase of 33.71%, which was primarily due to an increase in our sales and operating earnings.

Sales and operating earnings. Income from our sales and operating earnings increased to Rs. 26,258.28 crores in fiscal 2009 from Rs. 19,609.71 crores in fiscal 2008, an increase of 33.90%. This increase was primarily attributable to greater sales amounting to Rs. 22,573.63 crores, export incentive of Rs. 60.08 crores, service charges of Rs. 370.09 crores and other operating income of Rs. 213.62 crores. Our trading business contributed 86% of sales and operating earnings in fiscal 2009 compared to 89% in fiscal 2008. Income from the agro-commodities business contributed 11.78% of sales and operating earnings in fiscal 2009 compared to 9% in fiscal 2008. Income from our energy business contributed 2% of sales and operating earnings in fiscal 2009 compared to 1% in fiscal 2008. Logistics and infrastructure contributed 0.22% of sales and operating earnings in fiscal 2009 compared to 1% in fiscal 2008.

Other income. Other income has decreased to Rs. 14.64 crores in fiscal 2009 from Rs. 39.00 crores in fiscal 2008, a decrease of 62.46%, which was primarily due to the sale of our Associate company's equity shares in fiscal 2008.

Expenditure

Our total expenditure increased to Rs. 25,687.28 crores in fiscal 2009 from Rs. 19,215.83 crores in fiscal 2008, an increase of 33.68%, which was primarily due to an increase in the cost of materials, depreciation and miscellaneous expenditure written off.

Cost of materials. Our cost of materials increased to Rs. 24,195.81 crores in fiscal 2009 from Rs. 18,044.59 crores in fiscal 2008, an increase of 34.09%, which was primarily due to an increase in raw materials purchased during the year.

Personnel expenses. Our personnel expenses increased to Rs. 114.63 crores in fiscal 2009 from Rs. 91.90 crores in fiscal 2008, an increase of 24.75%, which was primarily due to an increase in salary and bonus to our employees and as a result of the recruitment of an additional employees during the period.

Operation and other expenses. Our operation and other expenses increased to Rs. 938.23 crores in fiscal 2009 from Rs. 757.14 crores in fiscal 2008, an increase of 23.92%, which was primarily due to an increase in our office expenses, clearing and forwarding expenses and write-offs of doubtful debts, loans and advances.

Finance charges. Our finance charges increased to Rs. 348.82 crores in fiscal 2009 from Rs. 277.01 crores in fiscal 2008, an increase of 25.92%, which was primarily due to a rise in general interest rates and to increased borrowings to fund our growth and expansion plans.

Depreciation. Depreciation increased to Rs. 82.18 crores in fiscal 2009 from Rs. 44.77 crores in fiscal 2008, an increase of 83.56%, which was primarily due to increase in our asset base.

Miscellaneous expenditure written off. Miscellaneous expenditure written off increased to Rs. 7.61 crores in fiscal 2009 from Rs.0.42 crores in fiscal 2008, which was primarily due to withdrawal of the guidance note on Treatment of Expenditure during construction period by the Institute of Chartered Accountants of India, Adani Power Limited has charged the preliminary Expenses of Rs. 5.04 crores to the statement of Expenses for the year ended 31.03.09.

Profit before Tax. Due to the reasons discussed above, profit before taxes increased to Rs. 583.92 crores in fiscal 2009 from Rs. 433.26 crores in fiscal 2008, an increase of 34.77%.

Taxes. Our provision for taxation increased to Rs. 78.48 crores for the fiscal year 2009 from Rs. 57.26 crores for the fiscal year 2008, an increase of 37.06%. Our effective tax rate, calculated as provision for taxation divided by profit before taxation, for the fiscal year 2009 was higher at 13.44% as compared to 13.22% for the fiscal year 2008. The increase in taxation was primarily due to an increase in our profits for fiscal year 2008.

Net profit. Due to the reasons discussed above, our net profit increased to Rs. 504.65 crores in fiscal 2009 from Rs. 369.75 crores in fiscal 2008, an increase of 36.48%.

Liquidity and Capital Resources

Cash Flows

The following table sets forth our consolidated cash flows for the fiscal years 2009 and 2008:

	Fiscal Year	
	2009	2008
	Amount (Rs. in crores)	Amount (Rs. in crores)
Net cash generated from/(used in) operating activities	(198.02)	625.01
Net cash generated from/(used in) investing activities	(4,777.98)	(2,548.61)
Net cash generated from/(used in) financing activities	5,863.40	1,774.62
Net cash generated from/(used in) others	165.69	215.22
Net increase/ (decrease) in cash and cash equivalents	1,053.09	66.24

Operating Activities

Net cash used in operating activities was Rs. 198.02 crores in fiscal 2009 and consisted of net profit before tax and other extraordinary items of Rs. 583.92 crores, as adjusted for a number of non-cash items, primarily depreciation of Rs. 82.18 crores, non-operating items such as, interest expenses of Rs. 498.64 crores and interest income of Rs. 130.66 crores and changes in working capital, primarily an increase in trade and other receivables of Rs. 2,044.84 crores and an increase in trade payables of Rs. 668.93 crores.

Net cash generated from operating activities was Rs. 625.01 crores in fiscal 2008 and consisted of net profit before tax and other extraordinary items of Rs. 433.26 crores, as adjusted for a number of non-cash items, primarily depreciation of Rs. 44.77 crores, non-operating items such as, , interest expenses of Rs. 369.58 crores and interest income of Rs. 144.55 crores and changes in working capital, primarily decrease in trade and other receivables of Rs. 1,012.04 crores, increases in inventories of Rs. 1,382.34 crores, loans and advances of Rs. 888.67 crores and an increase in trade payables of Rs. 1,254.23 crores.

Investing Activities

Net cash used in investing activities was Rs. 4,777.98 crores for the fiscal year 2009 and primarily consisted of purchase of fixed assets of Rs. 1,211.85 crores and addition to capital work-in-progress of Rs. 3,670.21 crores, partially offset by interest received of Rs. 150.97 crores.

Net cash used in investing activities was Rs. 2,548.61 crores for the fiscal year 2008 and consisted of purchases of investments of Rs. 260.65 crores and purchase of fixed assets of Rs. 265.40 crores and additions to capital work-in-progress of Rs. 2,181.74 crores, partially offset by interest received of Rs. 128.40 crores.

Financing Activities

Net cash generated from financing activities for the fiscal year 2009 was Rs. 5,863.40 crores consisting of proceeds from share premium of Rs. 493.67 crores, net proceeds from long term borrowings of Rs. 4,385.59 crores and net proceeds from short term borrowings of Rs. 1,930.68 crores, partially offset by repayment of working capital of Rs. 435.31 crores, interest payment of Rs. 496.48 crores and dividend payment of Rs. 14.74 crores.

Net cash generated from financing activities for the fiscal year 2008 was Rs. 1,774.62 crores primarily consisting of proceeds from share premium of Rs. 632.08 crores, proceeds from working capital borrowings of Rs. 389.27 crores, net proceeds from long term borrowings of Rs. 152.42 crores and net proceeds from short term borrowings of Rs. 948.29 crores partially offset by interest payment of Rs. 354.13 crores.

Contingent Liabilities

(Rs. in Crores)

	PARTICULARS	AS AT 31-03-2009	AS AT 31-03-2008
a)	Claims against the Company not acknowledged as debts	451.47	450.10

(Rs. in Crores)

	PARTICULARS		AS AT 31-03-2009	AS AT 31-03-2008
b)	In respect of Corporate Guarantee given:-			
	(i)	To Companies under the same Management	223.04	94.29
	(ii)	For obligations to other parties	157.85	119.91
c)	Bills of Exchange Discounted		909.49	1,049.73
d)	Demand against the company not admitted as debts regarding sales tax against which appeals are pending		33.89	6.79
e)	In respect of Bank Guarantees given to Government agencies.		492.71	396.51
f)	Bonds Submitted to Development Commissioner on behalf of Government of India		2,286.72	2,225.00
g)	Letter of Credit		1,631.10	921.25
h)	Export obligations though completed but procedural relinquishments are pending of Rs.NIL before DGFT (Previous Year Rs. 0.07) and of Rs.NIL before Customs (Previous Year Rs. 0.28).			
i)	Additional stamp duty on transfer of Land/ Immovable properties, in which liability is unascertainable.			
j)	An export obligation of Rs. 4.10 (Previous Year Rs. 6.96) is pending which is equivalent to 8 times of duty saved Rs.1.20 (Previous Year Rs. 0.88).			
k)	Estimated amounts of contracts remaining to be executed and not provided for (Net of Advances) Rs. 22,007.33 crores (Previous Year Rs.16,931.23).			
l)	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from internal evaluation of the management.			
m)	Show cause notice in terms of value of export goods under section14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable. And under Section 16 of the Foreign Exchange Management Act,1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule,2000, in which liability is unascertainable.			
n)	Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company.-Amount of contingent liability is to the extent of value of Shares Pledged.			
o)	Compliant filed by Asst. Labour Commissioner, Hubli under Section 30 of The Payment of Bonus Act, 1956. Matter being contested by the company and projected liability in terms of penalty would be not more than Rs.0.01 crore (P.Y. NIL).			

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Indebtedness

The following table summarizes our outstanding financial indebtedness, on a consolidated basis as of March 31, 2009.

(Rs. in crores)

Type of Financial Indebtedness	Outstanding as of March 31, 2009
Secured Loans	**6,699.16**
Unsecured Loans	**5,385.08**
Total Indebtedness	**12,084.24**

Quantitative and Qualitative Disclosures about Market Risk

Our exposure to market risks derives primarily from changes in commodity, foreign exchange and interest rates. Generally, our objective is to ensure that we understand, measure and monitor these risks and takes appropriate actions to minimize our exposure to such risks. Our policies for managing these risks are described below.

We utilize organized future markets as well as over-the-counter markets to manage commodity price risk among our energy, agro-commodities and metal and mineral products as well as in respect of our freight exposure. We maintain internal policies to monitor our commodity hedging practices.

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities. To manage our foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, we use forward contracts. Foreign exchange risk arises when future commercial transactions, recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The finance department is responsible for managing the net position in each foreign currency by using external forward currency contracts. We also strive to maintain a minimum credit period for foreign exchange denominated recognized assets.

Our interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose us to cash flow interest rate risk. Borrowings issued at fixed rates expose us to fair value interest rate risk. We also negotiate the terms of the borrowings with financial institutions to convert our high interest bearing borrowings with lower interest bearing borrowings.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see Note 6 (ii) of Schedule 20 to our audited consolidated financial statements.

Inflation

Although India has experienced minor fluctuation in inflation rates in recent years, inflation has not had a material impact on our business and results of operations.

FINANCIAL INDEBTEDNESS

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Crores)	Principal Amount Outstanding as at February 28, 2010 (In Rs. Crores)	Interest (In % p.a.)	Repayment	Security
1.	State Bank of India; Allahabad Bank; Axis Bank Limited; Bank of Baroda; Bank of India; Canara Bank; ICICI Bank Limited; Oriental Bank of Commerce; Punjab National Bank; State Bank of Travancore; State Bank of Hyderabad; Syndicate Bank; Standard Chartered Bank and UCO Bank	Working Capital Consortium Agreement dated July 16, 2009	Aggregate: 2,830.0	Aggregate: 1,291.74		To be repaid on demand	The whole of the current assets of the Borrower namely, stocks of raw materials, stocks in process, semi finished and finished goods, advances to suppliers, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts and all other movables, both present and future
			State Bank of India: 310.00	138.11	SBAR plus 2.00%		
			Allahabad Bank: 250.00	125.85	PLR minus 2.00%		
			Axis Bank Limited: 145.00	33.67	BPLR minus 2.00 %		
			Bank of Baroda: 238.00	110.64	BPLR		
			Bank of India: 275.00	153.27	BPLR minus 2.00%		
			Canara Bank: 195.00	106.16	BPLR minus 1.25%		
			ICICI Bank Limited: 135.00	124.84	IBAR minus 0.90%		
			Oriental Bank of Commerce: 215.00	21.30	PLR minus 2.00%		
			Punjab National Bank: 245.00	90.89	BPLR		
			State Bank of Travancore: 140.00	80.89	SBTPLR		
			State Bank of Hyderabad: 139.00	89.15	PLR minus 1.50%		
			Syndicate Bank: 140.00	61.58	PLR minus 2.00%		
			Standard Chartered Bank: 180.00	68.91	12.00		
			UCO Bank: 223.00	86.48	BPLR minus 1.00%		
2.	State Bank of India; Canara Bank; State bank of Travancore; and State Bank of Hyderabad	Working Capital Consortium Agreement dated July 16, 2009	Aggregate: 865.00 (Forward Contract Limit)	Aggregate: 139.59	Not Applicable	Not Applicable	The whole of the current assets of the Borrower namely, stocks of raw materials, stocks in process, semi finished and finished goods, advances to suppliers, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts and all other
			State Bank of India: 400.00	71.05			
			Canara Bank: 200.00	Nil			
			State Bank of Travancore: 115.00	9.18			

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Crores)	Principal Amount Outstanding as at February 28, 2010 (In Rs. Crores)	Interest (In % p.a.)	Repayment	Security
			State Bank of Hyderabad: 150.00	19.36			movables, both present and future
3.	Axis Bank Limited	Sanction Letter dated November 25, 2009 (Non Fund Based Limits)	260.46	44.79	1.10% for letter of credit and 1.50% for bank guarantee	Two years for bank guarantee and 180 days for letter of credit	For letter of credit: 10% cash margin and subsequent and subservient charge on the current assets and post dated cheques For bank guarantee: 5% cash margin and pledge of shares of the Company for 120% of the bank guarantee amount
4.	ICICI Bank Limited	Sanction Letter dated November 25, 2009 (Non Fund Based Limits)	500.00	245.27	0.75	Bank guarantee available for a maximum period of four years	Unsecured
5.	Yes Bank Limited	Sanction Letter dated March 14, 2007 (Bank Guarantee Facility)	75.00	45.00	1.00	Bank guarantee available for a maximum period of 44 months (including claim period of one month)	i. Cash Margin of 5% of the outstanding Amount. ii. Counter Indemnity from Adani Power Limited. iii. Counter Indemnity from Adani Enterprises Limited iv. Non disposal undertaking from the Company to maintain a minimum shareholding of 51% in APL
6.	UCO Bank	Loan Agreement dated September 7, 2009 and Sanction Letter dated September 7, 2009 (Working Capital Facilities)	400.00	400.00	7.50	Repayable at the end of 180 days from each disbursement	Post dated cheques and demand promissory note.
7.	Development Credit Bank Limited	Loan Agreement dated September 9, 2009 and Sanction Letter dated September 1, 2009 (Working Capital Facilities)	50.00	40.00	BPLR minus 7.00%	Bullet repayment at the end of six months	Post dated cheques and demand promissory note.

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Crores)	Principal Amount Outstanding as at February 28, 2010 (In Rs. Crores)	Interest (In % p.a.)	Repayment	Security
8.	Federal Bank Limited	Loan Agreement dated September 11, 2009 and Sanction Letter dated August 21, 2009	200.00	200.00	BPLR minus 5.25% subject to a minimum of 9.00%	To be repaid in equal instalments of Rs. 100 crores each on the 11^{th} and the 12^{th} month	Subservient charge over the current assets of the Company;
9.	HDFC Bank Limited	Sanction Letter dated March 24, 2009 (Working Capital Facilities)	50.00	50.00	8.00	To be repaid at the end of 180 days	Post dated cheques
10.	HDFC Bank Limited	Revolving Loan Agreement dated March 14, 2008 and Sanction Letter dated March 24, 2009	25.00	25.00	8.00	To be repaid at the end of 175 days	Nil
11.	HDFC Bank Limited	Revolving Loan Agreement dated March 14, 2008 and Sanction Letter dated March 24, 2009	25.00	25.00	8.00	To be repaid at the end of 178 days from the date of disbursement	Nil
12.	IndusInd Bank Limited	Agreement cum Guarantee dated June 29, 2009 and Sanction Letter dated June 27, 2009 (Working Capital Facilities)	50.00	50.00	7.00	Bullet repayment at the end of 90 days from the date of disbursement	Subservient charge over the current assets of the Company; Pledge of shares of the Company equal to 1.20 times coverage of the facility amount; and Post dated cheques.
13.	Bank of India	Sanction Letter dated January 2, 2008. (Term Loan, demand loan and Working capital facilities)	25.00	6.25	BPLR minus 2.75%	Repayable in 16 quarterly instalments of Rs. 1.56 crores from April 2007;	Pledge of shares of the Company. at 1.25 times coverage.
14.	Jammu and Kashmir Bank Limited	Loan Agreement dated March 31, 2005 and Sanction Letter dated February 17, 2005 (Term Loan Facility)	25.00	5.00	PLR minus 3%	To be repaid in 10 half-yearly installments with initial moratorium of one year	The whole of the company’s stock of raw materials (imported and indigenous stock-in process, finished goods and spares and book debts)

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Crores)	Principal Amount Outstanding as at February 28, 2010 (In Rs. Crores)	Interest (In % p.a.)	Repayment	Security
15.	State Bank of India	Loan Agreement dated November 24, 2005 (Term Loan Facility) and revised Sanction Letter dated March 13, 2009	25.00	7.50	SBAR minus 1.00%* (Subject to minimum 11.25%) * In the event of any prepayment, an additional interest at the rate of 1% would be charged on the prepaid amount.	To be repaid in 10 half-yearly installments subject with initial moratorium of 1 year	i. Mortgage of land situated at No. 83 in Echelon Institutional Sector 32, Gurgaon, Haryana ii. The whole of the furniture and fixtures of the company at its corporate office, Gurgaon, Haryana and all movable thereat, both present and future.
16.	Tamilnad Mercantile Bank Limited	Loan Agreement dated March 26, 2009 and Sanction Letter dated March 23, 2009 (Working Capital Facility)	25.00	25.00	8.50	Bullet repayment at the end of 12 months The loan shall not be prepaid	Unsecured
17.	Yes Bank	Supplemental Loan Agreement dated November 20, 2009 and Sanction Letter dated November 19, 2009 (Working Capital Facility)	50.00	50.00	7.50	To be repaid within a maximum period of 12 months	Demand promissory Note
18.	Allahabad Bank	Loan Agreement dated June 12, 2009 and Sanction Letter dated June 9, 2009 (Short Term Loan)	200.00	200.00	PLR	To be repaid in 4 equal monthly installments with an initial moratorium period of 8 months	i. All tangible movable machineries, plant, machinery fixture, fittings, other installations, cranes, furniture, computers and other accessories, vehicles together with spares, tolls and accessories lying at various places in the State of Gujarat ii. The whole of the Company's movable goods and assets, both present and future including all stocks of raw materials, work-in-progress, semi-finished goods and finished goods, consumable

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Crores)	Principal Amount Outstanding as at February 28, 2010 (In Rs. Crores)	Interest (In % p.a.)	Repayment	Security
							stores and spares. iii. All the present and future book debts, outstanding, money receivable, claims, bills, contracts, engagements and securities. iv. Pledge of 50,00,000 Equity Shares of the Company held by Gautam S. Adani and Priti G. Adani; v. Post Dated Cheques for repayment of principal amount
19.	IDBI Bank	Facilities Agreement dated June 24, 2005 and Sanction Letter dated February 18, 2009 (Working Capital Facility)	100.00	40.00	6.75	To be repaid on demand	Pledge of 81,95,000 Equity Shares of the Company held by Vinod S. Adani and 12,05,000 Equity Shares of the Company held by Ranjan V Adani
20.	Tamilnad Mercantile Bank Limited	Loan Agreement dated November 5, 2009 and Sanction Letter dated October 29, 2009 (Working Capital Facility)	25.00	25.00	8.00	Bullet repayment at the end of six months	Demand Promissory Note
21.	HDFC Bank	Loan Agreement dated November 9, 2009 (Working Capital Facility)	50.00	50.00	8.00	To be repaid as a onetime payment on the expiry of 178 days	Demand Promissory Note
22.	ICICI Bank Limited	Loan Agreement dated November 30, 2009 and Sanction Letter dated November 25, 2009 (Working Capital Facility)	300.00	75.00	8.00	50% to be repaid by February 28, 2010 and 50% on March 15, 2010	Post dated cheques

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Crores)	Principal Amount Outstanding as at February 28, 2010 (In Rs. Crores)	Interest (In % p.a.)	Repayment	Security
23.	Axis Bank Limited	Loan Agreement dated December 8, 2009 and Sanction Letter dated November 25, 2009, as amended from time to time.	300.00	250.00	8.00	In three weekly installments of Rs. 100 crores each. First installment on 166th day, second on 173rd day and final installment on 180th day from the date of first disbursement	Subsequent and subservient charge on the current assets of the Company and post dated cheque for the principal amount
24.	UCO Bank	Loan Agreement dated February 10, 2010 and Sanction Letter dated February 5, 2010	300.00	300.00	7.25	To be repaid within 180 days from the date of disbursement	Post dated cheques and demand promissory note
25.	Yes Bank	Supplemental Loan Agreement dated November 20, 2009 and Sanction Letter dated November 19, 2009 and letter dated February 17, 2010 (Working Capital Facility)	50.00	50.00	6.35	To be repaid at the end of 60 days from the date of draw down.	Demand promissory Note
26.	Adani Agro Private Limited	Memorandum of Understanding dated March 10, 2009	516.20	516.20	Nil	Repayable on demand	Unsecured

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Corporate Actions

Certain corporate actions for which the Company requires the prior written consent of the lenders include:

(a). effecting any change in capital structure;
(b). formulating any scheme of amalgamation;
(c). implementing any major scheme of expansion;
(d). investing by way of share capital in or lend or advance funds to or place deposits with any other concern;
(e). entering into additional borrowing arrangement, with any bank, financial institutions, company, firm or otherwise;

(f).

(g). undertake guarantee obligation on behalf of any other company/firm;

(h). allowing the Promoters/directors to alienate, transfer, dispose or dilute their shareholding;

(i). declaring dividends for any year out of profits relating to that year if any of the financial commitments to the bank have not been duly met;

(j). withdrawing funds from the business out of profits relating to the year if any of the financial commitments to the bank have not been duly met;

(k). repaying monies brought in by the Promoters/directors, principal shareholders, friends and relatives in the business by way of loans/deposits/share application money etc., and pay interest on any unsecured loan brought in as a quasi-equity; and

(l). entering into long term contractual obligation(s) directly affecting the financial position of the Company.

OUTSTANDING LITIGATION AND DEFAULTS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against the Company that would have a material adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against the Company as of the date of this Letter of Offer.

Further, except as disclosed below the Company is not involved in any criminal litigation or litigation involving moral turpitude.

Set forth below are details of the outstanding or pending litigations against the Company and details of proceedings filed by the Company.

Cases filed against the Company

1. The Commissioner of Customs and Central Excise, Hyderabad has issued a show-cause notice under the Customs Act, 1962 ("Customs Act") in relation to mis-declaration and over invoicing of imported goods by M/s. Vaishal Impex. The Commissioner of Customs and Central Excise, Hyderabad adjudicated the show-cause notice against the Company. The Company filed an appeal before CESTAT, Bangalore. CESTAT vide order no.1972 to 1976/06 dated September 25, 2006 allowed the appeal filed by the Company. The department has filed an appeal (no. D 15121 of 2007) before Supreme Court of India challenging the order dated September 25, 2006 passed by CESTAT, Bangalore. The Supreme Court of India vide order dated August 03, 2007 condoned the delay and admitted the appeal. The matter is currently pending.

2. The Enforcement Directorate, Mumbai has issued a show cause memorandum has been issued under the Foreign Exchange Management Act, 1999 ("FEMA"), in relation to foreign exchange violations arising out of mis-declaration and over invoicing of imported goods by M/s. Vaishal Impex. The matter was adjudicated by the Directorate General of Service Tax, Mumbai. Against which the company filed appeal before the Appellate Tribunal for Foreign Exchange, New Delhi, who vide order dated January 4, 2006 asked the company to deposit the penalty amount pending appeal. The company challenged the said order of Appellate Tribunal before the High Court of Gujarat, who by its order dated April 4, 2006 quashed the said order and remanded the matter to adjudicating authority. Further, the department filed a Special Leave Petition (C) (no. 21705 of 2006) before the Supreme Court of India against the said order of the Gujarat High Court. The Supreme Court vide order dated November 12, 2007 remanded the matter to the Appellate Tribunal for Foreign Exchange, New Delhi. The Appellate Tribunal for Foreign Exchange, New Delhi vide order dated February 25, 2008 upheld the order passed by the adjudicating authority imposing penalty of Rs. 4.00 crores on the Company and Rs. 2.00 crores on Rajesh Adani and rejected the appeal. Aggrieved by the order dated February 25, 2008 passed by the Appellate Tribunal for Foreign Exchange, New Delhi, the Company and Rajesh S. Adani filed review applications no. 19/2008 and no. 20/ 2008, respectively before the Appellate Tribunal for Foreign Exchange, New Delhi for review of the said order. The said review applications was dismissed as withdrawn through order dated May 15, 2008. Further, the Company challenged the order no. 499/2005 dated February 25, 2008 through an appeal no. 2400/2008 before the High Court of Gujarat. The Company, further, filed an application no. 5936/2008 for stay of the operation and implementation of order dated February 25, 2008. The High Court through order dated May 12, 2008 stayed the operation of the order dated February 25, 2008. The appeal before the High Court is currently pending.

3. The Government of India has filed a special leave petition before the Supreme Court of India against a decision of the Gujarat High Court giving partial relief to the Company, which had challenged a notification of the Director General of Foreign Trade restricting the benefits available to 'status holders' under the special strategic package of the export import policy. The Company

has also filed a special leave petition before the Supreme Court against the same decision of the Gujarat High Court. The matter is currently pending.

4. The Commissioner of Customs, Mumbai has issued a show cause notice (F. no. DRI/BZU/E/2/98 Pt. III/S/10-7/99 ADJN.ACC) dated April 20, 1999 to the Company and others, for the recovery of Rs. 0.37crores as customs duty for the import of goods, confiscation of the said imported goods and imposition of penalty. CESTAT, Mumbai has passed an order in favour of the Company. The department has subsequently filed an appeal before the Supreme Court of India. The matter is pending.

5. The Commissioner of Customs, Gujarat has issued a show cause notice (no.VIII/10-14/Commr/98-APP) dated May 19, 1998 to Mahima Trading and Investment Private Limited and Vikshara Trading and Investment Private Limited, their raw material suppliers and exporters including the Company, in relation to export of certain items. As per the show-cause notice, Company's liability under the show-cause notice has been determined to be Rs. 0.22 crores. The Company has replied to the show-cause notice on November 30, 1998 and has denied any liability. The matter is currently pending.

6. The Commissioner of Customs and Central Excise, Goa has issued a show cause notice (F.No.S/99-34/98-AP/S/25-18/2003 AP) dated September 11, 2003 to the Company, Rajesh S. Adani, M/s. Pioneer Business Enterprises and others, under Section 28 and Section 124 of the Customs Act, 1962. The matter is currently pending before CESTAT.

7. The Additional Director General, Directorate of Revenue Intelligence, Mumbai has issued a show-cause notice (F.No.DRI/ AZU/INT-4/99-PT.IV) dated November 9, 2001 to the Company, Gautam S. Adani and others. The matter has been decided by CESTAT vide its order dated February 12, 2007, in favour of Gautam S. Adani and M/s. Adani Exports Limited. Against the said order, the department filed appeal (C.C. No.9348-9349/2007) before Supreme Court of India. The Supreme Court by its order dated October 1, 2007 condoned the delay and issued notice in the matter.

8. The Enforcement Directorate, Bangalore had issued a show cause memorandum (No. T-4/41/BZ/BAN/2001(DD) (US)-FERA/ 2210) dated May 21, 2002 in relation to violation of provisions of the Foreign Exchange Regulation Act, 1973 to the Company, Rajesh S. Adani and Saurin Shah. The same was adjudicated by the Deputy Director, Enforcement Directorate by imposing a penalty. However, the same was set aside by the Appellate Tribunal and the matter has remanded to the Enforcement Directorate, Bangalore. The Deputy Director, Enforcement Directorate, Bangalore re-adjudicated the matter and through order dated March 25, 2008 imposed a penalty of Rs. 0.16crores on the Company and Rs. 0.008 crores each on Rajesh S. Adani and Saurin Shah. Aggrieved by the order dated March 25, 2008 the Company filed an appeal before the Special Director (Appeals), CIT (Appeals) – V, Chennai. The matter is currently pending.

9. There are 10 cases pending against the Company before various forums such as CESTAT, Commissioner of Customs (Appeals), Deputy commissioner of Customs and Assistant Commissioner, in relation to the import and export of different items such as raw silk, H. S. fuel oil, groundnut meal extraction, Indian rapeseed extraction meal, CD ROMS, fabrics and naphtha. The aggregate amount involved in the said cases is Rs. 1.89 crore. The cases are currently pending.

10. Adani Enterprises Limited through a letter dated March 25, 2003, paid a penalty of Rs. 0.006 crores under the SEBI Regularisation Scheme, 2002, in relation to regularisation of disclosures under Regulation 6 and 8 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, filed between 1998 and 2002.

11. The Special Director, Enforcement Directorate, Mumbai, had issued an SCN (F.No.T-4/17-B/ SDE/KNR/2009) dated April 24, 2009 to the Company, Rajesh Adani (Managing Director of the Company) and others on the basis of complaint (no. t-3/53-B/2006/ArKS/AKP) dated March 31, 2009 under sub-section 3 of Section 16 of FEMA. The complaint inter alia pertains to the export of cut and polished diamonds by the Company and misuse of Export and Import Policy of the Government of India, in relation to such exports. The SCN states that the Company has contravened the provisions of Sections 3(a) and 4 of FEMA to the extent of USD 228.7 million and that various officials of the Company, including Rajesh Adani have contravened the provisions of Sections 3(a) and 4 of FEMA in terms of Section 42(1) of FEMA. The Company and other parties have been asked to show cause, within 30 days of receipt of the SCN, as to why adjudication proceedings under Section 16 of FEMA should not be held against them for contravention of the aforesaid provisions. The matter is currently pending.

12. SEBI had filed a criminal complaint (no. CC 686/Misc/2004) against Adani Exports Limited (presently known as Adani Enterprises Limited), Adani Agro Limited, Adani Impex Limited, Shahi Property Developers Limited, Adani Properties Limited, Advance Exports, Inter Continental (India) (the "Accused Entities") and Vinodbhai S. Adani Family Trust (represented by its trustees Vinod S. Adani and Ms. Ranjan V. Adani), Rajeshbhai S. Adani Family Trust (represented by its trustees Rajesh S. Adani and Ms. Shilin R. Adani), Vasantbhai S. Adani Family Trust (represented by its trustees Vasant S. Adani and Ms. Pushpa V. Adani) and Mahsukhbhai S. Adani Family Trust (represented by its trustees Mahsukh S. Adani and Ms. Suvarna M. Adani) (the "Accused Trusts") (collectively, the "Accused") in the Court of Additional Chief Metropolitan Magistrate, Mumbai. The criminal complaint was filed for the violation of various provisions of the SCRA and certain SEBI notifications. Pursuant to the criminal complaint the court of Special Judge for SEBI took cognizance of the complaint. The case was, thereafter, transferred to the Court of the Additional Chief Metropolitan Magistrate (the "Court"). Further, the Accused had submitted applications dated January 16, 2008 (the "Consent Applications") before SEBI, for consent order in terms of the SEBI Circular no. EFD/ED/Cir-I/2007 dated April 20, 2007. Pursuant to the consent application and payment of Rs. 0.30 crores to SEBI by the accused, the Court of Additional Chief Metropolitan Magistrate Court, Mumbai through order dated August 30, 2008 compounded the criminal case.

13. The Assistant Commissioner of Customs, Mumbai has passed an order dated June 5, 2009 against the Company wherein the Assistant Commissioner denied certain benefits under the Notification (no. 42/99) dated April 28, 1999, amended on September 6, 2004, on the cut and polished diamonds imported by the Company. The Assistant Commissioner ordered to finalise the assessment of bill of entry (no. 100675) dated December 20, 2005 at basic customs duty at the rate of 5% and education cess at the rate of 2% aggregating to Rs. 0.15 crores and also directed the Company to pay interest on the differential amount from December 1, 2005. The Company has filed an appeal and a stay application on August 12, 2009 before the Commissioner of Customs (Appeals), Mumbai against the said order dated June 5, 2009 and for stay and waiver of pre-deposit. The matter is currently pending.

14. The Directorate of Revenue Intelligence, Ahmedabad had issued a show cause notice (no.DRI/AZU/INQ-15/2005) dated March 30, 2007, requiring the Company and its Managing Director – Rajesh S. Adani, to show cause to the Commissioner of Customs (Air Cargo), Mumbai as to why (i) the FOB value of Rs. 5,626.66 crores for the year 2004-05 and Rs. 1,193.64 crores for the year 2005-06 declared in respect of the cut and polished diamonds exported by the Company, should not be rejected and the same be re-determined under the provisions of Section 14 of the Customs Act, 1962; (ii) the said cut and polished diamonds imported by the Company should not be confiscated under the provisions of the Customs Act, 1962 and (iii) why a penalty should not be imposed upon them under the provisions of the Customs Act, 1962. It has been alleged that the Company and others have indulged in circular transactions of cut and polished diamonds (repeatedly exporting and importing the same set of cut and polished diamonds) with a view to boost the total turnover so as to avail the benefits of "Target Plus Scheme". The Company filed its reply on October 26, 2007. The matter is currently pending.

15. The Directorate of Revenue Intelligence has issued a show cause notice (F.No.DRI/AZU/INQ-06/2006) dated September 11, 2009, requiring the Company and the Managing Director Rajesh Adani to show cause to the Commissioner of Customs, Ahmedabad as to why (a) 5,933.66 Kilograms of gold valued at Rs. 355.14 crores imported by the Company and 10,394.55 Kilograms of gold valued at Rs. 683.88 crores, exported by the Company should not be confiscated, (b) the goods exported declaring as "Studded Gold Jewellery" should not be disallowed towards fulfilment of export obligation against advance licenses and the provisional assessment should not be finalized by disallowing the value addition demand, (c) customs duty of Rs. 7.25 crores foregone on the import of goods by the Company under the advance license issued to the Company should not be demanded with interest, (d) a penalty should not be imposed under the provisions of the Customs Act, 1962 and (f) the bonds executed at the time of import should not be enforced towards duty liability and interest. It has been alleged that the Company has mis-declared the goods imported/exported as studded gold jewellery in order avail the benefits under various schemes including the "Target Plus Scheme". The matter is currently pending.

16. Vijay Hajju Banavalikar and three others have filed a writ petition (no.27443/2009) before the High Court of Karnataka against the State of Karnataka and others challenging the order dated January 20, 2009 passed by the Government of Karnataka granting permission to the Company and Shree Mallikarjuna Shipping Private Limited ("SMSPL") to carry on with their activities in the Belekeri Port area, and the order dated July 31, 2009 passed by the Government of Karnataka deciding to grant lease of a disputed land in violation of the Coastal Regulation Zone Notification, 1991. The Petitioners have sought a direction from the High Court of Karnataka to restrain the SMSPL from proceeding with any activities in Belekari Port area and outside the Port area, including activities of loading and unloading of iron ore. The High Court of Karnataka by an order dated September 14, 2009 admitted the writ petition and granted an interim injunction. The Company and Salagoankar Mining Industries were impleaded as parties to the petition on September 25, 2009. The High Court of Karnataka further on October 7, 2009 passed an order directing that the interim injunction be made applicable to the Company and Salagoankar Mining Industries. The Company has filed its statement of objections and an application to vacate the interim stay on October 14, 2009. The Company has also filed a special leave petition ((C) No.28680 – 28682/2009) before the Supreme Court of India, wherein, the Supreme Court by an order dated November 13, 2009 granted stay on the interim order of the High Court of Karnataka and permitted the Company to approach the High Court of Karnataka. The matter is currently pending.

17. The Directorate of Revenue Intelligence has issued a show cause notice (F.No.DRI/AZU/INQ-12/2009) dated December 31, 2009 to M/s.Inter Continental (India) and others, wherein the Company and the Managing Director Rajesh S. Adani have been made parties and asked to show cause to the Commissioner of Customs, Ahmedabad as to why penalty should not be imposed on them under the provisions of the Customs Act, 1962, for various acts and omissions rendered by them in relation the import of gold and export of studded gold jewellery by M/s Inter Continental (India) under various schemes including the "Target Plus Scheme" and the erstwhile "Incremental Export Promotion Scheme". It has been alleged that the Company and Rajesh S. Adani executed fraudulent plans to artificially boost the export turnover of the Company and other group companies and availed undue benefits under the abovementioned schemes. M/s. Intercontinental (India) has been asked to show cause as to why the gold and other studded jewellery imported by them should not be confiscated and as to why penalty should not be imposed on them under the provisions of Customs Act, 1962. The matter is currently pending.

18. The Commissioner of Customs (Preventive), Jamnagar has filed a tax appeal (No. 142 of 2010) before the High Court of Gujarat against the Company challenging the orders dated August 12, 2009 and August 31, 2009 passed by the Customs Excise and Service Tax Appellate Tribunal ("CESTAT"). The matter is in relation to import of coal by the Company and the concessional duty rate claimed by the Company in connection with the import. The Company had declared that the ash content of the coal imported was below 12% and hence was granted clearance at concessional duty rates. CESTAT by the orders dated August 12, 2009 and August 31, 2009

allowed the appeals filed by the Company challenging the order dated June 28, 2005 passed by the Commissioner of Customs (Appeals) Ahmedabad. The Commissioner of Customs by the said order had confirmed the order dated October 27, 2004 passed by the Assistant Commissioner of Customs whereby a demand of Rs. 24,97,477 made by the Customs Officer on the Company was upheld. The demand was made by the Customs Officer stating that on further tests conducted on the samples of coal imported by the Company, the ash content was found to be more than 12%. Commissioner of Customs (Preventive), Jamnagar has filed this appeal stating that CESTAT has only relied upon the test report provided by the Company and that the said test was not conducted in presence of the Customs Officer. The matter is currently pending.

19. Rajesh S. Adani, one of the Promoters and the Managing Director of the Company, was arrested by the Central Bureau of Investigation ("CBI") on February 27, 2010. On the same day, pursuant to a petition filed by Vasant S. Adani (a brother of Rajesh S. Adani), the Gujarat High Court directed the release of Rajesh S. Adani on bail, subject to certain conditions. The petition has sought, apart from the release of Rajesh S. Adani and certain other matters, the quashing of the first information report dated April 25, 2008 registered by the CBI, pursuant to which Rajesh S, Adani was allegedly arrested. The aforesaid first information report pertains to alleged evasion of customs duty by the Company in relation to two consignments of naphtha and one consignment of furnace oil imported by the Company in the year 2005, the entire quantities whereof were subsequently sold by the Company to various persons. According to CBI website, the alleged evasion of customs duty has caused a loss of Rs. 1.07 crores to the Government Exchequer. The petition is currently pending before the Gujarat High Court.

Cases filed by the Company

1. The Company has filed a suit against the Oriental Insurance Company before the Civil Judge, Gandhidham seeking to recover Rs. 52.80 crores on account of goods being destroyed in a cyclone. The matter is currently pending.

2. The Company has filed various complaints under Section 138 of the Negotiable Instruments Act, 1938 for the recovery of amounts aggregating Rs. 9.58 crores.

3. The Company has filed a writ petition (no. 4114/2008) before the High Court of Madhya Pradesh, Jabalpur Bench against the State of Madhya Pradesh and the Commissioner of Income Tax, Madhya Pradesh challenging the constitutional validity of the Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976 ("MPA"). The Company has contended that MPA imposes tax on entry of goods into a local area and hence is direct and immediate impediment on the free movement of goods within the territory of India, thereby violating Article 301 of the Constitution of India. The Company has, *inter alia*, sought refund of the tax collected under MPA and has also sought stay of operation of the provisions of MPA pending disposal of the matter. The Company has sought striking down the MPA as being illegal and ultra vires and has sought a direction restraining the State of Madhya Pradesh from levying or recovering entry tax from the Company. The matter is currently pending.

4. The Company has filed a writ petition (no. 31297/2008) before the High Court of Karnataka, Circuit Bench at Dharwad, against the Union of India, the State of Karnataka, Karnataka State Coastal Zone Management Authority, Regional Director (Environment) Karwar, Director of Ports and Inland Water Transport, Baithkol, Karnataka State Pollution Control Board and Regional Director – Karnataka State Pollution Control Board. The writ petition has been filed by the Company against the order dated November 3, 2008 passed by Karnataka State Coastal Zone Management Authority, whereby The Company was directed to stop all its activities in Belekeri Port in Karnataka with immediate effect. The Company was carrying on export of iron and manganese ore at the Belekeri Port on a land leased by the Director of Ports and Inland Water Transport. The lease was extended for 30 years for the development of the port infrastructure and the Company had applied for clearance to the Karnataka State Pollution Control Board. The

Company had complied with all the formalities and the authorities had extended the deadline for public hearing by four months. The Company has sought quashing of the order dated November 3, 2008 passed by Karnataka State Coastal Zone Management Authority. The Company has withdrawn the writ petition as the Karnataka State Coastal Zone Management Authority by an order dated January 6, 2009 has reversed their order dated November 3, 2008 and has permitted the Company to carry on its activities in the Belekeri Port as it was operating prior to the issue of the direction dated November 3, 2008.

5. The Company has filed an appeal before the Commissioner of Customs (Appeals), Ahmedabad on July 13, 2009 against the order dated May 11, 2009 passed by the Assistant Commissioner of Customs, Mundra against the Company confirming a demand of Rs. 5.03 crores, and for stay and waiver of pre-deposit. The Company had imported certain goods under an advance license and claimed duty free benefits as per Notification (No. 93/2004). The demand has been made by the Assistant Commissioner on the ground that the Company has not complied with the conditions mentioned in the Notification (No. 93/2004). The matter is currently pending for hearing.

6. There are 9 service tax related proceedings pending before various forums, including Custom Excise and Service Tax Tribunal and Superintendent, Service Tax Department, in relation to assessment orders made by the authorities against the Company. The aggregate amount involved in these cases is Rs. 10,11,08,770. The matters are currently pending.

7. There are 16 sales tax related proceedings pending before various forums, including Deputy Commissioner of Sales Tax (Appeal) (Gujarat), Deputy Commissioner of Sales Tax (Appeal) (Maharashtra), Appellate Tribunal, Mumbai and Commercial Tax Officer, in relation to assessment orders made by the authorities against the Company. The aggregate amount involved in these cases is Rs. 62,69,99,782. The matters are currently pending.

Litigation involving Subsidiaries

Except as disclosed below, there are no outstanding litigations involving any of the subsidiaries of the Company.

Adani Power Limited ("APL")

Cases filed against APL

1. Patel Bharatkumar Prahladbhai, Ganpatbhai B. Patel and others (the "Plaintiffs") have filed a suit (no. 25/08) along with an interim application against the Company and others ("Defendants") on February 11, 2008 in the court of Principal Senior Civil Judge, Mehsana. The Plaintiffs are owners of land bearing mock no. 112, 113, 114, 114 (1), 117, 156, 157, 158, 159, 160A and 161A and their names are shown in 7/12, index and revenue records. The Plaintiffs have sought permanent injunction, inter alia, to restrain the Defendants from laying the foundation for transmission towers on the land owned by the Plaintiffs. Further, the Plaintiffs have sought that the foundation already laid in plot no. 113 be removed by the Defendants at their cost and the land be restored to its original state. The interim injunction application filed by the Plaintiffs was rejected by the court through its order dated September 19, 2008. The suit is currently pending.

2. Mohanbhai Rabari (the "Plaintiff") has filed a suit (no.40/08) along with an interim application against the Company and others ("Defendants"), on February 27, 2008, in the court of Principal Senior Civil Judge, Mehsana. The Plaintiffs have sought permanent injunction, inter alia, to restrain the Defendants from laying the foundation for transmission towers on the land owned by the Plaintiffs. The interim injunction application filed by the Plaintiffs was rejected by the court through its order dated April 4, 2008. The suit is currently pending.

3. Sureshkumar L. Karotra and seven other persons (the "Plaintiffs") have filed 8 suits (no.31 to 38

of 2008) against the Company and others before the Principal Civil Judge, Radhanpur, for restraining the Company from passing the overhead electricity transmission line and constructing the transmission towers on their lands. The Plaintiffs are owners of land bearing survey no.838/1, 1248/2, 1368, 813, 973, 1364 and 1273 of Mouje: Piprala, Tal. Santalpur. The court granted interim relief to the Plaintiffs till October 18, 2008, which was not further extended. The matters are currently pending.

4. Aayar Khodabhai Bhimabhai (the "Plaintiff") has filed a suit (no. 67 of 2008) against the Company and others before the Principal Civil Judge, Radhanpur for restraining the Company from passing the overhead electricity transmission line and constructing the transmission towers on his land. The Plaintiff is the owner of land bearing survey no.596 of Mouje: Maddhutra, Tal. Santalpur. The court granted interim relief to the Plaintiff till October 18, 2008, which was not further extended. The matter is currently pending.

5. Rajgor Premshanker Asharam and two other persons (the "Plaintiffs") have filed three suits (Nos. 88, 90 and 91 of 2008) against the Company and others before the Principal Civil Judge, Radhanpur for restraining the Company from passing the overhead electricity transmission line and constructing the transmission towers on the land owned by the Plaintiffs. The Plaintiffs are the owners of land bearing survey Nos.234, 269 and 184 of Mouje: Maddhutra, Tal. Santalpur. Rajgor Premshanker Asharam has filed a special civil application (No.774 of 2010) before High Court of Gujarat against the order dated December 18, 2008 passed by the Principal Civil Judge, Radhanpur rejecting the injunction application filed by them in the suit No.88 of 2008 and the order dated September 2, 2009 passed by the Presiding Officer, Fast Track Court, Patan in Civil Miscellaneous Appeal (No. 2 of 2009) confirming the order dated December 18, 2008 passed by the Principal Civil Judge. The matters are currently pending and the next date of hearing is April 5, 2010.

6. Ranchhodbhai Bhikhabhai Patel (the "Plaintiff") has filed a suit (no.14 of 2009) against the Company before the Dehgamm Court for restraining the Company from passing the overhead electricity transmission line and constructing the transmission towers on his land. The Plaintiff is the owner of land bearing B/S. no.66 of Mouje: Pallaiya, Tal. Dehgamm, Gandhinagar. The Court by an order dated August 25, 2009 rejected the injunction application filed by the Plaintiff. The matter is currently pending.

7. Harshadbhai Chinubhai Patel (the "Plaintiff") has filed a suit (no.15 of 2009) against the Company before the Dehgaam Court for restraining the Company from passing the overhead electricity transmission line and constructing the transmission towers on his land. The Plaintiff is the owner of land bearing B/S. no.74 of Mouje: Pallaiya, Tal. Dehgamm, Gandhinagar. The Court by an order dated August 25, 2009 rejected the injunction application filed by the Plaintiff. The matter is currently pending.

8. Parsottambhai Vitthalbhai Patel (the "Plaintiff") has filed a suit (no.21 of 2009) against the Company before the Dehgaam Court for restraining the Company from passing the overhead electricity transmission line and constructing the transmission towers on his land. The Plaintiff is the owner of land bearing B/S. no.171 of Mouje: Pallaiya, Tal. Dehgamm, Gandhinagar. The Court by an order dated August 25, 2009 rejected the injunction application filed by the Plaintiff. The matter is currently pending.

9. Jayantilal Kalidas Thacker and another (the "Appellants") filed letters patent appeal (no.1028 of 2009) before Gujarat High Court against the Ministry of Power, Government of India, the Company and others. The Appellants have challenged the order dated April 1, 2009 passed by single judge of the Gujarat High Court in special civil application no. 3089 of 2009 (the "SCA"), whereby the Gujarat High Court had dismissed the SCA. The said SCA was filed for restraining the Company from laying the high tension electric lines through the land bearing survey no.25 in village Moti Khakhar, Taluka Mundra, District Kutch, Gujarat. The appeal is currently pending

and the next date of hearing is March 16, 2010.

10. Mayank Chandrakant Sanghvi (the "Appellant") filed a letters patent appeal (no.1029 of 2009) before the Gujarat High Court against the Ministry of Power, Government of India, the Company and others. The Appellants have challenged the order dated March 26, 2009 passed by the Gujarat High Court in special civil application no. 2286 of 2009 (the "SCA"), whereby the Gujarat High Court had dismissed the SCA. The said SCA was filed for restraining the Company from laying the high tension electric lines through the land bearing survey no. 26 in village Moti Khakhar, Taluka Mundra, District Kutch, Gujarat, owned and occupied by the Appellants. The appeal is currently pending and the next date of hearing is March 16, 2010.

11. A writ petition (no. 282 of 2009) has been filed by Eco-Pro Organization (the "Petitioner") against the Union of India and others before the Bombay High Court, Nagpur Bench. The petitioner has, inter alia, opposed the mining activity proposed to undertaken by the Company at Lohara Coal Block, District Chandrapur, Maharashtra which has been allotted to the Company as a captive coal mine for its proposed thermal power project at Tiroda, District Gondia, Maharashtra. The Company has filed a civil application for being impleaded as a respondent in the said writ petition. The court through order dated April 3, 2009 allowed civil application and directed the petitioner to implead the Company as a respondent within a period of one week by amending the writ petition. The matter is currently pending and the next date of hearing is March 17, 2010.

12. Gandabhai Dahyabhai Patel (the "Plaintiff") has filed a suit (no.26 of 2009) against APL before the Dehgaam Court for restraining APL from passing the overhead electricity transmission line and constructing the transmission towers on his land. The Plaintiff is the owner of land bearing B/S. no.196 of Mouje: Pallaiya, Tal. Dehgamm, Gandhinagar. The Court by an order dated August 25, 2009 rejected the injunction application filed by the Plaintiff. The matter is currently pending.

13. Yogeshwar has filed a writ petition (no.3583 of 2009) before the High Court of Bombay, Nagpur Bench against the Union of India, State of Maharashtra, Principal Chief Conservator of Forests, Nagpur, National Tiger Conservation Authority, New Delhi, Maharashtra Pollution Control Board, Mumbai and APL, challenging the allocation of Lohara West and Lohara Extension coal blocks for the purpose of captive coal mining by letter dated November 6, 2007 by the Ministry of Coal, New Delhi, on the ground that the coal mining would endanger the wildlife in the area. The petitioner has also sought to restrain APL from carrying out any activities in pursuance of the said letter. APL has filed its reply on October 14, 2009. The matter is currently pending and the next date of hearing is March 17, 2010.

14. Ramdas has filed a writ petition (no.3582 of 2009) before the High Court of Bombay, Nagpur Bench, against the Union of India, State of Maharashtra, Maharashtra Pollution Control Board, CPCB, Minister of State Ministry of Environment and Forests and APL, seeking a declaration that the proposed project of APL to establish a power plant at Tiroda is not ecologically sustainable and thereby to restrain APL from undertaking the proposed project. Petitioners have also sought a direction to the Central Government to appoint a committee of experts to study the impact of the said project on the environment and a direction to the State Government to maintain, preserve and protect the environment and atmosphere existing at Tadoaba Andhari Tiger Reserve and Lohara Jungle and lake by taking into consideration the report of expert committee. The matter is currently pending and the next date of hearing is March 17, 2010.

15. Ravubha Premsangji Jadeja and others have filed special civil application (No.17 of 2010) before the High Court of Gujarat against State of Gujarat, Mundra Port & Special Economic Zone Limited, Adani Power Limited and others, challenging the allotment of Gauchar land in the village Siracha to MPSEZL for special economic zone. The applicants have sought for an order directing the allotment of land to be illegal. Further it has been sought that the rights of the applicants over the said land shall not be tahen away without ensuring proper rehabilitation of the villages of the area. The matter is currently pending and the next date of hearing is March 22, 2010.

16. Gujarat Urja Vikas Nigam Limited ("GUVNL") has filed a petition (no. 1000 of 2010) before Gujarat Electricity Regulatory Commission ("GERC") on January 16, 2010 against APL for adjudication of the dispute regarding termination of the power purchase agreement dated February 2, 2007 between APL and GUVNL ("PPA"). APL has terminated the PPA by a letter dated December 28, 2009 due to the delay in allocation of coal supplies from Gujarat Mineral Development Corporation. The matter was heard on February 22, 2010 and thereafter Adani Power Limited filed its reply on March 8, 2010. The matter is currently pending.

Cases filed by APL

1. APL has filed a petition (no.248/2009) before the Central Electricity Regulatory Commission, New Delhi, against Patel Parshottambhai Laljibhai and others, challenging the order dated July 8, 2009 passed by the Collector, District Magistrate, Mehsana, directing APL to remove transmission line passing through the land of the respondents situated at Mouje Sametra, District-Mehsana within one month from the date of order and also ordering the restoration of the land. The matter is currently pending.

2. APL has filed a special civil application (No. 3117 of 2010) before High Court of Gujarat against Union of India, Central Board of Excise and Customs, the Development Commissioner, Special Economic Zone ("SEZ"), Mundra and the Specified Officer In-charge, SEZ Mundra, challenging the constitutionality and legality of the notification (No. 25/2010-Cus) dated February 27, 2010 amending the notification (No. 21/2002-Cus) dated March 1, 2002 whereby customs duty at the rate of 16% ad valorem was levied on electrical power removed from SEZ to Domestic Tariff Area. APL has sought to set aside the impugned notification and has sought for an order quashing of letter dated February 26, 2010 issued by the Specified Officer In-charge, SEZ Mundra asking APL to make payment of duty with retrospective effect from June 26, 2009 and the letter dated March 3, 2010 issued by the Specified Officer In-charge, SEZ Mundra requiring APL to file bills of entry for the electrical energy cleared from February 27, 2010 onwards and pay applicable duty immediately and also directing to file bill of entry for past clearances and to pay duty with effect from June 26, 2009. The matter is currently pending and the next date of hearing is March 10, 2010.

Adani Agri Fresh Limited ("AAFL")

Litigation involving AAFL

A demand notice (no. AETC/CC-I (S.V.)) dated August 6, 2007 u/s 21 of HP Vat Act, 2005 read with Section 9(2) of CST Act 1956 has been issued against AAFL by Assistant Excise and Taxation Commissioner, Solan for penalties as under:

(a) Penalty u/s 10(a) of the CST Act of Rs. 4.06 crores; and

(b) Penalty u/s 50(2) of the H. P. Vat Act of Rs. 4.0.6 crores.

AAFL had purchased goods at concessional rate of tax without meeting the requirement of Section 8(3)(b) of Central Sales Tax, 1956 and hence the above penalty was imposed. AAFL appealed against the said order on September 5, 2007 before Additional Excise and Taxation Commissioner (South Zone), Simla and Rs.1.00 crores has been deposited against above demand on March 24, 2008 as per order of Additional Excise and Taxation Commissioner (South Zone), Simla. The matter is currently pending.

Adani Energy Limited (Presently known as Adani Gas Limited)

Cases filed against Adani Energy Limited

1. Adani Energy Limited and ASEAN LNG Trading Company ("ASEAN LNG") entered into a master

LNG sale and purchase agreement on August 2, 2006 for sale and purchase of liquefied natural gas from time to time. The duration of the aforementioned agreement was three years. Each transaction between the parties was proposed to be described in subsequent confirmation notices. Subsequently, on March 12, 2007 the parties signed the confirmation notices for sale and purchase of four liquefied natural gas cargoes to be delivered to Adani Energy Limited. It was further agreed to sign "delivery notices" before the dispatch of the cargoes. Delivery notice was required to contain mutual agreement on re-gasification (delivery/receiving) terminal, sulphur content in liquefied natural gas and stand-by letter of credit. As the re-gasification terminal was not available to Adani Energy Limited and the contract sales price could not be mutually agreed, the delivery notice was not signed. In absence of any delivery notice containing the above details prior to loading of cargo, the contract was rendered inconclusive and ineffective. ASEAN LNG has initiated Arbitration Proceedings on January 23, 2008 at London Court of International Arbitration, London ("LCIA") against Adani Energy Limited claiming losses for an approximate amount of Rs. 400.00 crores (USD 100.00 million) towards Adani Energy Limited's inability to receive the liquefied natural gas cargoes as envisaged in the Master Agreement. LCIA gave an award against Adani Energy Limited, wherein Adani Energy Limited is required to pay USD 34.4 million to ASEAN LNG on June 25, 2009 and LCIA has held that ASEAN LNG is entitled to "take or pay" liability payments and interest thereon. Adani Energy Limited filed a civil miscellaneous application (no. 803 of 2009) dated August 3, 2009, under Section 34 of the Arbitration and Conciliation Act, 1996, before City Civil Court, Ahmedabad, against said order dated June 25, 2009. ASEAN LNG has filed an application dated October 23, 2009 for dismissal of the civil miscellaneous application filed by Adani Energy Limited. The matter is currently pending and the next date of hearing is March 18, 2010.

2. Adani Energy Limited has claimed CENVAT Credit of Inputs, Capital Goods and input services, on excise duty on purchase goods and services tax paid on services availed, of which Rs. 3.15 crores towards wrong availment on account of non registration of CNG stations. Adani Energy Limited received show-cause notice on December 24, 2007. Adani Energy Limited has filed the reply and the hearing has been held, subsequent to which Adani Energy Limited received an order dated March 31, 2008 confirming the demand of Rs. 3.15 crores, charging interest and levying penalty of Rs. 3.15 crores. The company has reversed Rs. 3.15 crores "under protest" and filed an appeal as well as a stay application against the said order dated March 31, 2008 before CESTAT, Ahmedabad. The CESTAT vide order dated September 11, 2008 dispensed with the condition of pre-deposit of penalty amount and allowed the stay application. The matter is currently pending with CESTAT for adjudication.

3. A show cause notice (No.STC/4-79/O&A/SCN/Adani/06-07) dated October 10, 2006 was issued by the Additional Commissioner of Customs and Service Tax, Ahmedabad to Adani Energy Limited, wherein it has been alleged that we have wrongly availed / taken service tax credit / CENVAT credit in respect of PNG and CNG sales. The Additional Commissioner vide order dated October 22, 2007 disallowed the CENVAT credit and confirmed the demand of Rs. 49,07,865 being CENVAT credit wrongly availed and ordered that service tax amounting to Rs. 30,12,133 already paid by Adani Energy Limited on August 21, 2006 be adjusted towards the said demand. It has also been ordered that the said demanded amount be paid with interest. Also, a penalty of Rs. 200 for every day for each payment during the period of failure or at the rate of 2% of such taxes per month, whichever is higher, was imposed not exceeding Rs. 49,07,865. Further, penalties of Rs. 2,000 for contravention of CENVAT Credit Rules and Rs. 98,15,730 for suppressing the value of taxable service on which service tax has not been paid and for not disclosing the value of taxable service with interest to evade payment of service tax, have been imposed. Against the said order dated October 22, 2007, Adani Energy Limited filed an appeal before the Commissioner of Customs (Appeals), Ahmedabad, who vide order dated September 23, 2008 rejected the appeal and upheld the order passed by the Additional Commissioner. Adani Energy Limited filed an appeal as well as stay application against the said order dated September 23, 2008 before CESTAT, Ahmedabad. CESTAT has granted a stay through order dated February 2, 2009. The matter is currently pending.

4. A show cause notice (F.No.IV/13-02/C.Ex/PI-III/07-08) dated May 22, 2008 was issued by the

Commissioner of Central Excise, Ahmedabad-I, to Adani Energy Limited alleging wrong availment and utilisation of CENVAT credit. Adani Energy Limited has been asked to show cause (i) why the CENVAT credit amounts of Rs. 1,63,76,707 and Rs. 25,89,903 availed and utilised by them at Jamalpur and Maningar respectively, should not be recovered from them; (ii) why the CNG manufactured and cleared from the various premises without obtaining Central Excise registration, and capital goods and inputs on which CENVAT credit availed in contravention of CENVAT Credit Rules, should not be held liable for confiscation; and (ii) why interest should not be demanded and penalty should not be imposed on them. The Commissioner of Central Excise, Ahmedabad I, vide order (OIO No.180 /Commissioner /2008) dated October 29, 2008 ordered to recover Rs. 1,63,76,707 and Rs. 25,89,903, confiscation of capital goods and also imposed penalties of Rs. 1,63,76,707, Rs. 25,89,903 and Rs. 20,00,000, and also imposed penalty of Rs. 5,00,000 on Dharmesh A. Parekh of Adani Energy Limited. Adani Energy Limited has filed an appeal against the said order before CESTAT, Ahmedabad. The matter is currently pending. The CESTAT through order dated April 15, 2009 remanded the matter to the adjudicating authority for fresh adjudication. Consequently, the demand stands annulled and the matter is pending for adjudication.

5. Career Launcher (I) Limited has filed a writ petition (no. 3281 of 2008) before the High Court of Punjab and Haryana against Haryana Urban Development Authority ("HUDA"), Adani Energy Limited and others alleging arbitrary allotment of institutional plots at sector 20A and sector 20B, in Faridabad. Adani Energy Limited was allotted institutional plot by HUDA through a public institutional process. The matter is currently pending and the next date of hearing is April 5, 2010.

6. Additional Commissioner of Central Excise, Ahmedabad-II has issued a show cause notice (no.V27/15-06/OA/2009) to Adani Energy Limited alleging wrong availment of credit of Rs. 0.45 crores on the input services used at CNG stations which are not registered with Central Excise. The CNG stations were attached to Memco CNG station which was registered with the Central Excise. The application filed by Adani Energy Limited for a centralized registration was pending with the Excise Department at the time of issuance of the show cause notice. Adani Energy Limited is in the process of preparing a reply to the show cause notice.

7. Certain bus operators of Ahmedabad Municipal Transport Service have filed a suit before the City Civil Court, Bhadra against Adani Energy Limited. The suit has been filed seeking an order directing Adani Energy Limited to permit the plaintiffs to fill CNG on cash payment basis. Adani Energy had stopped the supply of CNG to the plaintiffs on the ground of delayed payment. The matter is currently pending.

Cases filed by Adani Energy Limited

1. Adani Energy Limited has filed a case (complaint No.122/08 dated January 24, 2008) u/s 138 of the Negotiable Instruments Act, 1881 against M/s.Shrjee Travels and its partners (AMC Bus Operator) for recovery of outstanding dues of Rs. 0.04 crores before the Metropolitan Court, Gheekanta, Ahmedabad. The case is currently pending.

2. Adani Energy Limited has filed a case against Union of India before Supreme Court of India (WP No. 13029 dated January 15, 20008) for connectivity of natural gas at Faridabad and Noida. The Supreme Court has passed an interim order in favour of the company for connectivity at Faridabad on April 4, 2008. Further, Supreme Court has passed an order on January 9, 2009 directing to commence gas to the Adani Energy Limited immediately for Faridabad. The case for Noida is currently pending.

3. Adani Energy Limited has filed 38 cases against its customers under section 138 of the Negotiable Instruments Act, 1881 as the cheques issued by the customers for payment of outstanding dues to Adani Energy Limited were dishonoured. The matters are currently pending.

4. Adani Energy Limited has filed a complaint (no. 1974 of 2009) before the Metropolitan Court,

Gheekanta, Ahmedabad against Pratibha Transportation Private Limited for recovery of outstanding dues. The amount involved in the matter is Rs. 48,000. The matter is currently pending.

Adani Wilmar Limited ("AWL")

Cases filed against AWL

1. AWL had imported Bentonite Clay (91.080 MT) and filed bills of entry classifying the same under customs tariff heading 2508.10 A show cause notice was issued by the Deputy Commissioner of Customs, Kandla, wherein the department classified the said imported goods under Customs Tariff Heading No. 3802.90 and called upon AWL to explain as to why the short levy duty of Rs. 0.12 crores should not be recovered from them. The Deputy Commissioner of Customs through order dated February 16, 2004 confirmed the duty demand along with interest. AWL filed appeal before the Commissioner of Customs (Appeals), Ahmedabad, who through order (no. OIA No. 150/2005 (150-KDL)Cus/Commr(A)/AHD) dated May 16, 2005 rejected the appeal. Thereafter, an appeal was before CESTAT, Mumbai. The CESTAT through its order (S/229/WZB/05. C.IV (CSTB)) dated November 16, 2005 directed the company to deposit a sum of Rs. 0.05 crores and on compliance of the said direction pre-deposit of the balance amount shall be waived during the pendency of appeal. AWL has deposited the said amount of Rs. 0.05 crores. The CESTAT through its order (no.M/121 to 135/WZB/AHD/2009) dated January 29, 2009 extended the validity of the stay order. The matter is currently pending and the next date of hearing is March 18, 2010.

2. A show cause notice was issued to AWL by the Additional Director General, DRI, in connection with clearance of imported consignment of Crude Palm Oil by availing the facility of DEPB Licences / TRAs. It has been alleged in the show cause notice that AWL has utilised an excess credit of Rs. 0.45 crores in respect of 12 DEPB Licences used for clearance of the imported consignment, violating conditions of Policy Circular No.26(RE-99) dated August 9, 1999. The Commissioner of Customs, Jamnagar through order (no. OIO No. 02/COMMR/2006) dated January 31, 2006 confirmed the duty demand of Rs. 0.45 crores with interest, ordered appropriation from Rs. 0.40 crores and Rs. 0.07 crores paid by AWL under protest at the time of provisional release of the imported consignment and imposed redemption fine of Rs. 0.09 crores on AWL. AWL filed an appeal before CESTAT, Mumbai. The CESTAT through its order (no. S/479, 480/WZB/2006-C.II (CSTB)) dated June 15, 2006 dispensed with the condition of pre-deposit of the balance amount of duty and entire amount of penalty. The CESTAT through its order (no.M/121 to 135/WZB/AHD/2009) dated January 29, 2009 extended the validity of the stay order. The matter is currently pending.

3. The Joint Commissioner of Customs (Preventive), Jamnagar issued a show cause notice to AWL, wherein it has been alleged that AWL had produced forged Release Advice and used the same for the clearance of imported consignments of Crude Palmolein and Crude Soyabean Oil, without payment of customs duty. AWL has been asked to show cause, inter alia, why customs duty of Rs. 0.74 should not be recovered from them with interest and an equal penalty should not be imposed on them. The Joint Commissioner by an order dated December 30, 2005 confirmed the duty demand of Rs. 0.74, and imposed redemption fine of Rs. 0.02 crores on AWL. AWL filed appeal as well as stay application against the said order before the Commissioner of Customs (Appeals), Kandla, who vide stay order dated June 9, 2006 directed AWL to deposit a sum of Rs. 0.02 crores out of the penalty imposed on them, which was deposited by AWL. The Commissioner of Customs (Appeals), Kandla vide order in appeal dated August 31, 2006 duty demand, penalty and reduced the quantum of redemption fine to Rs. 0.005 crores. On the appeal and stay application filed by AWL before the CESTAT, the CESTAT through its orders (no.M/1408/WZB/AHD/07 and M/1347/WZB/AHD/07) dated December 4, 2007 dispensed with the condition of pre-deposit of balance amount of duty and penalty as AWL had already deposited a sum of Rs. 0.02 crores. The matter is currently pending.

4. The Joint Commissioner, Customs, Chennai vide its order dated June 15, 2005 imposed redemption fine of Rs. 0.05 crores and penalty of Rs. 0.02 crores on AWL for not complying with the PFA standards while importing 43.47 HVO. This order was confirmed by the Commissioner of Customs (Appeals),

Chennai vide order dated February 20, 2006. Aggrieved by the said order, AWL filed an appeal before CESTAT, Chennai. CESTAT vide its order dated April 11, 2008 reduced the redemption fine to Rs. 0.02 crores. Since AWL has paid the redemption as well as penalty amounts pursuant to the order of the Joint Commissioner, the matter is currently pending for refund of the balance amount.

5. AWL imported three consignments of cargo declaring them as Hydrogenated Vegetable Oil (HVO) and classified the same under CTH 15 16 20 91. The Additional Director General, DRI, issued a show cause notice wherein it has been alleged that the consignments imported by AWL are Refined Palm Oil falling under CTH 15 11 90 90, which attracts the basic duty of 90% and 2% education cess. Hence, AWL has been asked to show cause, inter alia, as to why the consignments imported by them and cleared / sought to be cleared under CTH 15 16 20 91 should not be changed to CTH 15 11 90 90 and assessed accordingly, why differential duty with interest should not be demanded and penalty should not be imposed on them. The Commissioner of Customs (Kandla) confirmed the show cause notice, inter alia, by ordering recovery of differential duty of Rs. 17.32 crores with interest and penalty of Rs. 17.32 crores. AWL filed an appeal before the CESTAT, Ahmedabad, which vide order (no. A/897-898/WZB/AHD/08) dated July 7, 2007 set aside the order and allowed the appeal filed by AWL. Against the said order of the CESTAT, Ahmedabad, a civil appeal (no. D24841 of 2008) has been filed before the Supreme Court which has been admitted by way of an order dated December 3, 2008. The appeal is pending.

6. AWL has imported a consignment of 19605.064 MTs of crude Soya bean oil @ USD 310 PMT. AWL filed Bill of Entry for home consumption for 12000 MTS and the balance quantity was sold to various parties on high seas basis. On the basis of contemporaneous imports, the Customs department wanted to enhance the value of said imported consignment to US$ 425 PMT. A show cause notice (F. No B/E. F-706/18.09.01/IMP/DSBO) dated September 25, 2002) has been issued to AWL by the Superintendent of Customs, GAPL, Mundra answerable to the Deputy Commissioner of Customs, GAPL, Mundra. AWL has filed its reply. The matter is currently pending.

7. The Assistant Commissioner of Customs, GAPL, Mundra, has issued a less charge demand notice (F.NO. B/E. No. 1312/ 08.01.04) dated October 1, 2004 asking AWL to pay an amount of Rs. 0.23 crores along with interest at the rate of 15%, as one of the RA produced by AWL for clearance of 1000 MTs of Crude Palm Oil, issued from DEPB License No.0310234856 issued to M/s. Amal Limited, Mumbai is forged. AWL has filed its reply to the notice. The matter is currently pending.

8. The Commissioner of Customs (Appeals), Jamnagar, through order (no. OIA No. 134 to 146/JMN/2005) dated July 27, 2005 had set aside the refund received by AWL towards the difference in quantity of ullage survey and shore out turn report and directed the lower authority to provide with the final assessment order and finally assess the bills of entry. Aggrieved by this order, AWL filed an appeal with CESTAT, Mumbai. The CESTAT, Ahmedabad vide order dated February 4, 2009 upheld the order of Commissioner of Customs (Appeals), with directions to serve a copy of the assessed the bills of entry to AWL. AWL filed an application for rectification of mistake before CESTAT, Ahmedabad. CESTAT by an order dated June 23, 2009 held that the scope of rectification of mistake is limited and cannot be extended so as to review the order and disposed the application for rectification of mistake. AWL has filed appeals before the High Court of Gujarat challenging the said orders. The matters are currently pending.

9. The Deputy Commissioner of Customs, GAPL, Mundra has issued an order (F.No. B/E.No. F-385/24.06.04) dated June 24, 2004 against AWL regarding the finalisation of bill of entry for 1000 Mt. crude sunflower seed oil. AWL has filed the reply. The aggregate amount involved is Rs. 0.03 crores and the matter is currently pending for hearing.

10. The Deputy Commissioner, Commercial Tax, Ghaziabad, assessed bakery shortening as raw material of bakery items, whereas AWL had cleared the same as Vanaspati, for the assessment year 2004-2005 and 2005-2006. The amount involved is Rs. 1.24 crores out of which AWL has deposited a sum of Rs. 0.11 crores. AWL has filed an appeal before the Joint Commissioner (Appeal). The appeal is currently

pending.

11. The Additional Director General, DRI, New Delhi, has issued a show cause notice (DRI F. No. 856 (23) LDH/2006/Pt/2495) dated November 10, 2008 in connection with DEPB licences issued to Regular Traders and Regular Exports, wherein AWL has been made party. It has been alleged that the DEPBs were obtained fraudulently by Regular Traders and Regular Exports. AWL has been asked to show cause to the Commissioner of Customs, Kandla, as to why the customs duties amounting to Rs. 0.05 crores and Rs. 0.03 crores in respect of bills of entry filed by them against DEPB Scrips Nos.3010036022 and 3010036005 by debiting DEPB scrips, obtained fraudulently, should not be demanded and why the goods imported against the said DEPB scrips should not be held liable for confiscation and why penalty should not be imposed on them. AWL has filed the reply on January 28, 2009 and the matter is currently pending for hearing.

12. The Assistant Commissioner of Customs (Audit), MPSEZ, Mundra, has issued a less-charge demand cum show cause notice (F. No. BE/872/03.01.2001) dated October 14, 2008 against AWL. AWL had filed a bill of entry no. 872 dated January 3, 2001 for import of 500 MTs of sunflower seed oil (edible grade) under Tariff Heading No. 1512.19 claiming concessional rate of duty under notification no. 142 of 2000 dated November 21, 2000 and paid custom duty at a rate of 35%. It has been alleged that AWL has wrongly availed the benefit of notification no. 88/2000-CUS dated June 12, 2000 and that the said goods shall be classified under Sr. no. 28 which attracts a duty at the rate of 45%. An amount of Rs. 0.08 crores has been demanded. AWL has filed the reply and attended the hearings and the matter is currently pending for order.

Cases filed by AWL

AWL has filed a suit (O.S. No.148/07) along with an interim application (I.A. No.180/07) before the Court of Additional Senior Civil Judge, Kurnool. The suit has been filed to prohibit the defendant from disconnecting electricity services to AWL at Tungabhadra, pursuant to the notice dated February 29, 2007 issued by the defendant asking AWL to pay consumption deposit of Rs. 0.55 crores with an interest of Rs. 0.09 crores within 15 days of the notice. The court vide order dated April 2, 2007 granted ad-interim injunction to AWL prohibiting disconnection of the electricity service of AWL at Tungabhadra. The amount involved is Rs. 0.64 crores. The matter is currently pending.

GOVERNMENT APPROVALS

The Company has received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for its present business and except as mentioned below, no further material approvals are required for carrying on its present activities.

The following table sets forth the details of the pending material approvals or pending renewals in relation to the activities undertaken by the Company:

S. No	Particulars	Reference No.	Issuing Authority	Date of Application	Status
Power Generation					
1.	Application for additional coal linkage to meet the requirements of the Mundra Power Projects	APL:AHM:RSA:2008-09	Standing Committee (Long Term) Ministry of Coal, Government of India	September 2, 2008	Pending
2.	Application for environmental clearance for 3x660 MW coal based thermal power plant as an expansion phase 3 at Mundra, District Kutch, Gujarat	-	Ministry of Environment and Forests, Government of India	September 26, 2008	Pending
3.	Application transfer of the allocation of Lohara West and Lohara Extension coal block from Adani Power Limited to its subsidiary Adani Power Maharashtra Limited	APPL:DLI:SS:YR:2007-08/08	Ministry of Coal, Government of India	January 14, 2008	Pending
4.	Application for environmental clearance for 660 MW coal based thermal power plant, Phase II of the Tiroda Power Project	-	Ministry of Environment and Forests, Government of India	July 12, 2008	Pending
Mining					
1.	Application for forest clearance for Parsa Kente coal block	RRVUNL/PKCL/BILAASPUR/2009/01	Chief Forest Conservator, South Sarguja, Jaipur	January 12, 2009	Pending
2.	Application for grant of mining lease for an area of 2,388.53 hectares situated in Parsa, Udaipur	RVUN/CE(PPC&F)/F/D.486	Director (Geology & Mining), Government of Chhattisgarh	March 31, 2009	Pending
Gas Distribution					
1.	Application for authorization for city gas distribution works in Lucknow,	-	Petroleum and Natural Gas Regulatory Board,	June 24, 2008	Pending

S. No	Particulars	Reference No.	Issuing Authority	Date of Application	Status
	Noida, Faridabad and Khurja		Delhi		
2.	Application for authorization for city gas distribution works in Vadodara	-	Petroleum and Natural Gas Regulatory Board, Delhi	June 20, 2008	Pending
3.	Application for authorization for city gas distribution works in Ahmedabad	-	Petroleum and Natural Gas Regulatory Board, Delhi	June 20, 2008	Pending
4.	Application for registration of establishment, employing building workers for the CNG station at Sector 24, Faridabad	AEnL/FBD/IS&H/BOCW/0908/12	Registering Officer, Building and Other Construction Workers, Faridabad	September 12, 2008	Pending
5.	Application for registration under Factories Act, 1948 for the CNG station at Sector 24, Faridabad	-	Additional Chief Inspector of Factories	February 3, 2009	Pending
Agri Storage					
1.	Application for renewal of license under the Insecticides Act, 1968	-	The Licensing Authority, Insecticides Act, 1968, Shimla	February 27, 2010	Pending
Edible Oil					
1.	Application for consent under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the plant at Bhatkheda, Neemuch	-	Madhya Pradesh Pollution Control Board	July 31, 2009	Pending
2.	Application for inspection of boiler	AWL/HR/09-10	The Boiler Inspector, First Class, Jabalpur	November 5, 2009	Pending
3.	Application for consent to operate under the provisions of Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 for 1,000 tpd solvent and 100 tpd refinery at Bundi, Rajasthan	AWL/BUNDI/2009/RSPCB	Rajasthan State Pollution Control Board	September 10, 2009	Pending
Real Estate					
1.	Application for the residential township "Shantigram", at SG	DMS/O/PS/STA/09/016/001/1278	Ahmedabad Urban Development	January 25, 2010	Pending

S. No	Particulars	Reference No.	Issuing Authority	Date of Application	Status
	Highway, Ahmedabad		authority		

MATERIAL DEVELOPMENTS

Recent Developments

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977 and in accordance with sub-item (B) of item X of Part E of the SEBI Regulations, the information required to be disclosed for the period between the last date of the financial statements provided to the shareholders and the date preceding one month from the date of Letter of Offer is provided below:

1. *Working results of the Company on a stand-alone basis for the period from April 1, 2009 to December 31, 2009:*

Sr. No.	Particulars	Amount (In Rs. crores)
(i).	Total Sales/ Turnover	8,587.00
(ii).	Other Operating Income	14.70
(iii).	Total Income	8,601.70
(iv).	PBDIT	522.31
(v).	Interest/ Finance charges (net)	279.16
(vi).	Provision for depreciation	9.11
(vii).	Provision for tax	36.93
(viii).	Profit after Tax	197.11

2. *Material changes and commitments, if any, affecting the financial position of the Company*

There are no material changes and commitments, which are likely to affect the financial position of the Company since March 31, 2009 (i.e. last date up to which audited information is incorporated in the Letter of Offer).

3. *Stock Market Data*

a. The week end prices of the Equity Shares of the Company for last four weeks on the BSE and NSE are provided in the table below:

Week ended on	Closing Price (In Rs.)	
	BSE*	NSE**
March 5, 2010	503.65	503.90
February 26, 2010	486.00	486.60
February 19, 2010	494.00	494.50
February 12, 2010	486.20	485.70

* *Source: www.bseindia.com;*
** *Source: www.nseindia.com*

b. The highest and lowest prices of the Equity Shares of the Company on the BSE and NSE for last four weeks are provided in the table below:

Name of the stock exchange	Highest (In Rs.)	Date	Lowest (In Rs.)	Date
BSE	518.60	February 17, 2010	470.55	February 8, 2010
NSE	518.65	February 17, 2010	472.05	February 8, 2010

4. ***The Company has filed its unaudited financial results for the nine months ended December 31, 2009 with the Stock Exchanges in accordance with the requirements under the Listing Agreement:***

(Rs. in Crores)

Sr. No.	Particulars	Standalone					Consolidated				
		For the quarter ended on 31st December		For the Nine months ended on 31st December		Previous Year ended	For the quarter ended on 31st December		For the Nine months ended on 31st December		Previous Year ended
		2009	2008	2009	2008	31-03-2009	2009	2008	2009	2008	31-03-2009
		(Unaudited)		(Unaudited)		(Audited)	(Unaudited)		(Unaudited)		(Audited)
1	**Net Sales / Income from operations/Other operating Income**	**2801.06**	**3174.50**	**8601.70**	**8684.53**	**11575.05**	**6372.35**	**6652.27**	**18064.16**	**17582.39**	**26258.28**
	(a) Net Sales / Income from operations	2800.46	3162.48	8587.00	8629.90	11503.23	6371.75	6640.25	18049.42	17527.76	26181.81
	(b) Other operating Income	0.60	12.02	14.70	54.63	71.82	0.60	12.02	14.74	54.63	76.47
2	**Expenditure**	**2715.26**	**3031.72**	**8119.31**	**8231.49**	**10995.67**	**5915.83**	**6396.07**	**16986.28**	**16880.31**	**25338.46**
	(a) Decrease/ (Increase) in stock in trade	170.43	392.21	(124.54)	467.25	557.13	109.90	381.36	(183.92)	515.00	(1701.92)
	(b) Purchase of Traded Goods (including consumption of raw material)	2455.84	2540.17	7860.50	7462.74	9907.52	5505.21	5692.27	16195.13	15541.37	25897.73
	(c) Employees Cost	8.33	9.24	29.71	39.72	62.73	27.92	23.49	86.69	80.08	114.63
	(d) Depreciation	3.06	2.98	9.11	8.85	12.08	45.53	17.70	95.75	49.64	82.18
	(e) Other Expenditure	77.60	87.12	344.53	252.93	456.21	227.27	281.25	792.63	694.22	945.84
3	**Profit from operation before Other Income, Interest & Exceptional items (1-2)**	**85.80**	**142.78**	**482.39**	**453.04**	**579.38**	**456.52**	**256.20**	**1077.88**	**702.08**	**919.82**
4	Other Income	7.20	2.30	20.37	8.66	12.84	10.18	4.46	24.71	13.91	14.64
5	**Profit before Interest & Exceptional items (3+4)**	**93.00**	**145.08**	**502.76**	**461.70**	**592.22**	**466.70**	**260.66**	**1102.59**	**715.99**	**934.46**
6	Interest / Finance Charges (net)	45.53	79.86	279.16	249.72	214.43	101.80	115.94	433.05	334.35	348.82
7	**Profit after Interest but before Exceptional items (5-6)**	**47.47**	**65.22**	**223.60**	**211.98**	**377.79**	**364.90**	**144.72**	**669.54**	**381.64**	**585.64**
8	Add / (Less) : Prior period adjustments (net)	(0.44)	0.06	(0.61)	(0.19)	0.83	(0.44)	0.06	(0.61)	(0.19)	0.72
	Exceptional items (net)	(3.82)	(0.24)	11.05	3.65	(4.02)	(3.82)	(0.24)	11.05	3.65	(2.44)

Sr. No.	Particulars	Standalone					Consolidated				
		For the quarter ended on 31st December		For the Nine months ended on 31st December		Previous Year ended	For the quarter ended on 31st December		For the Nine months ended on 31st December		Previous Year ended
		2009	2008	2009	2008	31-03-2009	2009	2008	2009	2008	31-03-2009
		(Unaudited)		(Unaudited)		(Audited)	(Unaudited)		(Unaudited)		(Audited)
9	**Net Profit before Taxation (7+8)**	**43.21**	**65.04**	**234.04**	**215.44**	**374.60**	**360.64**	**144.54**	**679.98**	**385.10**	**583.92**
10	Provision for Taxation	12.72	9.10	36.93	25.73	48.18	35.42	18.36	78.30	46.05	78.48
	(a) Current Tax	10.61	7.50	36.61	20.00	43.77	10.25	12.43	48.27	36.73	66.27
	(b) Deferred Tax	2.11	1.22	0.32	5.10	3.69	25.17	5.38	30.03	8.42	10.97
	(c) Fringe Benefit Tax	-	0.38	-	0.63	0.72	-	0.55	-	0.90	1.24
11	**Net Profit before Minority Interests (9 -10)**	**30.49**	**55.94**	**197.11**	**189.71**	**326.42**	**325.22**	**126.18**	**601.68**	**339.05**	**505.44**
12	Add / (Less): Share of Minority Interest	-	-	-	-	-	(21.34)	5.14	(22.18)	(0.45)	(0.79)
13	**Net Profit (11 - 12)**	**30.49**	**55.94**	**197.11**	**189.71**	**326.42**	**303.88**	**131.32**	**579.50**	**338.60**	**504.65**
14	Paid-up Equity Share Capital (Face Value of Re. 1 each)	49.60	24.66	49.60	24.66	24.66	49.60	24.66	49.60	24.66	24.66
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	1618.44	-	-	-	-	2994.01
16	Basic and diluted EPS (before and after Extraordinary items)										
	(a) Basic EPS (not annualised)	0.61	1.13	3.98	3.85	6.62	6.14	2.66	11.71	6.87	10.23
	(b) Diluted EPS (not annualised)	0.58	1.07	3.73	3.61	6.20	5.76	2.50	10.97	6.45	9.58
17	Public shareholding :										
	(a) No. of equity shares of Re. 1 each	126520888	61881944	126520888	61881944	61881944	126520888	61881944	126520888	61881944	61881944
	(b) Percentage of shareholding	25.51	25.09	25.51	25.09	25.09	25.51	25.09	25.51	25.09	25.09
18	Promoters and Promoters group shareholding:										
	(a) Pledged / Encumbered										
	-No. of shares	52588000	-	52588000	-	66458000	52588000	-	52588000	-	66458000
	-Percentage of shares										

Sr. No.	Particulars	Standalone					Consolidated				
		For the quarter ended on 31st December		For the Nine months ended on 31st December		Previous Year ended	For the quarter ended on 31st December		For the Nine months ended on 31st December		Previous Year ended
		2009	2008	2009	2008	31-03-2009	2009	2008	2009	2008	31-03-2009
		(Unaudited)		(Unaudited)		(Audited)	(Unaudited)		(Unaudited)		(Audited)
	(as a% of the total shareholding of Promoters and Promoters group)	14.23	-	14.23	-	35.98	14.23	-	14.23	-	35.98
	-Percentage of shares										
	(as a% of the total share capital of the Company)	10.60	-	10.60	-	26.95	10.60	-	10.60	-	26.95
	(b) Non-encumbered										
	-No. of shares	316922462	-	316922462	-	118269231	316922462	-	316922462	-	118269231
	-Percentage of shares										
	(as a% of the total shareholding of Promoters and Promoters group)	85.77	-	85.77	-	64.02	85.77	-	85.77	-	64.02
	-Percentage of shares										
	(as a% of the total share capital of the Company)	63.89	-	63.89	-	47.96	63.89	-	63.89	-	47.96

Notes :-

1. The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 27th January, 2010.
2. The Statutory Auditors of the Company have carried out limited review of the standalone financial results of the Company for the quarter ended on 31st December, 2009.
3. The Company is a global trading organisation with operations covering a wide range of commodities like Agro, Energy, Metals & Minerals and others. In view of its integrated nature of business, it is necessary to view the business in its entirety and therefore, there are no separate segments within the Company as defined by Accounting Standard 17 (Segmental Reporting) issued by the ICAI.
4. Investors complaints received and disposed off during the quarter ended 31st December, 2009.
   - Complaints pending at the beginning of the quarter: Nil
   - Complaints received during the quarter : 37
   - Resolved / Redressed during the quarter: 37
   - Complaints lying unresolved at the end of the quarter : Nil
5. Income from operation includes profit from a majority owned partnership firm & sharing arrangements.
6. During the period, the Paid up Share Capital of the Company has been increased from Rs.24.66 Crores to Rs.49.60 Crores on account of-
   a) Allotment of 14,06,500 Equity Shares of Re.1 each upon conversion of 1,940 Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each.
   b) Allotment of 24,80,15,675 Bonus Equity Shares of Re.1 each on 14th December,2009 in the ratio of One Equity Share for every One Equity Share held by

the members as on record date 11th December, 2009. After issue of Bonus Shares, Earning Per Share has been adjusted for corresponding period / previous year.

7. Exceptional items include-
   a) Reversal of Commission of Rs.15 crores (Rs.7.50 crores each) out of total commission of Rs.16.02 Crores (Rs.8.01 Crores each) payable to the Chairman as well as Managing Director of the Company for the financial year 2008-09 upon waiver requests by them as income.
   b) Loss of coal stock worth Rs.3.84 Crores due to fire, for which insurance claim has been lodged.
8. Previous quarter / year figures have been regrouped wherever found necessary.

5. Since April 1, 2009, the following companies have become the subsidiaries or joint ventures of the Company:

a) Adani Energy (U.P.) Private Limited (Presently known as Adani Gas Limited);
b) Adani Pench Power Limited *(formerly known as Adani Power MP Limited)*;
c) Adani Power Pte Limited, Singapore;
d) Kutch Power Generation Limited;
e) Adani Wilmar Pte Limited, Singapore;
f) Rahi Shipping Pte Limtied, Singapore;
g) Vanshi Shipping Pte Limited, Singapore;
h) Adani Cements Limited;
i) Mahaguj Power Limited;
j) Maharashtra Eastern Grid Power Transmission Company Limited; and
k) Adani Infra (India) Limited.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on October 30, 2009, it has been decided to make the rights offer to the Equity Shareholders of the Company with a right to renounce.

Prohibition by SEBI

Neither the Company, nor the Directors, Promoters or the Promoter Group have been prohibited from accessing or operating in the capital markets or have been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, neither the Promoters nor the Company, the Promoter Group or the group companies have been declared as willful defaulters by RBI / Government authorities.

Except as stated below, none of the Directors of the Company are associated with the capital markets in any manner, except the following:

Pravin P. Shah, one of the Directors of the Company, is associated with Milestone Capital Advisors Private Limited, J.M. Financial Consultants Private Limited and J.M. Financial Services Private Limited, details whereof, is as follows:

1. Milestone Capital Advisors Private Limited

SEBI Registration No.	INP000002643
Category of registration	Portfolio Manager
Details of any enquiry/ investigation conducted by SEBI at any time	Not Applicable
Penalty imposed by SEBI, if any	Nil

2. J.M. Financial Consultants Private Limited

<table>
<tr><td>SEBI Registration No.</td><td>INM000010361</td></tr>
<tr><td>Category of registration</td><td>Merchant Banker in Category I</td></tr>
<tr><td>Penalty imposed by SEBI, if any</td><td>None</td></tr>
<tr><td colspan="2">A brief summary of the actions initiated against JM Financial is provided below:

1. SEBI vide its letter dated May 17, 2002 warned JM Financial Consultants Private Limited (“JM Financial”) for deficiencies in conduct of due diligence in relation to the initial public offering by one of its clients.
2. Enquiry proceedings were initiated by SEBI against JM Financial in connection with alleged deficiency in dissemination of information in public announcement on behalf of one of their clients under the provisions of Takeover Code. SEBI Chairman, vide his order dated February 18, 2005, had censured JM Financial in this regard.
3. SEBI conducted an investigation against JM Financial and other book running lead managers for the alleged deficiency in the allocation to QIBs in the follow-on public offering of one of its clients. SEBI had initiated adjudication proceedings under SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. The Adjudication Officer, vide its order dated April 17, 2009, concluded that no adverse finding is recorded against the JM Financial and hence no penalty is warranted. Accordingly, the adjudication proceeding has been disposed off against JM Financial without any penalty.
4. SEBI vide its letter dated June 7, 2007, issued a notice to JM Financial along with other lead managers under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudication Officer) Rules, 1995, pursuant to the inspection report dated March 13, 2006, inter alia, alleging deficiency in due diligence in its capacity as the book running lead manager with reference to certain</td></tr>
</table>

	disclosures in offer documents and market practices with respect to bidding process. In the matter of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudication Officer) Rules, 1995, pursuant to the inspection report of March 13, 2006, JM Financial had preferred a consent application dated March 23, 2009 against the pending adjudication to SEBI. The consent terms proposed by JM Financial, were examined by the High Powered Advisory Committee and SEBI had agreed for settlement without JM Financial admitting or denying the guilt. Accordingly, JM Financial has made a payment of Rs. 4,00,000 on August 13, 2009 towards the settlement charges, as per the terms of the consent in the matter.
5.	SEBI vide its letter dated December 3, 2007, issued a show cause notice under Regulation 13 of SEBI (Merchant Bankers) Regulations, 1992, to the lead managers relating to disclosures in the red herring prospectus in relation to the initial public offering of MPSEZL. JM Financial along with other lead managers has duly responded to SEBI in this regard, and the matter is pending.
6.	JM Financial has recently received a letter dated January 13, 2010 from SEBI advising it to be careful and diligent in future while drafting disclosures in the offer document.

3. JM Financial Services Private Limited

SEBI Registration Nos.	***NSE***: • Capital Market Segment: INB231054835 • F & O Segment: INF231054835 • Currency Derivative Segment: INE231054835 ***BSE:*** • Cash Market Segment – INB011054831 • Derivatives Segment – INF011054831 ***MCX Stock Exchange Limited:*** • INE261054835 ***CDSL:*** • IN-DP-CDSL-236-2004 ***NSDL:*** • IN-DP-NSDL-241-2004 ***Portfolio Manager:*** • INP000000621
Penalty imposed by SEBI, if any	None
A brief summary of the actions initiated against JM Financial Services Private Limited is provided below: SEBI Conducted an enquiry under Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and imposing Penalty Regulations 2002, consequent to an inspection conducted of the books of JM Financial Services Private Limited. Consequent to this inquiry, in June 2004, SEBI Whole-time Member issued warning to JM Financial Services Private Limited. The matter was pertaining to Vyaj Badla transactions, in the year 1999- 2000, which have been discontinued by the exchange.	

Eligibility for the Issue

The Company is an existing company registered under the Companies Act whose Equity Shares are listed on the BSE and the NSE. The Company is eligible to make this Issue in terms of Chapter IV of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Compliance with Part E of Schedule VIII of the SEBI Regulations

The Company is in compliance with the provisions specified in Part E of Schedule VIII of the SEBI Regulations.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED/CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGERS, ICICI SECURITIES LIMITED, IDFC-SSKI LIMITED AND ENAM SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 FOR DISCLOSURE AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 17, 2009, WHICH WILL READ AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION SUCH AS COMMERCIAL DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY;**

   WE CONFIRM THAT:

   A. **THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   B. **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;**

   C. **THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED**

DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS; NOT APPLICABLE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER- NOT APPLICABLE;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER - NOT APPLICABLE;**

7. **WE UNDERTAKE SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE;**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE**

AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE;

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE;**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BAORD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BAORD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of this Letter of Offer does not, however, absolve the Company from any liabilities under section 63 or section 68 of the Companies Act or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Managers any irregularities or lapses in this Letter of Offer.

Caution

The Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by the Company or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented by the issuer company and Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of the company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue

The Lead Managers and the Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Letter of Offer with SEBI.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

Selling Restrictions

The distribution of this Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. The Company is making this Issue of Equity Shares on a rights basis to the Shareholders of the Company and will dispatch the Letter of Offer and CAFs to Shareholders who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares or the rights entitlements, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the rights entitlements referred to in this Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in the Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

United States Restrictions

NEITHER THE RIGHTS ENTITLEMENTS NOR THE SECURITIES THAT MAY BE PURCHASED PURSUANT HERETO HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR THE "U.S.") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "US PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A

SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SHARES OR RIGHTS. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. NEITHER THE COMPANY NOR ANY PERSON ACTING ON BEHALF OF THE COMPANY WILL ACCEPT SUBSCRIPTIONS OR RENUNCIATIONS FROM ANY PERSON, OR THE AGENT OF ANY PERSON, WHO APPEARS TO BE, OR WHO THE COMPANY OR ANY PERSON ACTING ON BEHALF OF THE COMPANY HAS REASON TO BELIEVE IS, EITHER A "U.S. PERSON" (AS DEFINED IN REGULATION S) OR OTHERWISE IN THE UNITED STATES. ANY PERSON SUBSCRIBING TO THE EQUITY SHARES OFFERED HEREBY WILL BE DEEMED TO REPRESENT THAT SUCH PERSON IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) OR OTHERWISE IN THE UNITED STATES AND HAS NOT VIOLATED ANY U.S. SECURITIES LAWS IN CONNECTION WITH THE EXERCISE.

European Economic Area Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive at any relevant time (each, a "Relevant Member State") the Company has not made and will not make an offer of the Equity Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Equity Shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets, or if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €4,30,00,000 and (3) an annual net turnover of more than €5,00,00,000, as shown in its last annual or consolidated accounts; or
(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the lead manager; or
(d) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an Investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restriction set out below.

United Kingdom Restrictions

This Letter of Offer is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Equity Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Equity Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the BSE.

Disclaimer Clause of the BSE

The Bombay Stock Exchange Limited ("the Exchange") has, vide its letter dated December 31, 2009, given permission to the Company to use the Exchange's name in this Letter of Offer as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
(iii) take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Letter of Offer has been submitted to National Stock Exchange of India Limited ("NSE"). NSE has given, vide its letter Ref. No. NSE/LIST/126350-T dated December 22, 2009, permission to the Issuer to use the Exchange's name in this Letter of Offer as one of the Stock Exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinised this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Issuer, its Promoter, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

The Draft Letter of Offer was filed with SEBI, Plot No. C 4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations. The Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Issue Related Expenses

The expenses of the Issue payable by the Company include brokerage, fees and reimbursement to the Lead Managers, Auditors, Legal Advisor, Registrar to the Issue, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses and will be met out of the Issue Proceeds.

Activity	Expense (Rs. in Crores)	Expense (% of total expenses)	Expense (% of Issue Size)
Lead Merchant Bankers	1.50	65.36	0.1
Registrars to the Issue	0.02	0.87	0.001
Legal Advisors	0.38	16.34	0.03
Bankers to the Issue	Nil	Nil	Nil
SCSB Commission	Nil	Nil	Nil
Others (Monitoring Agency Fees, SEBI Fees, Stock Exchange Fees, Printing, Stationery & Postage, Advertisement, etc)	0.40	17.43	0.03
Total estimated Issue expenses	**2.30**	**100**	**0.16**

Investor Grievances and Redressal System

The Company has adequate arrangements for redressal of Investor complaints. Well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for the Company is being handled by in-house registrar and share transfer agent. Letters are filed category wise after having attended to. Redressal norm for response time for all correspondence including shareholders complaints is within 15 days.

The contact details of the share registrars of the Company are:

Pinnacle Share Registry Private Limited
Near Ashoka Mills Limited
Naroda Road, Ahmedabad 380 025
Tel: (91 79) (2220 4226)
Fax: (91 79) (2220 2963)

Status of Complaints

(a) Total number of complaints received during Fiscal 2009: 91
(b) No. of shareholders complaints as on December 31, 2009: Nil
(d) Status of the pending complaints as on February 15, 2010: Nil
(e) Time normally taken by it for disposal of various types of Investor grievances: 15 days

Investor Grievances arising out of this Issue

The Company’s Investor grievances arising out of the Issue will be handled by Karvy Computershare Private Limited who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between the Company and the Registrar will provide for retention of records with the Registrar for a period of one year from the last date of dispatch of Allotment Advice/ share certificate / refund orders to enable the investors to approach the Registrar for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio number, name and address, contact telephone/cell numbers, email id of the first Investor, number and type of shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be seven days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. The Company undertakes to resolve the Investor grievances in a time bound manner.

The contact details of the Registrar to the Issue are:

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 2342 0815 / 2342 0816
Fax: (91 40) 2342 0859
Email: adani.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: Murali Krishna

Investors may contact the Compliance Officer / Assistant Company Secretary in case– of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/share certificates/ demat credit/refund orders etc. His address is as follows:

Parthiv Parikh
Adani Enterprises Limited
"Adani House"
Near Mithakhali Six Roads, Navrangpura
Ahmedabad 380 009
Gujarat
Tel: (91 79) 2656 5555
Fax: (91 79) 2656 5500
Email: parthiv.parikh@adani.in

Compliance with reporting requirements:

The Company has complied with the reporting requirements under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing Agreement for the financial year ended March 31, 2009, including the provisions pertaining to:

- disclosure regarding the change of shareholding under Regulation 8(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
- disclosure regarding the pledge of shares under Regulation 8A of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
- reporting the shareholding pattern on a quarterly basis as required under Clause 35 of the Listing Agreement;
- preparation and submission of financial results as required under Clause 41 of the Listing Agreement;
- corporate governance requirements as required under Clause 49 of the Listing Agreement; and
- disclosure of interest of directors, officers and substantial shareholder as required under Regulation 13 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Unsecured loans granted by the Company:

The Company had granted unsecured loans to the following companies:

(a) Adani Agri Logistics Limited;
(b) Adani Agrifresh Limited
(c) Adani Energy Limited;
(d) Adani Mining Private Limited;
(e) Miraj Impex Private Limited;
(f) Adani Infrastructure and Developers Private Limited; and
(g) Parsa Kante Collieries Limited.

The abovementioned companies are covered in the register maintained under section 301 of the Companies Act. The unsecured loans granted by the Company have been paid off by these companies. For further details, see "Financial Statements – Annexure to the Auditor's Report" on page 70.

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on rights basis, are subject to the terms and conditions contained in the Letter of Offer, the enclosed CAF, the Memorandum of Association and Articles of Association of the Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the Foreign Exchange Management Act, 1999, as amended ("FEMA"), guidelines and regulations issued by SEBI, guidelines, notifications and regulations for issue of capital and for listing of securities issued by GoI and/or other statutory authorities and bodies from time to time, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the Electronic Form and on the Register of Members of the Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Stock Exchanges.

Rights Entitlement

As your name appears as beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of the Company as on the Record Date, i.e., March 25, 2010, you are entitled to the number of Equity Shares as set out in Part A of the enclosed CAFs.

PRINCIPAL TERMS OF THE EQUITY SHARES

Face Value

Each Equity Share will have the face value of Re. 1.

Issue Price

Each Equity Share shall be offered at an Issue Price of Rs. 475 for cash at a premium of Rs. 474 per Equity Share. The Issue Price has been arrived in consultation between the Company and the Lead Managers.

Entitlement Ratio

The Equity Shares are being offered on rights basis to the Equity Shareholders in the ratio of one Equity Share for every 16 Equity Share held on the Record Date.

Terms of Payment

Full amount of Rs. 475 per Equity Share is payable on application.

Fractional Entitlements

For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Equity Shareholders is less than 16 Equity Shares or not in the multiple of 16, the fractional entitlement of such Equity Shareholders shall be ignored. Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares.

For example, if an Equity Shareholder holds between 16 and 31 Equity Shares, he will be entitled to one Equity Share on a rights basis. He will also be given a preference for allotment of one additional Equity Shares if he has applied for the same.

Those Equity Shareholders holding less than 16 Equity Shares will therefore be entitled to zero Equity Share under this Issue and shall be despatched a CAF with zero entitlement. Such Equity Shareholders are entitled to apply for additional Equity Shares. However, they cannot renounce the same in favour of third parties. CAF with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Equity Shareholder holds between one and 15 Equity Shares, he will be entitled to nil Equity Shares on rights basis. He will be given a preference for allotment of one additional Equity Share if he has applied for the same.

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

Listing and trading of Equity Shares proposed to be issued

The Company's existing Equity Shares are currently traded on the Stock Exchanges under the ISIN INE423A01024. The fully paid up Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges under the existing ISIN for fully paid Equity Shares of the Company.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would accordingly affect the schedule.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable but in no case later than seven working days from the finalisation of the basis of allotment. The Company has made an application for "in-principle" approval for listing of the Equity Shares respectively to the BSE and the NSE through letters dated December 16, 2009 and has received such approval from the BSE pursuant to the letter no. DCS/PREF/JA/IP-RT/1477/9-10, dated December 31, 2009 and from the NSE pursuant to letter no. NSE/LIST/126350-T, dated, December 22, 2009.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders of the Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of the Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one. In case of holding of Equity Shares in physical form, the Company would issue to the allottees one certificate for the Equity Shares allotted to each folio ("Consolidated

Certificate”).

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

In terms of Section 109A of the Companies Act, nomination facility is available in case of Equity Shares. The Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only in the prescribed form available on request at the registered office of the Company or such other person at such addresses as may be notified by the Company. The Investor can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depositary Participant (“DP”) of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English language national daily newspaper, one Hindi national daily newspaper and one regional language daily newspaper with wide circulation in Ahmedabad and/or, will be sent by ordinary post/registered post/speed post to the registered holders of the Equity Shares from time to time.

Additional Subscription by the Promoter

The Promoters have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Subject to compliance with the Takeover Code, the Promoters and Promoter Group reserve their right to subscribe for Equity Shares in this Issue by subscribing for renunciation, if any, made by any other Promoters or Promoter Group or any other shareholders. The Promoters have provided an undertaking dated December 5, 2009 to the Company to apply for additional Equity Shares in the Issue, to the extent of the unsubscribed portion of the Issue. As a result of this subscription and consequent allotment, the Promoters and Promoter Group may acquire Equity Shares over and above their Rights Entitlement in the Issue, which may result in an increase of the shareholding being above the current shareholding with the Rights Entitlement. This subscription and acquisition of additional Equity Shares by the Promoters and Promoter Group through this Issue to the extent of under subscription, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the Takeover Code. As such, other than meeting the requirements indicated in the section "Objects of the Issue" on page 23, there is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoters and Promoter Group, in this Issue, the Promoters' shareholding in the Company exceeds their current shareholding. The Promoters and Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law. Allotment to the Promoters and Promoter Group of any unsubscribed portion, over and above their Rights Entitlement shall be done in compliance with the Listing Agreement, including the provisions in relation to minimum public shareholding of 10% applicable to the Company, and other applicable laws prevailing at that time relating to continuous listing requirements. For details, please see the section "Basis of Allotment" on page 225.

Procedure for Application

The CAF for Equity Shares would be printed in black ink for all Equity Shareholders. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not agree with the specimen registered with the Company, the application is liable to be rejected.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of the enclosed CAFs and submit the same along with the application money payable to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard. Investors at centres not covered by the branches of collecting banks can send their CAFs together with the cheque drawn at par on a local bank at Hyderabad/demand draft payable at Hyderabad to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see "Mode of Payment for Resident Equity Shareholders/Investors" and "Mode of Payment for Non-Resident Equity Shareholders/Investors" on pages 238 and 239, respectively.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Equity Shareholder applies for an investment in Equity Shares, then he can:

- Apply for his Rights Entitlement of Equity Shares in part;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under "Basis of Allotment" on page 225.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that the Company shall not allot and/or register any Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be).

Any renunciation from Non-resident Indian Shareholder(s) to Resident Indian(s) is subject to the renouncer(s)/renouncee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected. Additionally, any renunciation by any Equity Shareholder resident in/outside India to any non-resident is prohibited.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of the Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for the Company of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive allotment of such Equity Shares. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to a shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign this part of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not agree with the specimen registered with the Company, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue on or before the Issue Closing Date along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors of the Company shall be entitled in its absolute discretion to reject the request for allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares *(All joint holders must sign)*
3.	Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one)*.	Fill in and sign Part B *(all joint holders must sign)* indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(All joint Renouncees must sign)*
4.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR **Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee**	Fill in and sign Part D *(all joint holders must sign)* requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. **On receipt of the SAF take action as indicated below.** For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.

- Request for SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof and one SAF for the balance Equity Shares, if any.

- Request by the Investor for the SAFs should reach the Company on or before April 7, 2010.

- Only the Equity Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

- SAFs will be sent to the Investor (s) by post at the applicant's risk.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 12 days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he / she shall face the risk of rejection of both the applications.

Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with Demand Draft, net of bank and postal charges payable at Hyderabad which should be drawn in favour of the "Adani Enterprises - Rights Issue" and the Equity Shareholders should send the same by registered post directly to the Registrar to the Issue.

The envelope should be super scribed "Adani Enterprises – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with the Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Adani Enterprises Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of Rs. 475 per Equity Share;
- Particulars of cheque/draft;
- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order; and
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue.

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. The Company shall refund such application amount to the Investor without any interest thereon.

Last date of Application

The last date for submission of the duly filled in CAF is April 15, 2010.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the section "Terms of the Issue – Basis of Allotment" on page 225.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of the Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Equity Shares in the following order of priority:

(a) Full allotment to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

(b) Allotment pertaining to fractional entitlements in case of any shareholding other than in multiples of 16.

(c) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of the Board / Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full allotment under (a), (b) and (c) above. The allotment of such Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

After taking into account allotment to be made under (a) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the Takeover Code which would be available for allocation under (b), (c) and (d) above. The Promoters have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Subject to compliance with the Takeover Code, the Promoter and Promoter Group reserve their right to subscribe for Equity Shares in this Issue by subscribing for renunciation, if any, made by any other Promoters or Promoter Group or any other shareholders. The Promoters have provided an undertaking dated December 5, 2009 to the Company to apply for additional Equity Shares in the Issue, to the extent of the unsubscribed portion of the Issue. As a result of this subscription and consequent allotment, the Promoters and Promoter Group may acquire Equity Shares over and above their Rights Entitlement in the Issue, which may result in an increase of the shareholding being above the current shareholding with the Rights Entitlement.

This subscription and acquisition of additional Equity Shares by the Promoters and Promoter Group through this Issue, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the Takeover Code. As such, other than meeting the requirements indicated in the section "Objects of the Issue" on page 23, there is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoters and Promoter Group, in this Issue, the Promoters' shareholding in the Company exceeds their current shareholding. The Promoters and Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law. Allotment to the Promoters and Promoter Group of any unsubscribed portion, over and above their Rights Entitlement shall be done in compliance with the Listing Agreement, including the provisions in relation to minimum public shareholding of 10% applicable to the Company, and other applicable laws prevailing at that time relating to continuous listing requirements.

Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.html. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to Equity Shareholders of the Company on the Record Date and who:

- are holding the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with one of the SCSBs.

CAF

The Registrar will despatch the CAF to all Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only or in plain paper application and indicate that they wish to apply through the ASBA payment mechanism. On submission of the CAF after selecting the ASBA Option in Part A or plain paper applications indicating application through the ASBA payment mechanism, the Equity Shareholders are deemed to have authorized (i) the SCSB to do all acts as are necessary to make the CAF in the Issue, including blocking or unblocking of funds in the bank account maintained with the SCSB specified in the CAF or the plain paper, transfer of funds to the separate bank account maintained by the Company as per the provisions of section 73(3) of the Companies Act, on receipt of instruction from the Registrar to the Issue after finalization of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the CAF or plain paper, upon finalization of the basis of Allotment and to transfer the requisite funds to the separate bank account maintained by the Company as per the provisions of Section 73(3) of the Companies Act.

Application in electronic mode will only be available with such SCSB who provides such facility. The Equity Shareholder shall submit the CAF/ plain paper application to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. However, no more than five (5) applications (including CAF and plain paper application) can be submitted per bank account in the Issue. In case of withdrawal / failure of the Issue, the Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the Equity Shareholder applying through ASBA within one (1) day from the day of receipt of such notification.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, without renouncing the balance, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

Mode of payment

The Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrars. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per Registrar's instruction allocable to the Equity Shareholders applying under the ASBA Process from bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI Regulations, into the separate bank account maintained by the Company as per the provisions of Section 73(3) of the Companies Act. The balance amount remaining after the finalisation of the basis of allotment shall be either unblocked by the SCSBs or refunded to the investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Managers to the respective SCSB.

The Equity Shareholders applying under the ASBA Process would be required to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF or (ii) more than five (5) applications (including CAF and plain paper application) are submitted per account held with the SCSB in the Issue. Subsequent to the acceptance of the application by the SCSB, the Company would have a right to reject the application only on technical grounds.

Options available to the Equity Shareholders applying under the ASBA Process

The summary of options available to the Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

	Option Available	**Action Required**
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF *(All joint holders must sign)*

	Option Available	Action Required
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares *(All joint holders must sign)*

The Equity Shareholder applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSB with the relevant details required under the ASBA process option and SCSB blocks the requisite amount, then that CAF would be treated as if the Equity Shareholder has selected to apply through the ASBA process option.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares that you are entitled too, provided that (i) you have applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "Terms of the Issue - Basis of Allotment" on page 225.

If you desire to apply for additional Equity Shares please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

Renouncees cannot participate in the ASBA Process.

Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Equity Shareholders applying on the basis of a plain paper application are required to indicate their choice of applying under the ASBA Process.

The envelope should be super scribed "Adani Enterprises – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with the Company, must reach the Designated Branch / corporate branch of the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Adani Enterprises Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of Rs. 475 per Equity Share;
- Particulars of cheque/draft;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;

- Authorizing such SCSB to block an amount equivalent to the amount payable on the application in such bank account maintained with the same SCSB;
- A representation that the Equity Shareholder is not a "U.S. Person" (as defined in Regulation S under the Securities Act); and
- Signature of the Equity Shareholders to appear in the same sequence and order as they appear in the records of the Company.

Option to receive Equity Shares in Dematerialized Form

EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE BEING HELD ON RECORD DATE.

General instructions for Equity Shareholders applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected. The CAF / plain paper application must be filled in English**.**

(c) The CAF / plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Managers to the Issue.

(d) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government and the officials appointed by the courts, **CAFs / plain paper applications without PAN will be considered incomplete and are liable to be rejected.**

(e) All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF / plain paper application as per the specimen signature recorded with the Company/or Depositories.

(g) In case of joint holders, all joint holders must sign the relevant part of the CAF / plain paper application in the same order and as per the specimen signature(s) recorded with the Company. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

(h) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.

(i) Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

Do's:

a. Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in. In case of non-receipt of the CAF, the application can be made on plain paper indicating application through the ASBA payment mechanism with all necessary details as indicated under the section entitled "Terms of the Issue – Application on Plain Paper" on page 228.

b. Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.

c. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.

d. Ensure that the CAFs / plain paper applications are submitted at the SCSBs and details of the correct bank account have been provided in the CAF.

e. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

f. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF / plain paper application, in the bank account maintained with the respective SCSB, of which details are provided in the CAF / plain paper application and have signed the same.

g. Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF / plain paper application in physical form or electronic mode.

h. Except for applications on behalf of the Central or State Government and the officials appointed by the courts, each applicant should mention their PAN allotted under the I. T. Act.

i. Ensure that the name(s) given in the CAF / plain paper application is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF / plain paper application is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF / plain paper application.

j. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

b. Do not pay the amount payable on application in cash, by money order or by postal order.

c. Do not send your physical CAFs / plain paper applications to the Lead Managers to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

d. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

e. Do not instruct your respective banks to release the funds blocked under the ASBA Process.

f. Do not submit more than five (5) applications (including CAF and plain paper application) per bank account maintained with the SCSB for the Issue.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "Grounds for Technical Rejection" on page 237, applications under the ABSA Process are liable to be rejected on the following grounds:

a) Application for Rights Entitlements or additional shares in physical form.

b) DP ID and Client ID mentioned in CAF / plain paper application not matching with the DP ID and Client ID records available with the Registrar.

c) Sending CAF / plain paper application to the Lead Managers / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

d) Renouncee applying under the ASBA Process.

e) Insufficient funds are available with the SCSB for blocking the amount.

f) Funds in the bank account with the SCSB whose details are mentioned in the CAF / plain paper application having been frozen pursuant to regulatory orders.

g) Account holder not signing the CAF / plain paper application or declaration mentioned therein.

h) Submitting the GIR number instead of the PAN.

i) Application on split form.

j) Submitting more than five (5) applications (including CAF and plain paper application) per bank account maintained with the SCSB for the Issue.

Depository account and bank details for Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF / PLAIN PAPER APPLICATION. EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF / PLAIN PAPER APPLICATION IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF / PLAIN PAPER APPLICATION IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATION.

Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper application, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence,

Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF / plain paper application.

These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by Equity Shareholders in the CAF / plain paper application would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs / plain paper applications, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account in the SCSB and which details are provided in the CAF / plain paper application and not the bank account linked to the DP ID. Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF / plain paper application would be used only to ensure dispatch of letters intimating unblocking of bank account.

Note that any such delay shall be at the sole risk of the Equity Shareholders applying under the ASBA Process and none of the Company, the SCSBs or the Lead Managers shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Equity Shareholders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such applications are liable to be rejected.

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by the Company as per the provisions of section 73(3) of the Companies Act, (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Manager through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

Underwriting

The Issue is not underwritten.

Issue Schedule

Issue Opening Date:	March 31, 2010
Last date for receiving requests for SAFs:	April 7, 2010
Issue Closing Date:	April 15, 2010

The Board may however decide to extend the issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Allotment Advices / Refund Orders

The Company will issue and dispatch allotment advice/ share certificates/demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, (i.e. 15 days after the Issue Closing Date or the date of the refusal by the Stock Exchange(s), whichever is earlier) the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under Section 73 of the Companies Act.

Investors residing at centers where clearing houses are managed by the Reserve Bank of India ("RBI") will get refunds through Electronic Clearing Service ("ECS") except where Investors are otherwise disclosed as applicable/eligible to get refunds through direct credit and real time gross settlement ("RTGS").

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and the Company issues letter of allotment, the corresponding share certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates. For more information, please see the section "Terms of the Issue" on page 218.

The letter of allotment / refund order exceeding Rs. 1,500 would be sent by registered post/speed post to the sole/first Investors registered address. Refund orders up to the value of Rs. 1,500 would be sent under certificate of posting. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. ECS – Payment of refund would be done through ECS for Investors having an account at any of the centres specified by the RBI where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Investors having a bank account at any centre where ECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through ECS), except where the Investor, being eligible, opts to receive refund through National Electronic Fund Transfer ("NEFT"), direct credit or RTGS.

2. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by the Company.

4. RTGS – Investors having a bank account at any of the centres specified by the RBI where such facility has been made available and whose refund amount exceeds Rs. 50 lacs, have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the refund bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force, and is permitted by the SEBI from time to time.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. The Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case the Company issues allotment advice, the relative shared certificates will be dispatched within one month from the date of the allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialized Form

Investors to the Equity Shares of the Company issued through this Issue shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. The Company signed a tripartite agreement with NSDL on September 8, 1999 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. The Company has also signed a tripartite agreement with CDSL on October 28, 1999 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial allotment, allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be allotted in physical Equity Shares.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

Procedure for availing the facility for allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of the Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with the Company). In case of Investors having various folios in the Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*

- For Equity Shareholders already holding Equity Shares of the Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of the Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Equity Shareholders and the names are in the same order as in the records of the Company.

  Responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

  If incomplete / incorrect beneficiary account details are given in the CAF the Investor will get Equity Shares in physical form.

  The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.

  Renouncees will also have to provide the necessary details about their beneficiary account for allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for Investors

(a) Please read the instructions printed on the enclosed CAF carefully.

(b) Application should be made on the printed CAF, provided by the Company except as mentioned under the head "Application on Plain Paper" on page 228 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with cheque/demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to the Company or Lead Managers to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by Demand Draft payable at Hyderabad of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected.

(c) Except for applications on behalf of the Central and State Government and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. **CAFs without PAN will be considered incomplete and are liable to be rejected.**

(d) Investors are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(e) All payment should be made by cheque/DD only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Company.

(g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with the Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

(h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(i) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

(j) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of the Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

(k) SAFs cannot be re-split.

(l) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(m) Investors must write their CAF number at the back of the cheque /demand draft.

(n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash. (For payment against application in cash please refer point (e) above).

(p) No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

Grounds for Technical Rejections

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable for;
- Bank account details (for refund) are not given;
- Age of first Investor not given;
- Except for CAFs on behalf of the Central or State Government and the officials appointed by the courts, PAN number not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;
- If the Investors desires to have Equity Shares in electronic form, but the CAF does not have the Investor's depository account details;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;
- CAFs not duly signed by the sole/joint Investors;

- CAFs by OCBs
- CAFs accompanied by Stockinvest;
- In case no corresponding record is available with the depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/dispatched from the US;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided;
- CAFs where the Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of the Letter of Offer and must be carefully followed. CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Mode of payment for Resident Equity Shareholders/ Investors

- All cheques / drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed 'A/c Payee only' and marked "Adani Enterprises Limited – Rights Issue";
- Investors residing at places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed 'A/c Payee only' and marked "Adani Enterprises Limited – Rights Issue" payable at Hyderabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Investment by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

The Issue of Equity Shares under this Issue to a single FII should not exceed 10% of the post-issue paid up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts the investment on behalf of each sub-account shall not exceed 5% of the total paid up capital of the Company.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Mode of payment for Non-Resident Equity Shareholders/ Investors

As regards the application by non-resident Equity Shareholders, the following conditions shall apply:

- Individual non-resident Indian applicants can obtain application form at the following address:

  Karvy Computershare Private Limited
  Plot No. 17-24, Vittal Rao Nagar
  Madhapur
  Hyderabad 500 081
  Tel: (91 40) 2342 0815 / 2342 0816
  Fax: (91 40) 2342 0859
  Email: einward.ris@karvy.com
  Website: www.karisma.karvy.com
  Contact Person: Murali Krishna

- Payment by non-residents must be made by demand draft payable at Hyderabad/cheque payable drawn on a bank account maintained at Axis Bank Limited or funds remitted from abroad in any of the following ways:

  Application with repatriation benefits

  - By Indian Rupee drafts purchased from abroad and payable at Hyderabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

  - By cheque/draft on a Non-Resident External Account (NRE) or FCNR Account maintained in Hyderabad; or

  - By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Hyderabad; or FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.

  - Non-resident investors applying with repatriation benefits should draw cheques/drafts in favour of 'Adani Enterprises – Rights Issue - NR' and must be crossed 'account payee only' for the full application amount, net of bank and postal charges.

  Application without repatriation benefits

  - As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Hyderabad or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Hyderabad. In such cases, the allotment of Equity Shares will be on non-repatriation basis.

- All cheques/drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of 'Adani Enterprises – Rights Issue - NR' and must be crossed 'account payee only' for the full application amount, net of bank and postal charges. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to IT Act.

- In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act which is reproduced below:

"*Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years*".

Dematerialized dealing

The Company has entered into agreements dated September 8, 1999 and October 28, 1999 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE423A01024.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by the Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

For further instruction, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

(i) All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 73 of the Companies Act;

(ii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

(iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

(iv) The Company may utilize the funds collected in the Issue only after the basis of allotment is finalized.

Undertakings by the Company

The Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of allotment.

3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by the Company.

4. The Company undertakes that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date,

giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the Basis of Allotment.

6. At any given time there shall be only one denomination for the shares of the Company.

7. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, the Company shall forthwith refund the entire subscription amount received within 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, (i.e. 15 days after the Issue Closing Date or the date of the refusal by the Stock Exchange(s), whichever is earlier) the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of Section 73 of the Companies Act.

Important

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

- All enquiries in connection with this Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and super scribed ‘Adani Enterprises Limited – Rights Issue’ on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

  Karvy Computershare Private Limited
  Plot No. 17-24, Vittal Rao Nagar
  Madhapur
  Hyderabad 500 081
  Tel: (91 40) 2342 0815 / 2342 0816
  Fax: (91 40) 2342 0859
  Email: adani.rights@karvy.com
  Website: www.karisma.karvy.com
  Contact Person: Murali Krishna

- It is to be specifically noted that this Issue of Equity Shares is subject to the risk factors mentioned in the section “Risk Factors” on page xi.

  The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment..

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

STATUTORY AND OTHER INFORMATION

Option to subscribe

Other than the present Issue, and except as disclosed in the section "Terms of the Issue" on page 218, the Company has not given any person any option to subscribe to the Equity Shares of the Company.

The Investors shall have an option either to receive the security certificates or to hold the securities in dematerialised form with a depository.

Material Contracts and documents for inspection

The following contracts (not being contracts entered in to in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered in to by the Company. These Contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, from 10.00 a.m. to 1.00 p.m., on working days, from the date of this Letter of Offer until the date of closure of the Issue.

1. Memorandum and Articles of Association of the Company.

2. Certificate of Incorporation of the Company dated March 2, 1993.

3. Certificate of Commencement of Business dated March 4, 1993.

4. Fresh Certificate of Incorporation upon change of name dated August 10, 2006.

5. Consents of the Directors, Auditors, Company Secretary, Lead Managers to the Issue, Legal Advisor to the Issue and Registrar to the Issue to include their names in the Letter of Offer to act in their respective capacities

6. Certificate dated March 10, 2010 from Dharmesh Parikh & Co., Chartered Accountants in relation to the loans proposed to be repaid from the Issue Proceeds.

7. Copy of the resolution of the Board of Directors dated October 30, 2009 approving this Issue

8. Agreement dated December 3, 2009 entered into with the Lead Manager to the Issue.

9. Addendum dated December 15, 2009 to the Lead Manager Agreement dated December 3, 2009.

10. Memorandum of Understanding dated November 30, 2009 entered into with the Registrar to the Issue.

11. Annual Reports of Fiscal 2005, 2006, 2007, 2008 and 2009.

12. Prospectus dated August 10, 1994 issued by the Company.

13. In-principle listing approval dated December 31, 2009 and December 22, 2009 from the BSE and NSE respectively.

14. Tripartite Agreement dated September 8, 1999 between the Company, NSDL and Pinnacle Share Registry Private Limited (formerly known as Pinnacle Finance Limited) for offering depository option to the investors.

15. Tripartite Agreement dated October 28, 1999 between the Company, CDSL and Pinnacle Share Registry Private Limited (formerly known as Pinnacle Finance Limited) for offering depository option to the investors.

16. SEBI observation letter no. CFD/DIL/SK/PN/197578/2010 dated March 5, 2010.

DECLARATION

No statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the Issue as also the guidelines, instructions etc. issued by SEBI, Government and any other Competent Authority in this behalf, have been duly complied with. We further certify that all the statements in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF THE COMPANY

____
Gautam S. Adani, Executive Chairman Non- Independent Director,

____
Rajesh S. Adani, Non-Independent Managing Director

____
Vasant S. Adani, Non-Independent, Non-Executive Director

____
Dr. Amratlal C. Shah, Independent Non-Executive Director

____
Dr. Pravin P. Shah, Independent Non-Executive Director

____
Jay H. Shah, Independent Non-Executive Director

____
Yoshihiro Miwa, Independent Non-Executive Director

____
Anil Ahuja, Independent Non-Executive Director

____
Devang Desai, Non- Independent Executive Director

Place: Ahmedabad
Date: March 12, 2010