DRAFT RED HERRING PROSPECTUS
Dated April 30, 2008
Please read Section 60B of the Companies Act, 1956
The Draft Red Herring Prospectus shall be updated upon filing with the RoC
100% Book Built Issue

ADANI

ADANI POWER LIMITED

(Our Company was incorporated on August 22, 1996 as a public limited company under the Companies Act, 1956. For details of changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page [•] of this Draft Red Herring Prospectus.)

Registered Office: Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.
Tel: +91 79 2656 5555; **Fax:** +91 79 2656 5500
Contact Person: Mr. Digish Shah, Company Secretary and Compliance Officer; **Tel :** +91 79 2656 5555; **Fax:** +91 79 2656 5500
Email: ipo@adanipower.com; **Website:** www.adanipower.com

PUBLIC ISSUE OF 296,948,000 EQUITY SHARES OF Rs. 10 EACH OF ADANI POWER LIMITED ("APL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [•] PER EQUITY SHARE) AGGREGATING TO Rs. [•] MILLION (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UP TO 4,000,000 EQUITY SHARES OF RS. 10 EACH FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE 14.35% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY AND THE NET ISSUE WILL CONSTITUTE [•]% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY.*

**The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up capital being offered to the public.*

PRICE BAND: Rs. [•] TO Rs. [•] PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [•] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("BRLMs") and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 4,000,000 Equity shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Issue Price.

Payment Methods

Amount Payable per Equity Share (In Rs.)	**Payment Method-1***			**Payment Method-2**		
	Retail Individual Bidders and Non-Institutional Bidders			**Any Category**		
	Face Value	**Premium**	**Total**	**Face Value**	**Premium**	**Total**
On Application	2.5	[•]	[•]	10.0	[•]	[•]
By Due Date for Balance Amount Payable	7.5	[•]	[•]	-	-	-
Total	10.0	[•]	[•]	10.0	[•]	[•]

**Non-Residents cannot subscribe to partly paid up Equity Shares under Payment Method-1. For risks associated with Payment Method – 1, kindly refer to page [•] of this Draft Red Herring Prospectus.*

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of equity shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares is Rs. 10 each. The Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value.** The Issue Price (as determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after they are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [•] as [•], indicating [•] through its letter dated [•]. For details see section titled "General Information" on page [•] and refer to "Material Contracts and Documents for Inspection" on page [•] of this Draft Red Herring Prospectus.

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 Equity Shares offered in the 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 the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page [•] of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus 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 make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received an 'in-principle' approval from the NSE and the BSE, for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [•].

GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER

DSP Merrill Lynch

DSP MERRILL LYNCH LIMITED
Mafatlal Centre, 10th Floor
Nariman Point
Mumbai 400 021
Tel: (91 22) 2262 1071
Fax: (91 22) 2204 8518
Email: apl_ipo@ml.com
Investor Grievance Email: india_merchantbanking@ml.com
Website: www.dspml.com
Contact Person: N. S. Shekhar
SEBI Registration No.: INM000002236

BOOK RUNNING LEAD MANAGERS

ENAM

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: aplipo.enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Anusha Bharadwaj
SEBI Reg. No. INM000006856

SBI CAPITAL MARKETS LIMITED
202, Maker Towers 'E',
Cuffe Parade,
Mumbai 400 005
Tel: (91 22) 2218 9166
Fax: (91 22) 2218 8332
Email : project.adani@sbicaps.com
Investor Grievance Id: investor.relations@sbicaps.com
Website : www.sbicaps.com
Contact Person : Alpa Joshi/Sylvia Mendonca
SEBI Registration No: INM000003531

ICICI Securities

ICICI SECURITIES LIMITED
ICICI Centre, H. T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: apl_ipo@isecltd.com
Investor Grievance Email: customercare@isecltd.com
Website: www.icicisecurities.com
Contact Person:Sumit Pachisia
SEBI Registration No: INM 000011179

BOOK RUNNING LEAD MANAGERS

IDFC SSKI

IDFC-SSKI PRIVATE LIMITED*
803-4 Tulsiani Chambers, 8th Floor,
Nariman Point, Mumbai 400 021
Tel: (91 22) 6638 3333
Fax: (91 22) 2282 6615
E-mail: apl..ipo@idfcsski.com
Investor Grievance Email:
complaints@idfcsski.com
Website: www.sski.co.in
Contact Person: Anjali Peri
SEBI Reg. No. INM000010254
*(*name being changed from SSKI Corporate Finance Private Limited subject to regulatory approvals)*

JM FINANCIAL

JM FINANCIAL CONSULTANTS PRIVATE LIMITED
141, Maker Chambers III
Nariman Point
Mumbai 400 021
Tel: (91 22) 6630 3030
Fax: (91 22) 2204 7185
Email: apl.ipo@jmfinancial.in
Investor Grievance Email:
grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Kunal Jain
SEBI Registration No: INM000010361

kotak Investment Banking

KOTAK MAHINDRA CAPITAL COMPANY LIMITED
3rd Floor, Bakhtawar, 229,
Nariman Point
Mumbai-400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: apl.ipo@kotak.com
Investor Grievance Email:
kmccredressal@kotak.com
Website: www.kotak.com
Contact Person: Chandrakant Bhole
SEBI Reg. No. INM000008704

Morgan Stanley

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED
1101-1115, Trident
Nariman Point
Mumbai 400 021
Tel: (91 22) 6621 0555
Fax: (91 22) 6621 0556
Email: apl_ipo@morganstanley.com
Investor Grievance Email:
investors_india@morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Contact Person: Amit H. Shah
SEBI Registration No.: INM000011203

REGISTRAR TO THE ISSUE

KARVY

KARVY COMPUTERSHARE PRIVATE LIMITED
"Karvy House", 46, Avenue 4
Street No 1, Banjara Hills
Hyderabad 500 034
Toll free no: 1-800-345-4001
Tel: (91 40) 2342 0815
Fax: (91 40) 2342 0814
Email: adani.ipo@karvy.com
Investor Grievance Email: adani.ipo@karvy.com
Website: www.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

ISSUE PROGRAMME

BID/ISSUE OPENS ON	[•]	**BID/ISSUE CLOSES ON**	[•]

TABLE OF CONTENTS

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "Us" or "Our"	Unless the context otherwise requires, refers to Adani Power Limited and its subsidiaries on a consolidated basis, as described in this Draft Red Herring Prospectus
"the Company", "our Company", "the Issuer" or "APL"	Unless the context otherwise requires, refers to Adani Power Limited, a public limited company incorporated under the Companies Act

Company Related Terms

Term	Description
Adani Group	Such entities in which the Adani family has business or financial interest, including interests in sectors such as ports, power, infrastructure, real estate, trading, edible oils, gas distribution and logistics
Articles/Articles of Association	The articles of association of the Company
Auditors	The statutory auditors of the Company namely Deloitte Haskins & Sells, Chartered Accountants
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof
Director(s)	Director(s) of the Company, unless otherwise specified
Memorandum/ Memorandum of Association	The memorandum of association of the Company
Promoters	The promoters of the Company, namely, Mr. Gautam S. Adani, Mr. Rajesh S. Adani and Adani Enterprises Limited
Promoter Group	The persons enumerated in "Our Promoters" and "Our Promoter Group" beginning on pages 158 and 163 of this Draft Red Herring Prospectus
Registered Office	The registered office of the Company, located at Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009
Subsidiaries	The subsidiaries of the Company, namely, Adani Power Maharashtra Limited, Adani Power Rajasthan Limited and Adani Power Dahej Private Limited

Issue Related Terms

Term	Description
Amount Payable on Submission of Bid-cum-Application Form	The amount specified under Payment Method-1 or Payment Method-2 for Retail Individual Bidders (except non-residents), Non-Institutional Bidders (except non-residents) and Eligible Employees and Payment Method-2 for any category.
Allotment/Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Balance Amount Payable	Issue Price less amount already paid, if any, payable by Retail Individual Bidders and Non-Institutional Bidders choosing Payment Method-1 and for which a Call Notice shall be issued by the Company on the date of Allotment
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 365 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a

Term	Description
	prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and which is payable by the Bidder on submission of the Bid in the Issue
Bid /Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Gujarati newspaper, each with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Gujarati newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	The Global Coordinator and Book Running Lead Manager and Enam, ISec, IDFC-SSKI, JM Financial, KMCC, Morgan Stanley and SBI Caps
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Cut-off Price	Issue Price, finalised by the Company in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employee whose Bid Amount does not exceed Rs. 100,000, are entitled to bid at the Cut Off Price. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
DP ID	Depository Participant’s Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
DSPML	DSP Merrill Lynch Limited
Due Date for Balance Amount Payable	Last date for payment of the Balance Amount Payable for Retail Individual Bidders and Non-Institutional Bidders choosing Payment Method-1, which is a date falling 21 days from the date of Allotment.
Eligible Employees	Permanent employees and directors of the Company, its Subsidiaries and AEL as of [●] who are Indian Nationals based in India and are present in India on the date of submission of the Bid cum Application Form
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red

Term	Description
	Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Employee Reservation Portion	The portion of the Issue being up to 4,000,000 Equity Shares available for allocation to Eligible Employees
Enam	Enam Securities Private Limited
Equity Shares	Equity shares of the Company of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Global Coordinator and Book Running Lead Manager	DSP Merrill Lynch Limited
IDFC-SSKI	IDFC-SSKI Private Limited
ISec	ICICI Securities Limited
Issue	Public issue of 296,948,000 Equity Shares of Rs. 10 each of the Company for cash at a price Rs. [●] per Equity Share aggregating Rs. [●] to Rs. [●]. The Issue comprises a Net Issue of [●] Equity Shares to the public and a reservation of upto 4,000,000 Equity Shares. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up capital being offered to the public
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
JM Financial	JM Financial Consultants Private Limited
KMCC	Kotak Mahindra Capital Company Limited
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Monitoring Agency	[●]
Morgan Stanley/MS	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 37 of this Draft Red Herring Prospectus

Term	Description
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date
Payment Method	Either of Payment Method-1 or Payment Method-2 chosen by Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees
Payment Method-1	Amount Payable on Submission of Bid-cum-Application Form in case of Retail Individual Bidders, Non-Institutional Bidders and Eligible Employee is Rs. [●] per Equity Share, such that it shall not be less than 25% of the Issue Price and Balance Amount Payable shall be paid by the Due Date for Balance Amount Payable. Non-Resident Bidders cannot avail the option of Payment Method-1. Under Payment Method – 1, out of the Amount Payable on Submission of Bid-cum-Application Form, Rs. 2.5 is towards face value and Rs. [●] is towards premium.
Payment Method-2	Amount Payable on Submission of Bid-cum-Application Form in case of Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees shall be 100% of Bid Amount and in case of QIBs is 10% of the Bid Amount with balance being payable on allocation
Price Band	Price band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and includes revisions thereof
Pricing Date	The date on which our Company, in consultation with the BRLMs, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount, paid by QIB bidders at the time of submission of their bid
QIB Portion	The portion of the Net Issue being not less than [●] Equity Shares of Rs. 10 each to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Banker(s)	[●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit or RTGS, as applicable
Registrar/Registrar to the Issue	Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue.
Retail Portion	The portion of the Net Issue being not less than [●] Equity Shares of

Term	Description
	Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
SBI Caps	SBI Capital Markets Limited
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Members	[●]
TRS/Transaction Registration Slip	The slip or document issued by a member of the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Service Tax Appellate Tribunal
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) 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
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time

Term	Description
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
INCOTERMS 2000	Year 2000 edition of the International Rules for the Interpretation of Trade Terms published by the International Chamber of Commerce
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
JV	Joint Venture
LIBOR	London Interbank Offered Rate
Mn	Million
MoU	Memorandum of Understanding
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
Re.	One Indian Rupee
RoC	The Registrar of Companies, Gujarat, Dadra and Nagar Haveli located at ROC Bhavan, CGO Complex, opposite Rural Park Society, Near Ankur Bus Stand, Navrangpura, Ahmedabad 380 013
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992

Term	Description
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The government of a state of India
Stock Exchange(s)	BSE and/or NSE as the context may refer to
UIN	Unique Identification Number
U.S./USA	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Technical/Industry Related Terms

Term	Description
BTG	Boiler, Turbine and Generator
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFBC	Circulating Fluidized Bed Combustion
COD	Commercial Operation Date
CPCB	Central Pollution Control Board
CTU	Central Transmission Utility as defined in the Electricity Act, 2003
EIA	Environmental Impact Assessment
Electricity Act	The Electricity Act 2003, as amended from time to time
EPC	Engineering, Procurement and Construction
ERC	Electricity Regulatory Commission
FI	Financial Institutions
GCV	Gross Calorific Value
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
GUVNL	Gujarat Urja Vikas Nigam Limited
IM	Information Memorandum
IPP	Independent Power Producers
KW	Kilo Watt
kWh	Kilo Watt Hour
MMT	Million Metric Tonnes
MPSEZ	Mundra Port Special Economic Zone
MPSEZL	Mundra Port Special Economic Zone Limited
MoEF	Ministry of Environment and Forests
MW	Megawatts
NLDC	National Load Dispatch Centre
NTPC	National Thermal Power Corporation Limited
O&M	Operation and Maintenance
PLF	Plant Load Factor
PPA	Power Purchase Agreement
RFP	Request for Proposal
RFQ	Request for Qualification

Term	Description
RLDC	Regional Load Dispatch Centre
RRVUNL	Rajasthan Rajya Vidyut Utpadan Nigam Limited
SEBs	State Electricity Boards
SERC	State Electricity Regulatory Commission
SEZ	Special Economic Zone
SPV	Special Purpose Vehicle
Standard Coal	Non-coking thermal run-of-mine recoverable coal meeting the specifications that is substantially free from impurities, including bone, slate, earth, rock, pyrite or wood.
STU	State Transmission Utility as defined in the Electricity Act, 2003
sq. km.	Square kilometre
UMPP	Ultra Mega Power Project
Units	kWh
VERs	Verified Emission Reductions

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in this Draft Red Herring Prospectus.

Our fiscal year commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences among Indian GAAP, IFRS and US GAAP. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" are to the United States of America, its territories and possessions and all references to "UK" are to the United Kingdom of Great Britain and Northern Ireland, together with all its territories and possessions.

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 Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP.

In this Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Currency and units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America. In this Draft Red Herring Prospectus we have presented certain numerical information in "million" units. One million represents 1,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless, otherwise stated, we have in this Draft Red Herring Prospectus used a conversion rate of Rs. 40.02 for one U.S Dollar, being the noon buying rate as of March 31, 2008 (Source: Federal Reserve Bank of New York). Such translations should not be considered as a representation that such U.S Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and Government data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "contemplate", "expect", "estimate", "future", "goal", "intend", "may", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", "will likely result", "will seek to" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant 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:

1. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy;

2. Unavailability of fuel for our power plants;

3. Inability to enter into financing/off-take arrangements for the proposed projects;

4. Inability to set up projects within the estimated time frame;

5. Certain inherent construction, financing and operational risks in relation to our projects;

6. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;

7. Foreign exchange rates, equity prices or other rates or prices;

8. The performance of the financial markets in India;

9. General economic and business conditions in India;

10. Changes in laws and regulations that apply to our clients, suppliers and the power generation and trading and construction and property development sectors;

11. Increasing competition in and the conditions of our clients, suppliers and the power generation and trading and construction and property development sectors; and

12. Changes in political conditions in India;

For further discussion of factors that could cause our actual results to differ from our expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xiii, 78 and 274 respectively of this Draft Red Herring Prospectus.

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. We, the BRLMs, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend 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 requirements, we and the BRLMs 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. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, 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 financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors.

Unless otherwise stated, the financial information of the Company used in this section is derived from our consolidated audited financial statements under Indian GAAP, as restated.

Risk Related to our Business

1. ***There is litigation currently outstanding involving our Directors, Promoters and entities forming part of our Promoter Group including proceedings relating to violation of securities laws and criminal complaint instituted by SEBI.***

Show cause notices have been issued to our Promoters, AEL, Mr. Rajesh S. Adani and Mr. Gautam S. Adani. Four show cause notices have been issued to AEL by the customs department/Directorate of Revenue Intelligence for alleged violations of customs laws. Three show cause notices have been issued to Mr. Rajesh S. Adani for alleged violations of the provisions of exchange control and customs laws. One show cause notice has been issued to Mr. Gautam S. Adani by the Directorate of Revenue Intelligence for alleged violations of the provisions of customs laws. The aggregate amount claimed under these show cause notices is Rs. 11.70 million plus penalties.

SEBI had by its order dated May 25, 2007 (the "SEBI Order"), prohibited the promoters of Adani Enterprises Limited, including, Adani Agro Private Limited and Adani Properties Private Limited, from accessing the securities market directly or indirectly and also prohibited them from buying, selling or otherwise dealing in securities, in any manner whatsoever, for a period of two years for aiding and abetting Ketan Parekh entities in manipulating the scrip of Adani Enterprises Limited. Adani Agro Private Limited and Adani Properties Private Limited are included in the Promoter Group of the Company. In an appeal filed by these entities, the Securities Appellate Tribunal passed an interim order dated July 13, 2007 (the "SAT Order") staying the implementation of the SEBI Order.

The promoter of AEL filed applications dated November 28, 2007 with SEBI for a consent order in terms of the SEBI Circular No. EFD/ED/Cir-I/2007 dated April 20, 2007. SEBI by its letters dated April 17, 2008 agreed in principle to settle the cases against the promoters of AEL and directed Adani Agro Private Limited to pay a sum of Rs. 1.0 million and the rest of the entities to pay a sum of Rs. 0.7 million each towards settlement charges and legal expenses within 15 days from the date of the consent letters, subject to the approval of consent terms by SAT and SAT and disposing of the said cases by passing an appropriate order. Adani Agro Private Limited and Adani Properties Private Limited have deposited the amounts as proposed. SAT has also by its order dated April 24, 2008 approved the consent terms and disposed off the cases.

SEBI has also filed a criminal complaint against Adani Enterprises Limited, Adani Properties Private Limited, Adani Agro Private Limited and Mr. Rajesh S. Adani (in his capacity as a trustee of Rajeshbhai S. Adani Family Trust) (collectively, the "Accused") in relation to execution of off-market deals in violation of provisions of the Securities Contract Regulation Act, 1956 and SEBI notification dated March 1, 2000.

For details of the above and other litigations pending against our Directors, Promoters and entities forming part of our Promoter Group, please see the section "Outstanding Litigation and Material Developments" on page 294 of this Draft Red Herring Prospectus. Such litigation is pending at different levels of adjudication before various courts and tribunals.

We cannot assure you that these legal proceedings will be decided in favour of our Directors, Promoters and Promoter Group. Decisions in such proceedings adverse to the interests of our Directors, Promoters and Promoter Group may have an adverse effect on such persons, and may have an adverse effect on us, our business and operations.

2. ***We have no operating history, so it is difficult to estimate our future performance.***

We currently have no power projects in operation or other revenue generating operations, and we have no significant operating history from which you can evaluate our business and future prospects and viability. Thus, we do not have experience that demonstrates our ability to develop and manage large-scale power projects including our ability to manage the growth of our business. The development of power projects involves various risks, including among others, regulatory risk, construction risk, financing risk and the risk that these projects may prove to be unprofitable. Developing power projects also poses significant challenges to our management, administrative, financial and operational resources. In addition, we are in the process of acquiring land, procuring environmental and other approvals, entering into financial agreements and obtaining detailed project appraisal reports for certain of our projects. Any inability to effectively develop and operate our power projects could adversely affect our business prospects, financial condition and results of operation. You should not evaluate our prospects and viability based on the performance of our Promoter, AEL or other affiliates. Commercial operations of the first unit of our first power project, Mundra I and II, are not scheduled to commence until January 2009. Our prospects must be considered in light of the risks and uncertainties inherent in new business ventures. As a result, we cannot provide any assurance about our future performance or that our business strategy will be successful.

3. ***We cannot assure you that our power projects will commence operations as expected.***

We are developing six power projects capable of generating 9,900 MW of power that are at various stages of planning and development. These power projects have long gestation periods due to the process involved in commissioning power projects. Power projects typically require months or even years after being commissioned before positive cash flows can be generated, if at all. As a result, the probable effect of our power projects on our financial performance is difficult to evaluate. In addition, given the amount of developmental activity in the power sector in India, the commercial viability of our power projects that are not operational 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. We cannot ensure that all potential liabilities that may arise from contractor performance, such as delays, substandard workmanship and shortfall in performance, will be covered or that the damages that may be claimed from such contractors shall be adequate to cover any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

There can be no assurance that these 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. 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.

4. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our operations, results and financial condition.***

We expect that our growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. In particular, continued expansion increases the challenges involved in financial and technical management, recruitment, training and retaining sufficient skilled technical and management personnel and developing and improving our internal administrative infrastructure. Our inability to manage our expansion effectively and execute our growth strategy could have an adverse effect on our operations, results, financial condition and cash flows. We intend to continue expansion in the foreseeable future to pursue existing and potential market opportunities. Our future prospects will depend upon our ability to grow our business and operations further.

In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees, pursue new business, complete future strategic agreements or operate our business effectively. Failure to effectively budget capital expenditures or accurately estimate operational costs associated with contracts could result in delays in contractual commitments, penalties, give customers the right to terminate contracts for breach, or cause our profit margins not to meet our expectations.

There can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our operations, results and financial condition.

5. ***Our plans require significant capital expenditures and if we are unable to obtain the necessary funds on acceptable terms for expansion, we may not be able to fund our power projects and our business may be adversely affected.***

The development of power projects is a capital intensive business and our power projects may require significant additional capital. Our estimated development cost is Rs. 43,500.00 million in respect of our Mundra I and II power project, for which we have obtained Rs. 37,250.00 million in secured loans, and our estimated development cost is Rs. 57,960.00 million in respect of our Mundra III power project, for which we have secured US$ 500.00 million and Rs. 24,540.00 million in secured loans. Our estimated development cost is Rs. 89,600.00 million in respect of our Mundra IV power project, for which we have obtained an underwriting sanction letter for a total of Rs. 53,800.00 million, our estimated development cost is Rs. 92,630.00 million in respect of our Tiroda power project, for which we have obtained a sanction letter for Rs. 28,000.00 million and an underwriting letter for Rs.16,300 million, our estimated development cost is Rs. 58,890.00 million in respect of our Kawai power project, for which we have obtained an underwriting letter for Rs. 35,400.00 million, and our estimated development cost for our Dahej power project is Rs. 88,810.00 million, for which we have obtained in-principle sanction for Rs. 53,250.00 million. Moreover, the commitments for our Mundra IV, Dahej, Tiroda and Kawai power projects are subject to a number of conditions precedent, such as completion of documentation satisfactory to parties thereto, among others. Our estimated development cost with respect to our Mundra IV, Dahej, Tiroda and Kawai power projects on an aggregate basis is Rs. 329,930.00 million, and we have not yet entered into definitive financing agreements with respect to any of these power projects. The implementation of our power projects is also subject to a number of variables, and the actual amount of capital requirements to implement these power projects may differ from our estimates. We cannot guarantee that the funding requirements of any particular power project will not substantially exceed these estimates. In addition, due to the number of large-scale infrastructure projects currently under development in India and increased lending by banks and institutions to these projects, resulting in domestic funds not being available or not being available on commercially reasonable terms, we may not be able to receive adequate debt funding in India and may be required to seek funding internationally, resulting in exposure to higher interest rate and foreign exchange risks. If the funding requirements of a particular power project increase, we will need to look for additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms, which may have an adverse effect on the profitability of that power project. In addition, our existing financing agreements provide that we need to obtain approval of our existing lenders for incurring further indebtedness. We cannot assure you that we will receive such approvals in a timely manner or at all.

Our ability to finance our capital expenditure plans is 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. Furthermore, adverse developments in the Indian and international credit markets may significantly increase our debt service costs and the overall cost of our funds. 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. In addition, we currently intend to finance approximately 20.0% of the costs of our power projects from equity contributions and approximately 80.0% of the costs of our power projects from third party debt. While we believe that this division reflects the current market for financing power projects in India, this standard may change or financial institutions or investors may require additional contributions from us. If this occurs, it will reduce our leverage for the project being financed and may negatively impact our expected returns. If we are unable to raise the capital needed to fund the costs of our power projects, or experience any delays in raising such funds, there could be an adverse effect on our ability to complete these power projects and on our revenues and profitability.

6. ***We intend to incur substantial borrowings in connection with the development of our power projects and may not be able to meet our obligations under these debt financing arrangements.***

We have six power projects under various stages of planning and development, with a total estimated cost of Rs. 431,390.00 million. We intend to finance approximately 80.0% of the cost of each of our planned power projects with third-party debt and therefore expect to incur substantial borrowings in the future. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business over time, as well as support from our shareholders. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings, comply with covenants or fund other liquidity needs. Furthermore, adverse developments in the Indian credit markets or a reduced perception of our creditworthiness in the credit markets could increase our debt service costs and the overall cost of our funds. If we fail to meet our debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations or take over the financed power project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

The duration of our off-take arrangements may not match the duration of the related financing arrangements and we may be exposed to refinancing risk. In the event of an increase in interest rates, our debt service cost may increase at the time of refinancing our loan facilities and other financing arrangements, but our revenues under the relevant PPA may not correspondingly increase. This mismatch between the duration of our financing arrangements and the relevant PPAs may have an adverse effect on our business, financial condition and results of operations.

7. ***Any breach of the terms under our financing arrangements could trigger a cross-default under our other financing arrangements, lead to termination of one or more of our financing arrangements and/or force us to sell assets.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things, our reorganization, amalgamation or merger, our incurrence of additional indebtedness, the disposition of assets and the expansion of our business. There can be no assurance that such consent will be granted. These agreements also require us to maintain certain financial ratios. If we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, certain of our financing arrangements may contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of any individual default. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Additionally, because some of our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment.

Our future borrowings, including any borrowings in connection with the development and construction of the power projects, may contain restrictive covenants and events of default that could limit our ability to undertake certain types of transactions and could adversely affect our liquidity.

8. ***Increases in interest rates may affect our results of operations.***

We are exposed to interest rate risk and do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements or other material agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into 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.

9. ***Our operations will have significant fuel requirements, and we may not be able to ensure the availability of fuel at competitive prices.***

All of our power projects are planned to be coal-fired thermal projects. The success of our operations will depend on, among other things, our ability to source fuel at competitive prices. We have entered into long-term coal supply agreements with AEL for supply of coal for the Mundra I and II, Mundra III, Mundra IV and Dahej power projects. Our Tiroda power project will source a significant portion of its coal requirements from captive mines. We have not yet secured supply of coal for our Kawai power project. For details of the fuel arrangements for our power projects see the section “Our Business” beginning on page 78 of this Draft Red Herring Prospectus.

The coal supply agreements with AEL do not restrict AEL from selling coal to our competitors or other consumers. The coal supply agreements with AEL may be on terms favourable to us, and any amendment or termination of such agreements could adversely affect our results of operations and business. Further, our coal suppliers may default on their obligations to us under the coal supply agreements, which may adversely affect our business and results of operations. In case AEL is unable to fulfil its obligations under the terms of the coal supply agreements, our ability to renegotiate the terms of such agreements or seek remedy may be limited as AEL will continue to be our largest shareholder after the Issue.

Each of our power projects are currently expected to rely on single fuel suppliers for their entire fuel requirements through captive fuel supplies or through long term agreements with AEL. This dependence on single fuel suppliers exposes our power projects to serious vulnerabilities such as non-supply due to reserves depletion, pro-rata scaling down of supply to all consumers, onerous contractual terms and an inability to obtain alternative fuel at short notice. There can be no assurance that we will be able to obtain coal supplies either in sufficient quantities and on commercially acceptable terms, or at all. We may also have to purchase coal at a significantly higher spot price from the market for carrying out our operations, which could have an adverse effect on our business, financial condition and results of operations.

Moreover, coal allocations are regulated by the Government of India. We cannot assure you that we will be allocated an adequate quantity of coal at competitive prices to satisfy the necessary fuel supplies for Tiroda power project or that we will be able to obtain necessary additional fuel supplies from other sources on competitive terms.

10. ***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.***

We have entered into 25-year coal supply agreements with AEL for our Mundra I and II, Mundra III, Mundra IV and Dahej power projects. We have been awarded two coal blocks with combined estimated reserves of approximately 170 million tons for our Tiroda power project. Estimates of coal reserves from where we intend to source coal from 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. In addition, the initial phase of development before production may take longer than we anticipate and could lead to delays in power plant production schedules. The economic feasibility of exploiting a discovery may change as a result of changes in the market price for coal during the development period. If the quantity or quality of our coal reserves has been overestimated, we would deplete our coal reserves more quickly than anticipated and may have to source the required coal in the open market. Prices for coal in the open market may exceed the cost at which we might otherwise be able to extract coal by ourselves, which would cause our costs to increase and consequently adversely affect our business, financial condition and results of operations.

11. ***The allocation of coal mines for our Tiroda power project is subject to certain conditions.***

The Government of India has allocated two coal blocks with combined estimated reserves of approximately 170 million tons for our Tiroda power project. Under the letter of allocation for these blocks, the allocation has been made to meet the requirements for generating up to 1,000 MW of power at our Tiroda power project. We have applied to the Standing Linkage Committee, Ministry of Coal for allocating additional long term coal linkage for our Tiroda power project. In the event we do not receive the permission for such a higher capacity power project, we will have to make alternative arrangements for coal supply for this power project.

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. In the event of a lag in the achievement of milestones in the development of mines, the Government of India may deduct proportionate amounts from a bank guarantee submitted by us. We are also required to guarantee certain amount of production of coal during the tenure of the allocation. In the event of a deficiency in the production of coal, the Government of India is entitled to deduct a percentage of amount equal to percentage of deficit from the bank guarantee. In the event of unsatisfactory progress in the development of the coal mines, the coal allocation may also be cancelled.

12. ***We have no experience in mining operations, which are subject to various risks.***

We have no experience in operating mining blocks. We have been allotted two coal blocks to source fuel for our Tiroda power project and we are responsible for mining the coal. 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 exposing us to significant liability. We may incur significant costs, which may not be adequately covered by insurance, that could have an adverse effect on our results of operations and financial condition.

13. ***We may not be successful in carrying out operating and maintaining (O&M) activities for our power projects.***

We currently intend to carry out in-house 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.

14. ***Our success depends on stable and reliable transportation infrastructure.***

We depend on various forms of transport, such as roadways, railways and pipelines to receive fuel, raw materials and water during construction of our power projects and during their operation. The building of transportation infrastructure entails obtaining approvals, rights of way and development by the Government of India or the state governments and their nominated agencies and us. As a result, we will not have total control over the construction, operation and maintenance of the transportation infrastructure. There can be no assurance that such transportation infrastructure will be constructed in a timely manner, operated on a cost effective basis and maintained at adequate levels, which may affect the estimated commissioning dates for our power projects. Undertaking such development will require significant capital expenditure and active engagement with the Government and its agencies responsible for organizing transport infrastructure and related technologies. Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road or rail infrastructure, or other events could impair the ability of our suppliers to deliver fuel and raw materials. We can provide no assurance that such disruptions due to the occurrence of any of the factors cited above will not occur in the future.

15. ***Our success depends on the reliable and stable supply of water to our power projects.***

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 inland power projects. We intend to construct two water desalination plants. We intend to draw water from the Lhasi and Andheri rivers to meet the needs of the Kawai power project and we are yet to apply to the Water Resource Department ("WRD") of Government of Rajasthan for approval to draw water. The Tiroda power project has received a Letter of Intent from the Vidarbha Irrigation Development Corporation to draw water from river Waiganga. The Mundra I and II, Mundra III and Mundra IV power projects will utilize sea water to meet their consumptive and cooling water requirements. The Dahej power project will utilize a combination of sea water to meet cooling requirements and river water to meet its consumptive 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 construct the desalination plants or 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.

16. ***Significant increases in prices or shortages of building materials could increase our cost of construction.***

While we have entered into fixed price construction contracts for the Mundra power projects and we intend to enter into fixed price construction contracts for the development of our Tiroda, Dahej and Kawai power projects, the cost of these contracts are ultimately affected by the availability, cost and quality of raw materials. The principal raw materials used in construction of power projects include cement and steel besides boilers, turbines and generators. The prices and supply of these and other raw materials depend on factors not within our control, including general economic conditions, competition, production levels, transportation costs and import duties. Price increases or shortages in these raw materials could adversely affect our ability to develop our power projects in line with our projected budget and we may not be able to complete our power projects as scheduled, which would have an adverse effect on our business, financial condition and results of operations. The BTG package is another major component in our power plants and any delay in placing orders or obtaining delivery will have an adverse effect on our business, financial condition and results of operations.

17. ***If power evacuation facilities are not made available by the time our power projects are ready to commence operations, 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. We expect our prospective purchasers of power to request us to deliver power to them even if they are located at significant distances from our power projects. For evacuating power, we intend to construct long distance transmission lines at our cost or use expensive government lines and systems. We may not be successful in obtaining right of way from land owners for the construction of our transmission lines. If such transmission lines are not made available 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. Moreover, our intention to develop transmission lines is dependent upon the current demand and supply position in India. At any time, we may decide to modify our intent to develop transmission lines which may affect our revenues and expenditures.

18. ***We may not be able to establish new off-take arrangements for our power generation facilities on terms acceptable to us or at all.***

We are developing power projects with combined installed capacity of 9,900 MW. Of this, we have entered into PPAs for 2,000 MW and an agreement for merchant sale of surplus power from Mundra III power project with AEL. We will need to enter into other off-take agreements for the balance of the power to be generated by our other power projects. We have submitted a bid to supply 1,425 MW of power to the state of Haryana and 1,420 MW of power to MSEDCL. 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, or industrial consumes or licensed power traders. It is likely that any decision by these entities regarding the purchase of power from us will depend upon a variety of factors, some of which are beyond our control, such as the demand for power, the availability of alternative sources of supply, and the competitiveness of the various potential power producers. 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, despite the existing demand supply gap for power in India. 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.

19. ***Changes to tariff regulations may adversely affect our results of operations and our cash flow from operations.***

Power tariffs in India are established through competitive bidding or determined by central or state regulators. To the extent tariffs are determined by regulators, the price at which we sell power may have little or no relationship to our cost of supplying this power under long term PPAs. Unless a regulator agrees, we may be limited in our ability to pass on to a customer the increased production costs such as capital and fuel cost, required for the operation of our power plants.

20. ***Our PPAs may expose us to certain risks that may affect our future results of operations.***

Our profitability is largely a function of our ability to manage our costs during the terms of our PPAs and operate our power projects at optimal levels. If we are unable to manage our costs effectively or operate our power projects at optimal levels, our business prospects, financial condition and results of operations may be adversely affected.

We have entered into long-term PPAs for our Mundra I and II and Mundra III power projects for the supply of an aggregate of 2,000 MW for a term of 25 years at pre-determined tariffs and an agreement for merchant sale of surplus power from Mundra III power project with AEL. We intend to enter into additional PPAs for our other power projects. Under a long-term PPA, we typically sell power generated from a power plant to the consumers at pre-determined tariffs. In the power project business, there are often restrictions on a company's ability to, among other things, increase prices at short notice, sell interests to third parties and undertake expansion initiatives with other consumers. Accordingly, if there is an industry wide increase in tariffs, we will not be able to renegotiate the terms of the PPAs to take advantage of the increased tariffs. In addition, in the event of costs of coal, transportation, taxes, duties and other increases in costs due to higher financing charges, we do not have the ability to reflect a corresponding increase in our tariffs. Therefore, the prices at which we supply power may have little or no relationship with the costs incurred in generating power, which means that our margins will fluctuate significantly. We also expect to enter into short-term PPAs, which may create additional variability in our revenues and could expose our business to risks of market fluctuations in demand and price for power. These risks limit our business flexibility, exposes us to an increased risk of unforeseen business and industry changes and could have an adverse effect on our business, prospects, financial condition and results of operations.

In PPAs with government entities, we may face difficulties in enforcing the payment provisions, as compared to private sector procurers. Faced with disputes and counterclaims between transmission companies, electricity boards and generation companies caused by a variety of factors, certain entities have in the past refused to perform their obligations under such payment provisions until such disputes or counterclaims have been fully resolved, which can take a substantial period of time. Certain government entities in India have had in the past weak credit histories and we cannot assure that these entities will always be able to or willing to pay us in a timely fashion, if at all. Any failure by any government entity to fulfil its obligations to us could have an adverse effect on our cash flows, income, business prospects and results of operations.

21. ***We depend on various contractors or specialist agencies to construct and develop our power projects, some of whom supply sophisticated and complex machinery to us.***

We depend on the availability of skilled third party contractors for the development and construction of our power projects and supply of certain key equipments, including BTG. We do not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. In addition, as a result of increased industrial development in India in recent years, the demand for contractors with specialist design, engineering and project management skills and services has increased manifold, resulting in a shortage of and increasing costs of such contractors. As a result, we may be unable to hire domestic or international contractors with significant India experience, a proper reference base, with an established track record and with adequate working capital facilities to complete construction, installation and commissioning of our power projects. We cannot assure you that such skilled and experienced contractors will continue to be available at reasonable rates in the areas in which we conduct our operations, and we may be exposed to risks relating to the quality of their services, equipment and supplies.

In addition, we require the continued support of certain original equipment manufacturers to supply necessary services and parts to maintain our power projects at affordable cost. If we are not be able to procure the required services or parts from these manufacturers (for example, as a result of the bankruptcy of the manufacturer), or if the cost of these services or parts exceed the budgeted cost, there may be an adverse effect on our business, financial condition and results of operations.

Contractors and suppliers in our business are generally subject to liquidated damages payments for failure to achieve timely completion or performance shortfalls. We may not be able to recover from a contractor or supplier the full amount of losses that may be suffered by us due to such failure to achieve timely completion or performance shortfalls.

22. ***If the development or operation at one or more of our units 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, other environmental risks, and labour disputes. In addition, Gujarat is prone to earthquakes and the occurrence of any earthquake, particularly in or near Mundra or Dahej where four of our power projects will be based, could have an adverse effect on our business and results of operations.

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, are also subject to being shut down. We rely on extremely sophisticated and complex machinery that is built by third parties and may be susceptible to malfunction. 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 and 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 off-takers 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.

23. ***When our power projects commence operations, 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 expect to employ significant number of employees once we commence operations at our power projects. 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, which could adversely affect 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, 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.

24. ***We require a number of approvals, licenses, registrations and permits to develop and operate our business, and the failure to obtain or retain them in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits for developing and operating power projects and for which we may have either made or are in the process of making applications for obtaining a number of approvals, licenses, registrations and permits.

For more information, see "Government Approvals" on page 322 of this Draft Red Herring Prospectus. To develop and operate power projects, we are required to seek approvals, licenses, registrations and permits from various government entities. For example, we are required to procure environment clearance from the Ministry of Environment and Forests, no objection certificates from Airport Authority of India concerning the construction and height of the chimneys of the power projects, approvals for sea water intake and discharge from concerned maritime boards, approvals for river water intake from concerned state authorities, approval for land acquisition from state governments and approval for laying of transmission lines. If we fail to obtain any applicable approvals, licenses, registrations and permits in a timely manner, we may not be able to develop our power projects on time, or at all, which could affect our business and results of operations. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure.

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 transfer any of 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 subject to suspension or revocation for non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to 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 the successful commissioning and operations of our power projects

25. ***Our costs of compliance with environmental laws are expected to be significant, and the failure to comply with existing and new environmental laws could adversely affect our results of operations.***

Our power projects are subject to national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. Environmental regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. We may also be required to bear additional expenditure for establishment of additional infrastructure, such as laboratory facilities for monitoring pollution impact and effluent discharge and effluent treatment or recycling plants. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result thereof may have an adverse effect on our business, prospects and results of operations.

We expect to generate a considerable amount of ash in some of our power projects. There are limited options for utilizing ash and therefore the demand for ash is currently low. While we continue to explore methods to utilize or dispose of ash, our ash utilization activities may be insufficient to dispose of the ash we expect to generate. We are subject to a Government of India requirement that by 2014, 100.0% of the fly ash produced through our generation activities must be gainfully utilized. Compliance with this requirement, as well as any future norms with respect to ash utilization, may add to our capital expenditures and operating expenses.

We could be subject to substantial civil and criminal liability and other regulatory consequences in the event that an environmental hazard was to be found at the site of any of our power stations, or if the operation of any of our power stations results in material contamination of the environment. We may be the subject of public interest litigation in India relating to allegations of environmental pollution by our power projects, as well as in some cases having potential criminal and civil liability filed by state pollution control authorities. If such cases are determined against us, there could be an adverse effect on our business and operations.

26. ***Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances.***

The power generation business requires us to work under potentially dangerous circumstances, with highly flammable and explosive materials. Despite compliance with requisite safety requirements and standards, our operations are subject to hazards associated with handling of such dangerous materials. If improperly handled or subjected to unsuitable conditions, these materials could hurt our employees or other persons, cause damage to our properties and properties of others and harm the environment. This could subject us to significant disruption in our business, legal and regulatory actions, costs and liabilities, which could adversely affect our business, financial condition and results of operations.

27. ***We may not have sufficient insurance coverage to cover all possible economic losses.***

Operations in our power generation business carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance coverage, including insurance against damage, loss of profit and business interruption, marine inland transit and third party liability with respect to our power projects, which we believe is in accordance with the market practice in India. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

28. ***The construction and operation of our power projects or mines may face opposition from local communities and other parties.***

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, the public, the forest authorities and other authorities may oppose mining operations due to the perceived negative impact mining may have on the environment. We have not had to undertake any resettlement and rehabilitation programs for our mining activities, however, as our mining activity increases and we start to infringe on local habitations, we may have to resettle the local inhabitants. We cannot assure you that we will not encounter such opposition. Significant opposition by local communities, non-governmental organizations and other parties to the construction of our power projects may adversely affect our results of operations and financial condition.

29. ***We may not be able to acquire sufficient land area for our project site development.***

We are in the process of identifying and acquiring land required for developing our Tiroda, Dahej and Kawai power projects. We cannot assure you that we will be able to identify adequate parcels of land or that such acquisitions will be completed in a timely manner, on terms that are commercially acceptable to us, or at all. In addition, the registration process for the land already acquired may not have been completed, which may expose us to title risks.

30. ***Certain properties, including the land on which we are constructing our power projects and our registered office are not owned by us and we enjoy only a leasehold right over these properties.***

Some of our power projects are being constructed on land that has been leased to us. Upon the termination of the lease, we are required to return the lands to the owners. We may not be able to recover the amount paid as security to the land owners or the costs incurred for the construction and development of the power plant during the lease period. Further, these lease agreements typically have a clause where the lease may, but is not required to, be extended with the consent of the parties. The term of the land lease agreements are also not co-terminus with the lifetime of the power projects. In the event that the owners do not wish to renew the lease agreements, our business, financial condition and results of operations could be adversely affected.

In addition, the premises on which our registered office is situated has been leased to us by Adani Properties Private Limited ("Adani Properties") pursuant to a lease agreement dated September 27, 2006. We are required to pay lease charges of approximately Rs. 0.07 million per month and the lease may be terminated by Adani Properties by giving a one months notice to us. If Adani Properties decides to terminate the lease, we may suffer a disruption in our operations.

31. ***We expect to receive certain tax benefits, which may not be available to us in the future.***

In accordance with and subject to the condition specified in Section 80 IA of' the Income Tax Act, 1961, we would be entitled to deduction of 100% of profits derived from the generation, distribution or transmission of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the undertaking generated power or commences transmission or distribution of power before March 31, 2010. For details of the tax benefits available to us, see the section "Statement of Tax Benefits" beginning on page 56 of this Draft Red Herring Prospectus. We may not be eligible to receive the tax benefits for power projects that are commissioned after the designated date.

We are developing each of the Mundra power projects in a sector-specific special economic zone ("SEZ") which will entitle us to benefits in terms of exemptions from income tax, excise duty, central sales tax, service tax, dividend distribution tax and customs duty on import of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment. Although we have received notification from the Government of India with respect to land in our possession covering Mundra I and II and Mundra III power projects and the surrounding area of 293.88 hectares, we may in the future experience delays in acquiring or be unable to acquire, additional land or obtain notification of such land in or around the Mundra I and II and Mundra III projects. In addition, we do not have expertise in setting up a SEZ.

32. ***We expect to receive certain customs and excise duty exemptions under the Mega Power Project Policy and the costs of our power projects may be higher than estimated if we do not receive these exemptions.***

The Government introduced the Mega Power Project Policy in November 1995 where selected power projects in the public and private sector are entitled to several concessions and benefits, such as exemption from customs duty on imports of equipment and material. In order to qualify for the mega power project status, thermal power projects shall have a power plant capacity of 1,000 MW or more, with inter state supply located in the states other than Jammu and Kashmir and other North East states. We have applied to the Ministry of Power for grant of mega power project status for our Tiroda power project and we are in the process of applying for similar status for our Dahej and Kawai power projects. While estimating the costs of these power projects, we have assumed that we will be entitled to the income tax, customs duty and excise duty exemptions. If our Tiroda, Dahej and Kawai power projects do not qualify for these exemptions, the costs of these power projects will be higher than the estimates and we would have to seek additional funds to complete construction of the power projects and construction of the power projects may be delayed.

33. ***We have entered into certain related party transactions and continue to rely on our Promoter and Promoter Group companies for certain key development and support activities and guarantees.***

Our power projects will depend upon the services of our Promoters and our Promoter Group with respect to coal supply, development and support, including the identification, negotiation and conclusion of the various facilities, agreements, access and support infrastructure for our power projects. Particularly, we have entered into coal supply agreements with AEL for our Mundra I and II, Mundra III, Mundra IV and Dahej power projects. In case AEL is unable to fulfil its obligations under the terms of the coal supply agreements, our ability to renegotiate the terms of such agreements or seek remedy may be limited as AEL will continue to be our largest shareholder after the Issue. Conflicts may also arise in the ordinary course of our decision-making in connection with our negotiations and dealings with Adani Group companies with respect to services that they provide to us and the arrangements that we may enter into with them.

34. ***Several of our large capacity power projects are geographically concentrated.***

Once all our power projects are commissioned, we shall have four power projects in the state of Gujarat (aggregating 6,600 MW). Any significant social, political or geological disruption in the state of Gujarat, or changes in the state or local governments, 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.

35. ***Changes in technology may affect our business by making our equipment or power projects less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. For example, with increasing global concerns on carbon emissions and potential mitigation through clean development mechanisms, carbon credits and certified emissions, we may not stand to gain substantially from usage of new emerging technologies that our competition could choose to use. There can be no assurance that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

Changes in technology and high fuel costs may make newer generation power projects or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. In addition, there are other technologies that can produce electricity, most notably fuel cells, micro turbines, windmills and photovoltaic (solar) cells. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

36. ***Our success will depend on our ability to attract and retain our key personnel.***

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for the project implementation, management and running of our daily operations and the planning and execution of our business strategy.

There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the power business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. We do not own key man insurance and the loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations.

Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would adversely affect our business and results of operations. We are subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business, and results of operations.

37. ***Our Promoters may have a conflict of interest as some of our Promoter Group companies operate in related areas of business.***

Some of our Promoter Group companies are in related businesses and we have had, and will continue to have, business dealings with such companies. There is no non-competition agreement in place between other Adani Group companies and us. Other Adani Group companies may develop power generation projects in the future that may compete with us. There may be conflicts of interest between the Adani Group companies and us in bidding for new projects, supply of fuel and in selling power from projects that are operated by us and by other members of the Adani Group. In case of any conflict, our Promoters may favour the interest of our Promoter group companies over us. Our individual Promoters also hold key managerial roles in most of these Promoter group companies which may require their time and efforts. Therefore our individual Promoters may not be able to devote their full time and attention on their managerial duties in relation to us. For further information on Promoter group companies, please refer to "Our Promoters" and "Our Promoter Group" on pages 158 and 163, respectively, of this Draft Red Herring Prospectus.

38. ***Our Promoters will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us.***

The substantial majority of the issued and outstanding Equity Shares are currently beneficially owned by our Promoters, including AEL. Upon completion of the Issue, our Promoters will own approximately [•] Equity Shares, or [•]% of our post-Issue Equity Share capital. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter Group as the Company's controlling shareholder could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that the Promoter Group will act to resolve any conflicts of interest in the Company's favour.

39. ***We have issued Equity Shares to AEL and a private equity investor during the last year at a price that may be below the Issue Price.***

We have issued Equity Shares to AEL, Grow Power Trust and 3i Power Investments A1 Limited at a price that may be lower than the Issue Price. For further details, please see section titled "Capital Structure" on page 29 of this Draft Red Herring Prospectus.

40. ***Our management will have significant flexibility in applying the Net Proceeds of the Issue.***

We intend to use the Net Proceeds of the Issue for the capital expenditures described in section titled "Objects of the Issue" on page 37 of this Draft Red Herring Prospectus. Our management may determine that it is appropriate to revise our estimated costs, fund requirements and deployment schedule owing to factors such as geological assessments, exchange or interest rate fluctuations and changes in design or configuration of the power project, any rehabilitation and other preoperative expenses and other external factors which may not be within the control of our management.

Further, pending utilization of the Net Proceeds of the Issue and other financings, we intend to invest such Net Proceeds of the Issue in interest-bearing liquid instruments including money market mutual funds and bank deposits as approved by our Board of Directors. Although the utilization of the Net Proceeds of the Issue and other financings will be monitored by the Board and the Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds of the Issue. In addition, Rs. [•] million has been allocated to general corporate purposes and will be used at the discretion of the management.

41. ***We have not entered into any definitive agreements to use a portion of the Net Proceeds of the Issue.***

The deployment of funds as described in the section "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus is at the discretion of our Board, though it is subject to monitoring by an independent agency. While we have entered into various agreements for construction and supply of equipment and machinery for our Mundra I&II, Mundra III, Mundra IV and Tiroda projects, we have not entered into definitive agreements, nor have we placed orders for equipment and machinery for our power projects at Dahej and Kawai. There can be no assurance that we will be able to conclude definitive agreements on terms anticipated by us or at all. In the event we are unable to enter into arrangements at favorable terms and conditions, as expected and assumed by us, or in a timely manner or at all, we may not be able to achieve the expected benefits from the Net Proceeds of the Issue and our financial results may suffer.

42. ***The Net Proceeds of the Issue may be inadequate and we may not be able to raise additional capital to fund the balance costs for power projects that are a part of the "Objects of the Issue".***

The Net Proceeds of the Issue are expected to cover a part of the estimated cost to complete our power projects. We have received sanction letters for term loans aggregating Rs. 28,000 million and sanction letters with respect to underwriting for term loans aggregating Rs. 105,500 million from certain banks and financial institutions to finance these power projects in part. We have also received in-principle sanction letters aggregating Rs. 53,250 million from other financial institutions. Although these sanctions and in-principle sanction letters include preliminary term sheets, these term sheets are indicative only and are subject to conditions and commercial negotiations. We may not be able to fulfil all or any of the conditions or agree on commercial terms or non-commercial terms with these banks and financial institutions, in which case they would have no obligation to provide such loans to us. For more details, see "Objects of the Issue – Means of Finance".

There can be no assurance that the Net Proceeds of the Issue and the debt tied up will be adequate to finance the development of our power projects and we may need to raise an additional amount to fund the balance costs for these power projects. There can be no assurance that we will be able to arrange additional financing on terms that would be acceptable to us, or at all. If we are unable to negotiate terms satisfactory to us, we will have to seek financing from other sources in order to complete these power projects. Other sources of financing may not be available and we may not be able to obtain the capital necessary to fund the development of the power projects.

43. ***Future sales of Equity Shares by our Promoters and other significant shareholders may adversely affect the market price of our Equity Shares.***

After the completion of the Issue, our Promoters will own, directly and indirectly, approximately [•]% of our outstanding Equity Shares. Sales of a large number of our Equity Shares by our Promoters could adversely affect the market price of our Equity Shares. In addition, 3i Power Investments A1 Limited ("3i") will own, after completion of the Issue, [•]% of our outstanding Equity Shares and subject to certain restrictions, will be free to sell these shares after one year from the date of the Issue. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

44. ***Some of our Promoter Group Companies have incurred losses in the last 3 years.***

Some of our Promoter Group companies have incurred losses during the last three years (as per their unconsolidated financial statements), as set forth in table below:

(In Rs. Million)

Name of Promoter Group company	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005
Adani Developers Private Limited	(1.35)	(0.28)	-
Adani Habitats Private Limited	(0.05)	-	-
Adani Land Developers Private Limited	(0.03)	-	-
Adani Port Infrastructure Private Limited	136.35	(8.30)	0.37
Adani Properties Private Limited	(2.5)	(3.35)	0.58
Adani Retail Limited	(192.10)	(1.03)	(11.94)
Adani Virginia, Inc.	49.80	(2.90)	-
B2B India Private Limited	(0.01)	Nil	Nil
Columbia Chrome (India) Private Limited	(0.05)	0.66	-
PT Adani Global	(0.90)	-	-
Shantikrupa Estates Private Limited	6.9	(1.40)	(0.40)
Swayam Realtors and Traders Private Limited	Nil	(0.07)	Nil
Adani Agro Private Limited	210.97	(107.13)	(36.52)
Adani Energy Limited	95.57	17.42	(7.86)
Miraj Impex Private Limited	Nil	(0.01)	(0.04)

For further details, please see "Our Promoter Group" beginning on page 163 of this Draft Red Herring Prospectus.

45. ***There are outstanding litigations against us, our subsidiaries, our Directors, our Promoters and our Promoter Group companies.***

We are defendants in legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities.

There are certain proceedings, including criminal proceedings, pending in various courts and authorities at different levels of adjudication against us, our Directors, our Promoters and our Promoter Group entities:

Our Company

There are three cases against our Company restraining us from laying the foundation of transmission towers on land owned by the respective plaintiffs.

Our Directors

Name of the Director	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (Rs. in millions)
Mr. Gautam S. Adani	Civil	One	-
	Customs	One	1.20
Mr. Rajesh S.	Criminal	One	-

Name of the Director	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (Rs. in millions)
Adani			
	Customs	Two	14.04
	FEMA/FERA	Two	20.075

Our Promoters

Name of the Promoter	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (In Rs. Million)
Adani Enterprises Limited	Criminal	One	-
	Customs	17*	7.53
	FEMA/FERA	Two	41.60
	Securities	One	0.06

Our Promoter Group

Name of the Promoter Group entity	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved (In Rs. Million)
Adani Agro Private Limited	Criminal Securities	One One	1.05
Adani Agri Fresh Limited	Customs	One	71.19
Adani Properties Private Limited	Criminal	One	-
	Securities	One	-
			- -
Adani Energy Limited	Customs	One	03.15
	Arbitration	One	4000
			-
Adani Wilmar Limited	Civil	Three	06.77
	Customs	Eleven	61.47
Mundra Port Special Economic Zone Limited	Civil Customs	Nine 54*	11.61 49.60
Rajesh S. Adani Family Trust	Criminal	One	-
Vasant S. Adani Family Trust	Criminal	One	-
Vinod S. Adani Family Trust	Criminal	One	-
Mahasukh S. Adani HUF	Criminal	One	-

**Including show-cause notices.*

Also, our Promoters and Promoter Group have from time to time initiated legal proceedings relating to their business and operations. For further details of outstanding litigation against us, our Directors, our Promoters and our Promoter Group, see “Outstanding Litigation and Material Developments” on page 294 of this Draft Red Herring Prospectus.

46. ***Contingent Liabilities which have not been provided for could adversely affect our financial conditions.***

The following table provides our contingent liabilities as of the dates indicated:

(In Rs. Million)

Particulars	As of December 31, 2007	As of March 31, 2007
Estimated amount of contracts remaining to be executed in connection with the Mundra power projects and not provided for	56,056.15	11,234.14
Guarantees issued by banks	1,927.50	1,500.00
Letter of credit facilities..	4,799.02	6,480.60
Bonds provided to the Government of India in connection with the SEZ developer status	22,250.00	–
Total	85,032.67	19,214.74

If any or all of these contingent liabilities materializes, it could have an adverse effect on our business, financial condition and results of operation.

47. ***We have experienced negative cash flows in prior periods.***

For the fiscal years ended March 31, 2005, 2006 and 2007 and the nine months ended December 31, 2007, we had a negative cash flow from investing activities of Rs. 0.01 million, Rs. 95.89 million, Rs. 2,776.13 million and Rs. 15,815.54 million, respectively. Moreover, since we have not commenced operations, we have no cash flows from operating activities for the fiscal years ended March 31, 2005, 2006 and 2007 and the nine months ended December 31, 2007. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

48. ***Our quarter-on-quarter financial results may not be comparable.***

The nature of the power generation sector is subject to many variables such as disruptions to power supply due to scheduled or unscheduled outages. In addition, due to us commissioning our power projects at different periods, our power projects shall start generating revenues at different periods of time resulting in our quarter-on-quarter financial results not being comparable.

49. ***Our financial results may be subject to seasonal variations.***

Our revenues and results may be affected by seasonal factors. For example, inclement weather, including during monsoon season, may delay or disrupt development of our power projects undergoing construction at such times. Further, some of our power consumers have businesses which are seasonal in nature, such as cement manufacturing, and a downturn in demand for power by such consumers could reduce our revenue during such periods.

50. ***If investors who opt for Payment Method-1 (partly paid shares) do not pay the Balance Amount Payable, the amount raised through the Issue will be lower than the proposed Issue size. Furthermore, Equity Shares issued to investors who opt for Payment Method-1 will not be traded until the time these Equity Shares become fully paid***

The Balance Amount Payable, if any, may not be paid and the amount raised through the Issue may be lower than the proposed Issue size. In the event of such shortfall, the extent of the shortfall will be made by way of such means available to our Company and at the discretion of the management, including by way of incremental debt or cash available with us. Furthermore, Equity Shares, if any, issued pursuant to Payment Method-1, will, not be traded after the date of allotment until the Balance Amount Payable is received, the Equity Shares have been fully paid-up and corporate actions for credit of such Equity Shares into demat accounts of the successful allotees has been taken, receipt of listing and trading approval from the Stock Exchange. The process of corporate action may take about two weeks from the Due Date for

Balance Amount Payable. During this period, shareholders who pay the Balance Amount Payable for the partly paid Equity Shares will not be able to trade in those Equity Shares. For more details see “The Issue” on page 13 of this Draft Red Herring Prospectus.

51. ***We have limited protection of our intellectual property.***

We do not have a registered trademark over our name and corporate logo. Neither we nor any member of the Adani group has as yet filed an application for the registration of the trademark. We can only protect our name and corporate logo through any action under relevant common laws, including seeking any relief against “passing off”, which is the unauthorized use of a mark considered to be similar to another’s registered or unregistered trademarks. In the event we are unable to use our name and corporate logo for any reason, we will not be to capitalize on our brand recognition and our reputation our reputation and business prospects may be affected.

Risk Related to India

52. ***We face significant competition as a result of deregulation in the Indian power sector.***

We operate in an increasingly competitive environment. This is particularly the case because of the deregulation of the Indian power sector and increased private sector investment. The Electricity Act of 2003 removed certain licensing requirements for thermal power generation companies, provides for open access to transmission and distribution networks and also facilitated additional capacity generation through captive power projects. These reforms provide opportunities for increased private sector participation in power generation. Specifically, the open access reform enables private power generators to sell power directly to distribution companies and, ultimately to the end consumers, enhancing the financial viability of private investment in power generation. As a result, we may have to compete with other Indian companies and international power companies. We may also compete with central and state power utilities. Competitive bidding for power procurement further increases the competition among the power generators. Our competitors may have greater resources than we do and may be able to achieve better economies of scale, allowing them to bid at more competitive rates. We may face the pressure of decreased margins due to such competition. We cannot assure you that we will be able to compete effectively, and our failure to do so could result in an adverse effect on our business prospects, financial condition and results of operations.

53. ***Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations.***

While a substantial portion of our revenues will be denominated in Rupees, we expect to incur substantial indebtedness denominated in foreign currencies to finance the development of power projects. We have entered into certain EPC contracts for our project development, the payments under these contracts are denominated in foreign currencies. In addition, our coal supply agreements with AEL are denominated in US$. Accordingly, any depreciation of the Rupee against these currencies will increase the Rupee cost to us of servicing and repaying our foreign currency payables. If we are unable to recover the costs of foreign exchange variations through our tariffs, depreciation of the Rupee against foreign currencies may adversely effect our results of operations and financial condition.

54. ***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 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.

India has also witnessed civil disturbances in recent years. While these civil disturbances have not directly affected the operations of our project companies, it is possible that future civil unrest, as well as other adverse social, economic and political events in India, could also adversely affect us.

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. 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. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business.

Although the services and industrial sectors of the economy are growing, the Indian economy remains largely driven by the performance of the agriculture sector, which depends on the quality of rainfall during the monsoon season and is therefore difficult to predict. In the past, economic slowdowns have harmed industries including the power sector. Any future slowdown in the Indian economy could harm our results of operations and financial condition.

55. ***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, Russia 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 emerging markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative effect on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

56. ***The extent and reliability of Indian infrastructure could adversely effect our results of operations and financial condition.***

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations and financial condition.

57. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our power projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

58. ***If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.***

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. In addition, the Government of India is considering introducing a reservation policy to the private sector in India, pursuant to which all private sector companies operating in India would be required to reserve a certain percentage of jobs for the economically underprivileged population in the states where such companies are incorporated. If this policy is adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees and competition for these employees. We are also subject to certain industry standards regarding our employees, particularly with regard to overtime and transportation of employees. Our employees may also in the future form unions.

If labour laws or industry standards become more stringent or are more strictly enforced or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

59. ***Acts of violence involving India, the United States, the United Kingdom or other countries 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 the attacks in Mumbai on July 11, 2006, in London in July 2005, in New Delhi on December 13, 2001 and in New York City and Washington, D.C. on September 11, 2001, and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, 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, including India, Pakistan and China. Political tensions could create a perception that there is a risk of disruption of operations provided by India-based companies, which could have an adverse effect on the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue to operate.

60. ***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.

61. ***If inflation worsens, our results of operations and financial condition may be adversely affected.***

In 2006, India's wholesale price inflation index suggested an increasing inflation trend compared to recent years. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other of our expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs along to our customers and our results of operations and financial condition may be adversely affected.

62. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 harm our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Risk Related to this Issue

63. ***The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the power sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

64. ***There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE 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 those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

65. ***Additional issuances of equity may dilute your holdings.***

Purchasers of our Equity Shares will experience an immediate dilution in net tangible book value per share from the initial public offering price per Equity Share. After giving effect to the issuance of [•] Equity Shares in this Issue, and following the deduction of estimated offering expenses payable by us and the application of the Net Proceeds of the Issue, our pro forma as adjusted net tangible book value as of December 31, 2007, would have been Rs. [•] million, or Rs. [•] per share of common stock. This represents an immediate dilution in pro forma net tangible book value of Rs. [•] per Equity Share to new investors purchasing Equity Shares in this Issue. Substantial future sales of our Equity Shares in the public market could cause our share price to fall.

Upon consummation of this Issue, we will have [•] Equity Shares outstanding. Of these Equity Shares, [•] Equity Shares will be freely tradable without restriction in the public market, unless purchased by our affiliates. Upon completion of this Issue, our existing shareholders will beneficially own [•] Equity Shares, which will represent approximately [•]%

of our outstanding Equity Share capital. The holders of approximately [•] Equity Shares, representing approximately [•]% of our post-Issue outstanding Equity Share capital, will be entitled to dispose of their Equity Shares following the expiration of a one-year Indian statutory "lock-up" period.

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

66. ***Any future issuance of Equity Shares by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally, the disposal of Equity Shares by any of our major shareholders, any future issuance of Equity Shares by us or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. No assurance may be given that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

67. ***Our ability to pay dividends in the future will depend upon our and our subsidiary future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

We and our subsidiaries develop and operate power projects. We and our subsidy currently have no operating history. Our future ability to pay dividends will also depend on the earnings, financial condition and capital requirements of our Subsidiary and the dividends they distribute to us. Dividend distributed by our Subsidiary will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will receive dividends from our subsidiaries sufficient to cover our operating expenses and pay dividends to our shareholders, or at all.

Our business is capital intensive and we may plan to make additional capital expenditures to complete the power projects that we are developing. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the power projects, financial condition and results of operations.

Notes to Risk Factors:

1. Public issue of 296,948,000 Equity Shares of Rs. 10 each of our Company for cash at a price of Rs. [•] per Equity Share aggregating Rs. [•]. The Issue includes a reservation of up to 4,000,000 Equity Shares of Rs. [●] each for the Eligible Employees. The Issue and the Net Issue will constitute 14.35% and [●]%, respectively, of the post-Issue paid up capital of our Company.

2. In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Net Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a

proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 4,000,000 Equity shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Issue Price.

3. The net worth of our Company as of December 31, 2007 and as of March 31, 2007 was Rs. 12,779.38 million, and Rs. 2,806.83 million, respectively, based on the restated consolidated financial statements of our Company under Indian GAAP.

4. The net asset value/book value per Equity Share of Rs. 10 each, as of December 31, 2007 and March 31, 2007 and was Rs. 29.68, and Rs. 10.00, respectively, based on the restated unconsolidated financial statements of our Company under Indian GAAP.

5. The average cost of acquisition of or subscription to Equity Shares by our Promoters and is set forth in the table below:

Name of the Promoter	**No. of Equity Shares held**	**Average price per share (in Rs.)**
Adani Enterprise Limited	1,531,440,000	5.56
Mr. Gautam S. Adani	Nil	-
Mr. Rajesh S. Adani	Nil	-

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares issued by us.

6. Except as disclosed in "Capital Structure" on 28 of this Draft Red Herring Prospectus, we have not issued any shares for consideration other than cash.

7. Except as disclosed in "Our Management", "Our Promoters" and "Our Promoter Group" on pages 143, 158 and 163 of this Draft Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.

8. Except as disclosed below, we have not issued Equity Shares less than the Issue Price in the last one year:

Date of allotment	**No. of Equity Shares**	**Face Value (Rs.)**	**Issue Price (Rs.)**	**Consideration (Cash, Consideration other than cash)**	**Reason for Allotment**
June 11, 2007	77,580,000	10	10	Cash	Preferential allotment to AEL
September 17, 2007	18,530,000	10	10	Cash	Preferential allotment to AEL
October 1, 2007	52,083,333	10	144	Cash	Preferential allotment to 3i Power Investments A1 Limited
December 12, 2007	21,759,900	10	10	Cash	Preferential allotment to AEL
March 31, 2008	121,440,100	10	10	Cash	Preferential allotment to AEL
April 25, 2008	350,800,000	10	10	Cash	Preferential allotment to AEL
April 25, 2008	32,059,002	10	46.78	Cash	Preferential allotment to 3i Power Investments A1 Limited by way of

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Consideration other than cash)	Reason for Allotment
					conversion of 1,500,000,000 Cumulative Compulsorily Convertible Participatory Preference Shares
April 25, 2008	49,200,000	10	10	Cash	Preferential allotment to Grow Power Trust
April 28, 2008	787,313,868	10	-	Consideration other than cash	Bonus issue in the ratio 4:5

9. Our Company has not made any loans or advances to any person or company in which our Directors are interested, except as disclosed in the section titled "Related Party Transactions" and "Financial Statements" beginning on pages 220 and 224, respectively, of this Draft Red Herring Prospectus.

10. In case of oversubscription in the Issue, allotment would be made on a proportionate basis to Qualified Institutional Bidders, Non–Institutional Bidders, Retail Individual Bidders and Eligible Employees. For details refer to the section titled "Issue Procedure – Other Instructions – Basis of Allotment" on page 365 of this Draft Red Herring Prospectus.

11. Under-subscription, if any, in the Non-Institutional Portion and the Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company, in consultation with the BRLMs.

12. Up to 4,000,000 Equity shares i.e. 0.20% of our post Issue equity share capital have been reserved for Employees (Employee Reservation Portion) on a competitive basis. Any under subscription under the Employee Reservation Portion would be added to the various categories under the Net Issue at the sole discretion of our Company in consultation with the BRLMs.

13. Any clarification or information shall be made available by the BRLMs and us to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

14. Investors may contact the BRLMs for any complaints, information or clarifications pertaining to the Issue.

15. Investors are advised to refer to "Basis for Issue Price" on page 54 of this Draft Red Herring Prospectus.

16. Trading in Equity Shares for all investors shall be in dematerialized form only.

17. We were incorporated as Adani Power Limited on August 22, 1996 and obtained certificate of commencement on September 4, 1996. We became a private limited company on June 3, 2002 and the name of the Company was subsequently changed to Adani Power Private Limited. The ROC issued a fresh certificate of incorporation on June 3, 2002. Our Company was, thereafter, converted into a public limited company on April 12, 2007 and the name of our Company was changed to Adani Power Limited. Further, upon ceasing to be a private limited company, the word "private" was deleted through a special resolution at the EGM of our Company held on March 28, 2007. The fresh certificate of incorporation consequent on change of name was granted by the ROC to our Company on April 12, 2007.

SUMMARY OF BUSINESS

Overview

We are a power project development company, which is developing, and will operate and maintain, power projects in India. We have six coal fired thermal power projects under various stages of development or planning, with a combined installed capacity of 9,900 MW, which we intend to sell under a combination of long-term power purchase agreements to industrial and state-owned consumers and on merchant basis.

We are part of the Adani Group, a leading business group in India. Adani Enterprise Limited, our Promoter, is the flagship company of the Adani Group, with total revenues of Rs. 169,490.60 million for the fiscal year 2007. We believe AEL is one of the largest traders of coal in India for the fiscal year 2007, with coal mining rights both in the international and domestic markets, and according to Central Electricity Regulatory Commission, for the fiscal year 2007, AEL was the third largest power trader, by volume, in India. With the commissioning of our power projects, the Adani Group will be vertically integrated in power sector value chain through presence in related activities such as coal mining, coal trading, shipping, power generation, power transmission and power trading. Another Adani Group company, Mundra Port and Special Economic Zone Limited ("MPSEZL"), owns and operates one of the largest private sector commercial ports in India and a SEZ at Mundra, leading to strong synergies with our projects being set up in close vicinity. In addition, the Adani Group also has operations in other industries, including commodities trading, real estate development, agro processing and logistics. We expect that we will benefit from Adani Group's strategy of vertical integration, which gives us greater control over various activities of power generation and trading.

Our Power Projects

We currently have six thermal power projects under various stages of development or planning:

- Mundra I and II power project 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. We currently expect that the first 330 MW unit of Mundra I and II power project will commence operations from January 2009, and that the power project will be fully commissioned by October 2009.

- Mundra III power project 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 power project will commence operations from January 2011, and that the power project will be fully commissioned by June 2011.

- Mundra IV power project 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 power project will commence operations from August 2011, and that the power project will be fully commissioned by April 2012.

- Tiroda power project will have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. The BTG package for Tiroda was awarded to Sichuan Machinery and Equipment Import and Export Company Limited. We currently expect that the first 660 MW unit of Tiroda power project will commence operations from July 2011, and that the power project will be fully commissioned by April 2012.

- Dahej power project is expected to have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. We estimate that construction of the Dahej power project will commence in September 2008. We currently expect that the first 660 MW unit of

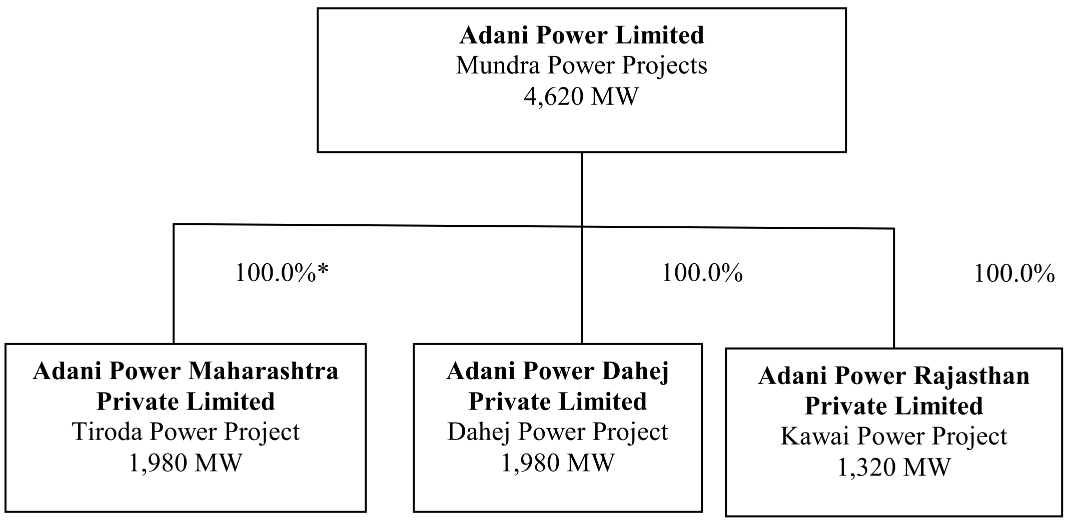
Dahej power project will commence operations from November 2011, and that the power project will be fully commissioned by June 2012.

- Kawai power project is expected to have two super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. We estimate that construction of the Kawai power project will commence in July 2008. We currently expect that the first 660 MW unit of Kawai power project will commence operations from October 2011, and that the power project will be fully commissioned by January 2012.

Power projects set up under the SEZ policy and the Mega Power Project policy are eligible for certain tax and other benefits. See, "Regulations and Policies". Our Mundra I, II and III power projects are being developed as sector-specific SEZs and we have applied for a sector-specific SEZ approval for the Mundra IV power project. We have applied for an approval to develop the power project located at Tiroda under the Mega Power Project policy of the Government of India. The power projects located at Dahej and Kawai are also expected to be developed under the Mega Power Project policy of the Government of India.

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. Notwithstanding various policy initiatives within India to diversify fuel mix, with the limited reserve potentiality of petroleum and natural gas, eco-conservation, restrictions on hydroelectric power projects, and the geo-political perception of nuclear power, we believe that it is likely that coal will continue to be the primary generator of energy in India.

The following chart outlines our corporate structure and details of power projects under development or planning:



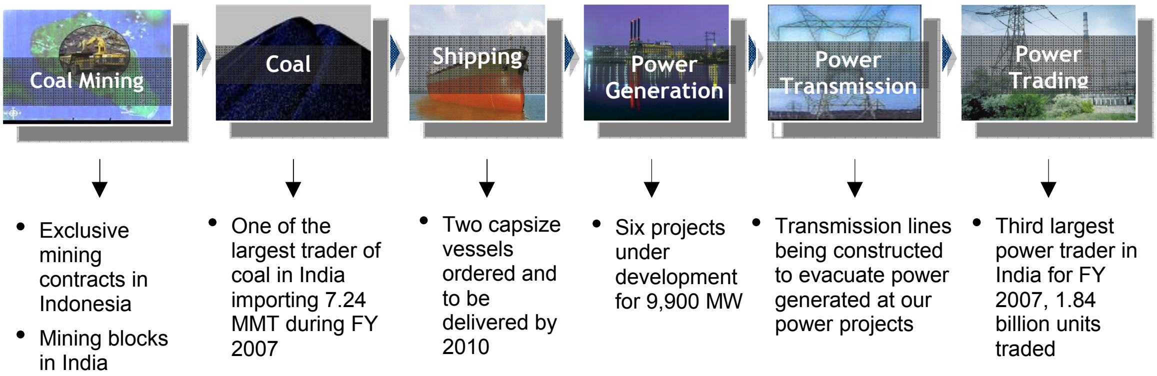
** We entered into a shareholders agreement dated January 15, 2008 with Millennium Developers Private Limited ("Millennium Developers") in connection with the subscription of 26.0% equity interest in Adani power Maharashtra Private Limited to Millennium Developers. We have received Rs. 100.00 million as share application money, however, as of the date of this Draft Red Herring Prospectus, no shares have been allotted to Millennium Developers.*

Our Competitive Strengths

We believe that we are well positioned to benefit from the growth opportunities in the Indian power sector due to the following competitive strengths:

We expect to benefit from the strong linkages of the Adani Group in the power sector through presence in coal mining, coal trading, shipping and power trading

We are part of the Adani Group, which seeks to be vertically integrated in the Indian power sector. As illustrated below, the Adani Group has active operations in coal mining, coal trading, shipping and power trading and has ventured into power generation and power transmission through projects being set up by our Company.



The Adani Group has coal mining rights in both the international and domestic markets. PT Adani Global, a wholly owned subsidiary of AEL, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu island, Indonesia. In addition, we have also been allocated two coal blocks in India to mine coal for our power projects. Adani Shipping Pte. Limited, Singapore, a wholly owned subsidiary of AEL, has entered into a contract for the purchase of two newly-built capsize vessels with expected delivery by December 2010 for transportation of coal from the Indonesian coal mines operated by AEL. AEL is also the third largest power trader, by volume, in India for the fiscal year 2007. To further integrate the Adani Group's power generation and trading operations, we intend to own transmission lines for evacuating power generated at our power projects.

We believe that the Adani Group has established diversified sourcing and distribution networks and that its industry expertise enables it to effectively capitalize on and manage risks associated with opportunities across markets. We expect that we will benefit from the Adani Group's strategy of vertical integration which gives us greater control over various activities of power generation.

We have access to experienced personnel in mining and power trading businesses pursuant to the shared services agreement with MPSEZL and AEL. We also expect to benefit from the Adani Group's strong project development and management experience while developing our power projects.

We have secured supply of fuel for many of our projects

One of the critical success factors for any power generation project is the availability of cost-effective fuel source throughout the lifetime of the power project.

- Mundra power projects: Our Mundra power projects are located along the coast and will utilize imported coal as primary fuel for its operations. We have entered into long-term coal supply arrangements for importing coal with AEL for our Mundra power projects. PT Adani Global, a wholly owned subsidiary of AEL, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu island, Indonesia. For Mundra I, II and III power projects, AEL proposes to procure the coal from PT Adani Global which will source such coal from these mines in Indonesia. The coal for Mundra IV power project will also be procured internationally and supplied by AEL to the power project site. As a result of our long-term coal supply agreements and relationship with the supplier, we believe we benefit from competitive pricing for coal for Mundra and Dahej power projects.

- Tiroda power project: We have been allocated coal blocks at Lohara West and Lohara Extension for generating up to 1,000 MW of power at our Tiroda power project which have estimated coal reserves of approximately 170 million metric tons ("MMT") and an average gross calorific value ("GCV") ranging between 4,290 and 5,590 Kcal/kg, according to the geological report prepared by the Central Mine Planning and Design Institute Limited. We have applied to the Standing Linkage Committee, Ministry of Coal, for allocating additional long term coal linkage for Tiroda power project.

- Dahej power project: The Dahej power project is located close to the Dahej fair-weather lighterage port and will utilize imported coal as primary fuel for its operations. We have entered into long-term coal supply arrangements for importing coal with AEL for our Dahej power project.

- Kawai power project: Under a memorandum of understanding, the State Government of Rajasthan has agreed to use its best efforts to facilitate the provision of coal for such power project from the Government of India or other sources.

Our power projects enjoy locational advantages

Our power projects enjoy locational advantages in terms of easy access to fuel, water and proximity to power deficit areas. Five of our six power projects are located in Western India, where according to the CEA, the peak deficit was 8,892 MW for the period between April 2007 and February 2008. We believe that our power projects are well positioned to serve this deficit in power supply.

Our Mundra power projects are located close to the Mundra port, which is owned and operated by MPSEZL, an Adani Group company. MPSEZL has proposed to set-up a coal jetty at a distance of approximately five km from the Mundra power project site and imported coal can be transferred from this coal jetty to the power project by conveyor belts and/or railway lines. Close proximity to the sea will ensure water for steam generation and cooling.

The Tiroda power project is located in Tiroda industrial area developed by the Maharashtra Industrial Development Corporation ("MIDC"), adjacent to the state highway. The project is approximately 260 km from the Lohara West and Lohara Extension coal blocks, which are the designated coal blocks to supply coal for the Tiroda power project. The project is expected to be connected to the mine by rail. Water will be available for the project from the nearby Wainganga river. Power can be evacuated at 400 kV levels to the existing Power Grid Corporation of India Limited ("PGCIL") and Maharashtra State Electricity Distribution Company Limited ("Mahadiscom") sub-stations.

The Dahej power project is located close to the Dahej fair-weather lighterage port, which will ensure minimum on-land handling of coal. Close proximity to the sea will ensure water for steam generation and cooling. The project site is well connected by road and rail. The site is 46 km from National Highway 8 and is also serviced by the Bharuch - Dahej state highway. The railway stations of Bharuch and Vadodara are located 46 km and 108 km, respectively, from the site.

The Kawai power project is located approximately two km from the Salpura Kawai Railway station and is close to the National Highway 90, which is currently under construction. The site is located close to Lhasi and Andheri rivers, which will supply water for the project.

We expect to benefit from SEZ status and the Mega Power Project status related tax and other benefits

Our Mundra I, II and III power projects are being developed as sector-specific SEZs and we have applied for a sector-specific SEZ approval for the Mundra IV power project. The SEZ status will entitle us to benefits in terms of certain exemptions from income tax, excise duty, central sales tax, service tax, dividend distribution tax and customs duty on import of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment. We have applied to develop the Tiroda power project and intend to develop Dahej and Kawai power projects under the Mega Power Project Policy of the Government of India, under which we will able to benefit from certain exemptions from income tax, excise duty and customs duty on import of coal and equipment. See, "Regulations and Policies". These benefits will help us reduce the cost of equipment and fuel, and improve our profit margins once we commence operations.

We have entered into long-term power off-take arrangements for our Mundra I and II and Mundra III power projects

We have entered into two off-take agreements with Gujarat Urja Vikas Nigam Limited ("GUVNL") for the supply of 1,000 MW of power produced from the Mundra I and II power project, and for the supply of 1,000 MW of power produced from the Mundra III power project. We have also submitted a bid to supply 1,420 MW of power from the proposed Tiroda power project to Maharashtra State Electricity Distribution Company Limited ("MSEDCL"). Further, we have bid to enter into long-term power purchase agreement for power that will be produced from our Mundra IV power project. Off-take agreements generally provide that the consumer purchase power in pre-determined quantities at fixed rates and surplus power, if any, may then be sold to other consumers in the unregulated market. We expect that the power produced in excess of what is sold under our Mundra I and II off-take agreements will be sold on a merchant basis. Further, we have entered into an agreement with AEL for selling surplus power from Mundra III power project on merchant basis. In addition, we may supply surplus power to various units within the MPSEZL. These off-take arrangements will allow us to mitigate our off-take risk, while enabling us to sell the residual power at market determined rates.

We have an experienced management team with a track record of project execution

We have been able to attract and retain managerial and technical talent. Our management team has an established track record, knowledge in the power generation sector and relevant experience in India. We are managed by experienced and highly qualified professionals. The team has extensive exposure to implement large projects with long gestation periods. The majority of our senior management personnel have two to three decades of experience, and we believe this is one of our key competitive strengths in view of the large size of the projects that we are simultaneously implementing. See "Our Management" beginning on page 143 of this Draft Red Herring Prospectus.

Our Strategy

Capitalize on the growth of the Indian power generation sector

The power sector in India has historically been characterized by power shortages that have consistently increased over time. According to the Central Electricity Authority, the total peak shortage was 13,897 MW as of March 31, 2007. According to IEP Report, Expert Committee on Power, in the 11^{th} Plan (2007-2012), the Government of India recommended a capacity addition of 85 Gigawatts ("GW") and 98 GW, assuming a 8.0% and 9.0% GDP growth rate, respectively. We believe that our six power projects will play a significant role in the growth of the Indian power sector. Further, we will continue to look at further opportunities to set up power projects in various locations across the country.

Realize the opportunities presented by power sector reforms and benefits extended by the Government of India

In 1991, the Indian power sector began a process of deregulation that is continuing today. The Electricity Act of 2003 and subsequent reforms have generated significant opportunities in the power sector. These changes include the following:

- Liberalization and de-licensing in the generation sector, and doing away with the requirement of techno-economic clearances for thermal power projects, which expedites the thermal power project development process;

- Power trading recognized as distinct activity, also covered under 100.0% FDI;

- Distribution licensees can now procure power through a process of international competitive bidding; projects are no longer awarded on a cost-plus basis. We believe that competitive bidding presents attractive opportunities for efficient generation of power;

- Power generation companies can now sell power to any distribution licensees, or where allowed by the state regulatory commissions, directly to consumers. The market has evolved for merchant sales, which allows for the supply of peak power at premium rates;

- Power generation companies have open access to transmission lines, which will facilitate the direct sale of power to distribution and trading licensees;

- Improved payment security mechanisms, which we believe will improve sector stability and enhance our ability to obtain financing for our projects;

- No distinction between foreign and domestic investor as per electricity laws; and

- 100.0% FDI allowed in the power sector.

Our projects are positioned and structured to take advantage of these benefits and also the benefits under the SEZ and Mega Power Project policy of the Government of India. Future power sector reforms may present additional opportunities for us and we intend to capitalize upon these opportunities as they arise.

Benefit from the power scenario in Western India

The Mundra and Dahej power projects are 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. This deficit is expected to increase in the future. These states have formulated policies for substantial investments in the power sector to support increased industrial activities. We believe that stable and assured availability of power will lead to an increase in industrial activity in these states, which will further increase the power requirements. Though a number of power projects are under various stages of implementation in these states, such projects may not eliminate the deficit in power. Thus, further power generation facilities may be required. We are investing in the development and planning of power projects in these high energy deficit states in order to be in a strong position to capture the opportunity.

Secure Fuel Access

Having a dedicated, cost-efficient and established fuel supply line for a power project is fundamental to our success. Our strategy has been to establish dedicated fuel lines prior to setting up a power project. We try to ensure that we have adequate supplies of cost-efficient fuel through captive fuel sources or long-term contracts to fuel our power projects needs. We will continue to explore other options and sources for procuring and strengthening our fuel supplies.

Further integrate our power generation business with the installation of transmission lines

In order to ensure evacuation of power from the power project to demand centers, it is critical to have appropriate transmission linkages for the project. We intend to build a dedicated 413 km double circuit 400 kV transmission line connecting to the PGCIL Grid at Dehgam, Gandhinagar for evacuation of surplus power from the Mundra I and II and Mundra III power projects. Under agreements with Kalpataru Power Transmission Limited and Jyoti Structures Limited, each dated June 4, 2007, we have contracted for the construction of the towers and the supply of tower accessories and other materials to set up the transmission line. We expect the transmission line to be complete by January 2009. In light of the transmission constraints facing inter-regional links and the present capacity of 17,000 MW only, we believe that the proposed Mundra transmission line will act as a cost-efficient facility for evacuating power, if required. It will also mitigate the risk, which may arise in the event GUVNL reduces its procurement of contracted power from Mundra I and II and Mundra III power projects.

We also intend to install a 800 km double circuit 400/765 kV transmission line from our Mundra IV power project, a 225 km double circuit 400 kV transmission line and a 140 km double circuit 400 kV transmission line from our Tiroda power project, a 100 km double circuit 400 kV transmission line and 200 km double circuit 400 kV transmission line from our Kawai power project, and a 75 km double circuit 220 kV transmission line and 275 km double circuit 400 kV transmission line from our Dahej power project. However, we have not yet entered into construction or supply contracts with respect to these transmission lines. See "Risk Factors - If power evacuation facilities are not made available by the time our power projects are ready to commence operations, our operations could be adversely affected". We expect to gain from the further integration of our power generation and transmission business due to cost-efficiencies and greater control over power evacuation.

Optimize operational efficiency

We have invested in technology to drive operational efficiency. For example, all of our power projects, with the exception of the Mundra I and II power project, will deploy super-critical technology to reduce the amount of coal consumed to generate power. The efficiency of steam generation through super-critical technology is significantly higher than that from the conventional sub-critical technology. Higher steam generation efficiency will lead to lower coal consumption and hence increase overall efficiency.

Further, we expect that our experienced management team coupled with our superior project management, execution and operational skills, will drive higher operational efficiencies in our power projects.

Engage in an Optimal Mix of Off-Take Arrangements with State-Owned and Industrial Consumers

We are developing six power projects that are capable of generating an aggregate 9,900 MW of power. We believe that state-run utility companies will require substantial amounts of power in order to meet their power demands and to cope adequately with power shortages in their respective states. We intend to utilize our marketing and trading capacities by optimizing our off-take arrangements between state-run utility companies and industrial consumers. This will enable us to enter into secured long-term off-take arrangements with state-run utility companies and industrial consumers as well as carry out merchant sales of power at market rates.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated stand-alone and consolidated financial statements as of and for the years ended March 31, 2007, 2006, 2005, 2004, 2003 and for the nine months period ended December 31, 2007. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and presented under the sections titled "Financial Statements"beginning on page 224 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated stand-alone and consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 274 of this Draft Red Herring Prospectus.

SUMMARY STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In Millions

	Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
I	**Fixed Assets**						
	Gross Block	42.97	11.92	1.83	-	-	0.27
	Less : Accumulated Depreciation/Amortisation	6.93	1.48	0.03	-	-	0.14
	Net Block	**36.04**	**10.44**	**1.80**	**-**	**-**	**0.13**
	Capital Work- in- Progress including Capital Advances	17,032.94	5,515.79	0.28	-	-	-
	Expenditure during construction period	1,190.84	478.52	121.07	9.38	9.37	9.29
	Construction Material at site	121.85	47.26	-	-	-	-
		18,381.67	**6,052.01**	**123.15**	**9.38**	**9.37**	**9.42**
II	**Investments**	6.51	0.01	-	**-**	**-**	**-**
III	**Current Assets, Loans and Advances**						
	Cash and Bank Balances	514.40	497.04	2.67	0.06	0.07	0.06
	Loans and Advances	3,441.97	10.21	10.72	-	-	0.06
		3,956.37	507.25	13.39	0.06	0.07	0.12
	A= (I+II+III)	**22,344.55**	**6,559.27**	**136.53**	**9.44**	**9.44**	**9.54**
IV	**Liabilities and Provisions**						
	Secured Loans	6,433.46	1,442.69	-	-	-	-
	Unsecured Loans	-	-	-	-	-	9.10
	Current Liabilities	3,108.29	2,307.91	28.56	0.01	0.01	0.01
	Provisions	20.32	1.84	0.05	-	-	-
	B=(IV)	**9,562.07**	**3,752.44**	**28.61**	**0.01**	**0.01**	**9.11**
	NET WORTH A-B	**12,782.48**	**2,806.83**	**107.93**	**9.43**	**9.43**	**0.43**
	Net Worth Represented by						
	Share Capital						

	Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
	- Equity Shares	4,306.43	2,606.90	9.50	9.50	9.50	0.50
	- Preference Shares	1,500.00	-	-	-	-	-
	Share Application Money pending Allotment	-	200.00	98.50	-	-	-
	Reserves and Surplus	6,979.17	-	-	-	-	-
	Less : Misc Expenditure	3.12	0.07	0.07	0.07	0.07	0.07
	NET WORTH	**12,782.48**	**2,806.83**	**107.93**	**9.43**	**9.43**	**0.43**

Note:
The above statement should be read with the Significant Accounting Policies and Notes to Statement of Assets and Liabilities and Cash Flows as appearing in Annexure V.

SUMMARY STANDALONE STATEMENT OF PROFITS AND LOSSES, AS RESTATED

The company has not commenced any commercial activities; hence, profit and loss account has not been prepared till the period ended on 31st December, 2007. However, necessary details as per Schedule - VI Part II of Companies Act, 1956 to the extent applicable have been disclosed under the head "Expenditure during Construction period and Capital Work in progress" which shall be capitalized on completion of the project.

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Millions)

	Particulars		As at December 31, 2007
I	**Fixed Assets**		
	Gross Block		43.29
	Less : Accumulated Depreciation/Amortisation		6.98
	Net Block		**36.31**
	Capital Work- in- Progress(including Capital Advances)		17,123.50
	Expenditures during construction period		1,198.02
	Construction Material at site (Includes Goods in Transit at cost)		121.85
			18,479.68
II	**Investments**		**0.01**
III	**Current Assets, Loans and Advances**		
	Cash and Bank Balances		515.90
	Other Current Assets		-
	Loans and Advances		3,347.49
			3,863.39
		A= (I+II+III)	**22,343.08**
IV	**Liabilities and Provisions**		
	Secured Loans		6,433.46
	Unsecured Loans		-
	Current Liabilities		3,109.89
	Provisions		20.35
	Deferred Tax Liability (Net)		
			9,563.70
		B=(IV)	**9,563.70**
	NET WORTH	**A-B**	**12,779.38**
	<u>Net Worth Represented by</u>		
	Share Capital		
	- Equity Shares		4,306.43
	- Preference Shares		1,500.00
	- Share Application Money pending Allotment		-
	Reserves and Surplus		6,979.17
	Less : Misc. Expenditures		6.22
	NET WORTH		**12,779.38**

Note: The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities and Cash flows as appearing in Annexure V.

SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED

The Company and its subsidiaries have not commenced any commercial activities, hence, Consolidated Profit and Loss Accounts have not been prepared till the period ended on 31st December, 2007. However, necessary details as per Schedule - VI Part II of Companies Act, 1956 to the extent applicable have been disclosed under the head "Expenditures during Construction period and Capital Work in progress" which shall be capitalised on completion of the project.

THE ISSUE

Issue of Equity Shares*	296,948,000 Equity Shares
Employee Reservation Portion*	4,000,000 Equity Shares
Net Issue to the Public*	[●] Equity Shares
Of which:	
Qualified Institutional Buyers (QIBs) Portion	Not less than [●] Equity Shares
of which	
Available for Mutual Funds only	[●] Equity Shares
Balance of QIB Portion (available for QIBs including Mutual Funds)	[●] Equity Shares
Non-Institutional Portion	Not less than [●] Equity Shares#
Retail Portion	Not less than [●] Equity Shares#
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,771,456,203 Equity Shares
Equity Shares outstanding after the Issue	2,068,404,203 Equity Shares

Use of Issue Proceeds

See "Objects of the Issue" on page 37 of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.

Allocation to all categories, including the Employee Reservation Portion, shall be made on a proportionate basis.

* The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up capital being offered to the public.

\# Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion, at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

Payment Methods

The Payment Methods available to investors to apply in this Issue are as follows:

Amount Payable per Equity Share (Rs.)	Payment Method-1*			Payment Method-2		
	Retail Individual Bidders and Non-Institutional Bidders and Eligible Employees			Any Category***		
	Face Value	Premium	Total	Face Value	Premium	Total
On Application	2.5	[●]	[●]	10.0	[●]	[●]
By Due Date for Balance Amount Payable **	7.5	[●]	[●]	-	-	-
Total	10.0	[●]	[●]	10.0	[●]	[●]

Note: Non-Residents cannot subscribe to partly paid up Equity Shares under Payment Method- 1.

* For risks associated with Payment Method-1, kindly refer to the section titled "Risk Factors" on page xiii of this Draft Red Herring Prospectus.

** Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees opting for Payment Method 1 shall be required to make the payment of the Balance Amount Payable by the Due Date for Balance Amount Payable. The notice of the Balance Amount Payable will also be published in two widely circulated newspapers (one each in English and Hindi) and a regional newspaper along with the statutory advertisement for the Basis for Allotment.

*** Bidders in QIB category will be required to make payment of 10% of the Bid Amount multiplied by the number of Equity Shares bid, with the balance being payable on allocation.

Key Features of the Payment Methods

1. Payment Method – 1

   a) Only Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees are eligible for this method. QIBs cannot submit a Bid under this Payment Method.

   b) While bidding, the Bidder shall make a payment of Rs. [●] per Equity Share, irrespective of the Bid Price. Investors should note that the total Bid Amount will be used to determine whether a Bid is in the Retail Individual category, Non-Institutional category, Eligible Employees category or not, and not the amount payable on submission of Bid-Cum-Application Form.

   c) Under Payment Method-1, of the Rs. [●] paid while bidding, Rs.2.5 would be adjusted towards face value of the Equity Shares and Rs. [●] shall be towards share premium of the Equity Shares applied for.

   d) At the time of allotment:

      1. If the amount paid by the Bidder is equal to or higher than the total amount payable (being the Issue Price multiplied by the number of shares allotted) by the Bidder on the Equity Shares allotted to the Bidder, we reserve the right to adjust the excess amount towards the Balance Amount Payable and issue fully paid Equity Shares only. The excess amount, if any, after adjusting the Balance Amount Payable shall be refunded to the Bidder (i.e., Refund = Total amount paid on bidding minus the total amount payable on the shares allotted).

      2. If the amount paid by the Bidder is less than the total amount payable by the Bidder (being the Issue Price multiplied by the number of shares allotted) on the Equity Shares allotted to the Bidder, we reserve the right to adjust the excess of the amount received from the Bidder over the Amount Payable on Submission of Bid-cum-Application Form towards the Balance Amount Payable and issue a Call Notice for the balance.

      3. The notice of the Balance Amount Payable will also be published in two widely circulated newspapers (one each in English and Hindi) and a regional newspaper along with the statutory advertisement for the Basis for Allotment.

   e) Equity Shares in respect of which the Balance Amount Payable remains unpaid may be forfeited, at any time after the Due Date for Balance Amount Payable.

   f) Indicative timetable for payment and corporate action with respect to Balance Amount Payable under d (2) above:

Sr. No.	Event	Indicative Time Period (On or around)
a.	(i) Allotment of Shares	Day X – 9 days
	(ii) CAN along with the Call Notice, including a statement of Balance Amount Payable per allotted share, issued to the successful Bidders opting for Payment Method-1	Day X-7 days
b.	Listing of shares	Day X
c.	Period (21days) during which shareholders may make payment for the Balance Amount Payable (at the designated bank branches to be announced)	Day X + 14 days
d.	Corporate action for appropriation of Balance Amount Payable and for credit of fully paid shares to the demat accounts of shareholders who have paid the amount	Day X + 28 days

INVESTORS PLEASE NOTE THAT THESE SHARES WILL NOT BE TRADED UNTIL THE DATE OF CORPORATE ACTION FOR CREDIT OF FULLY PAID UP EQUITY SHARES TO THE DEMAT ACCOUNT OF SUCH ALLOTTEES AND LISTING AND TRADING APPROVAL FROM THE STOCK EXCHANGE IS RECEIVED ON THESE SHARES. SEE RISK FACTOR ON PAGE XXVIII OF THIS DRAFT RED HERRING PROSPECTUS.

NON-RESIDENT BIDDERS CANNOT AVAIL THE OPTION OF PAYMENT METHOD-1.

THE BALANCE AMOUNT PAYABLE, IF ANY, MAY NOT BE PAID AND THE AMOUNT TO BE RAISED THROUGH THE ISSUE/NET ISSUE MAY BE LOWER THAN THE PROPOSED ISSUE SIZE.

2. Payment Method – 2

   a) Bidders under any category can choose this method.

   b) While bidding, the Bidder shall have to make the full payment (Bid Amount multiplied by number of Equity Shares bid) for the equity shares bid. Bidders in QIB category will be required to make payment of 10% of the Bid Amount multiplied by the number of Equity Shares bid, with the balance being payable on allocation but before allotment.

3. Illustration of Payment Methods (Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

   Illustration of the payment methods available to the investors for applying in this Issue are as follows:

   I. This illustration is for the benefit of the investors and should not be indicative of the Issue Price.

   Assumptions:

   - *Issue Price is Rs. 100 per equity share*
   - *Under Payment Method–1, Rs. 25.0 is payable on submission of the Bid-cum-Application Form, and*
   - *Under Payment Method – 1, out of the Amount Payable on Application, Rs. 2.5 is towards face value and Rs. 22.5 is towards premium.*

Amount Payable (In Rs.) (per share)	**Payment Method-1**			**Payment Method-2**		
	Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees			**Any Category*** **		
	Face Value	**Premium**	**Total**	**Face Value**	**Premium**	**Total**
On Application	2.5	22.5	25.0	10.0	90.0	100.0
By Due Date for Balance Amount Payable **	7.5	67.5	75.0	-	-	-
Total	**10.0**	90.0	100.00	**10.0**	90.0	100.0

** *Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees opting for Payment Method 1 shall be required to make the payment of the Balance Amount Payable by the Due Date for Balance Amount Payable.*

*** *Bidders in QIB category will be required to make payment of 10% of the Bid Amount multiplied by the number of equity shares bid, with the balance being payable on allocation.*

II. Comparison of Payment Methods using different application sizes based on the above assumptions:

Payment Method	1	2	1	2	1	2	1	2	1	2
	Illustration 1		**Illustration 2**		**Illustration 3**		**Illustration 4**		**Illustration 5**	
Application (no. of equity shares)	150		100		200		400		500	
Subscription (times)	3.00		2.00		1.33		4.00		10.00	
Allotment (no. of equity shares)*	**50**		**50**		**150**		**100**		**50**	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Amount Paid on Application	3750.0	15,000.0	2,500.0	10,000.0	5,000.0	20,000.0	10,000.0	40,000.0	12,500.0	50,000.0
Refund, if any	Nil	10,000	Nil	5,000	Nil	5,000	Nil	30,000	7,500	45,000
By Due Date for Balance Amount Payable	1,250.0	Nil	2,500.0	Nil	10,000.0	Nil	Nil	Nil	Nil	Nil
Total Amount payable on allotment	5,000.0	5,000.0	5,000.0	5,000.0	15,000.0	15,000.0	10,000.0	10,000.0	5,000.0	5,000.0

Payment Method	1	2	1	2	1	2	1	2	1	2
	Illustration 1		**Illustration 2**		**Illustration 3**		**Illustration 4**		**Illustration 5**	
Type of share issued	Not tradable till corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange	Fully paid-up and tradable	Not tradable till corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange	Fully paid-up and tradable	Not tradable till corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange	Fully paid-up and tradable	Fully paid-up and tradable	Fully paid-up and tradable	Fully paid-up and tradable	Fully paid-up and tradable

* Assuming allotment arrived based on the Basis of Allocation and as per the mechanism described in the "Issue Procedure" on page 347 of this Draft Red Herring Prospectus and approved by the Stock Exchanges.

In the event the Issue under the Retail Portion, Non-Institutional Portion or the Employee Reservation Portion is oversubscribed by 4 or more times as explained in the Illustration 4 and Illustration 5 in the table above, no further amount will be payable on allotment. Excess amount after adjusting the full amount payable for the shares allotted will be refunded.

In the event the Issue under the Retail Portion, Non-Institutional Portion or the Employee Reservation Portion is subscribed less than four times as explained in Illustration 1 to 3 above, the successful bidders under Payment Method-1 will be required to pay the Balance Amount Payable. Excess amount after adjusting the Balance Amount Payable for the allotted shares will be refunded. The balance amount shall have to be paid by the Due Date for Balance Amount Payable.

Every Retail Individual Bidder, Non-Institutional Portion or the Eligible Employee (bidding for an amount less than Rs. 100,000) should indicate the choice of Payment Method (i.e. Payment Method-1 or Payment Method-2 as applicable) in the Bid cum-Application Form, subject to the Bidder's eligibility for the Payment Method. Once the choice is indicated, the Bidder should not revise the selection. No Bidder can select both the Methods in a Bid-cum-Application Form. In case no Payment Method is selected and the full Bid Amount is paid, then the default Payment Method would be Payment Method-2.

Important note:

If investors who opt for Payment Method-1 do not pay the Balance Amount Payable, the amount raised through the Issue will be lower than the proposed Issue size. In the event of such shortfall, the extent of the shortfall will be made by way of such means available to our Company and at the discretion of the management, including by way of incremental debt or cash available with us.

Further, shares issued to investors who opt for Payment Method-1 will not be traded till the corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange is completed. The Equity Shares of which the Balance Amount Payable has not been paid within the prescribed time limit are liable for forfeiture. The shortfall due to forfeiture may be made up by re-issue of the forfeited Equity Shares.

GENERAL INFORMATION

Registered Office of the Company

Adani Power Limited
Shikhar
Near Adani House
Mithakhali Six Roads
Navrangpura
Ahmedabad 380 009
Tel: (91 79) 2656 5555
Fax: (91 79) 2656 5500
Website: www.adanipower.com

Registration Number: 04-30533 of 1996
Company Identification Number: U40100GJ1996PLC030533

Address of the Registrar of Companies

The Company is registered with the Registrar of Companies, Gujarat, situated at the following address:

ROC Bhavan
CGO Complex, Opposite Rupal Park Society
Near Ankur Bus Stand
Naranpura
Ahmedabad 380 013
Tel: (91 79) 2743 8531
Fax: (91 79) 2743 8371

Our Board of Directors comprises the following:

Name, Designation, Occupation and DIN	Age (years)	DIN	Address
Mr. Gautam S. Adani Chairman Non-Executive and Non-Independent Director	45	00006273	Shantivan Farm House Behind Karnavati Club Mohemadpura Village Ahmedabad 380 057
Mr. Rajesh S. Adani Managing Director	43	00006322	14, Suryaja Bungalow Behind Sarathi Restaurant Vastrapur Ahmedabad 380 054
Mr. R. K. Gupta Executive Whole-time Director	63	0088783	102, Ratnam Residency Behind Fun Republic Satellite Ahmedabad 380 015
Mr. Ameet H. Desai Non-Independent and Non-Executive Director	44	00007116	A/403, Pratishtha Apartment Bodakdev Ahmedabad 380 054
Mr. Vijay Ranchan Independent Director	65	01602023	Plot No.131 Sector – 8 C Gandhinagar 382 008
Mr. Surendra Kumar Tuteja Independent Director	62	00594076	S-307, 2nd Floor Panchsheel Park

Name, Designation, Occupation and DIN	Age (years)	DIN	Address
			New Delhi 110 001
Mr. B. B. Tandon Independent Director	66	00740511	J-238, First Floor Saket New Delhi 110 017
Mr. Chinubhai R. Shah Independent Director	71	00558310	402, Heritage Cresent B/h Prahaladnagar Garden Near Jain Drasar S.G. Highway Ahmedabad 380 051

For further details of our Directors, see "Our Management" on page 143 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Digish Shah. His contact details are as follows:

Mr. Digish Shah
6th Floor, Sambhaav Press Building
Near Judges Bungalow Road
Vastrapur
Ahmedabad 380 015
Tel: (91 79) 2555 7139
Fax: (91 79) 2555 7177
Email: ipo@adanipower.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Global Coordintor and Book Running Lead Manager

DSP Merrill Lynch Limited
Mafatlal Centre, 10th Floor
Nariman Point
Mumbai 400 021
Tel: (91 22) 2262 1071
Fax: (91 22) 2204 8518
Email: apl_ipo@ml.com
Investor Grievance Email: india_merchantbanking@ml.com
Website: www.dspml.com
Contact Person: N. S. Shekhar
Registration No.: INM000002236

Book Running Lead Managers

Enam Securities Private Limited
801/802, Dalamal Towers
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
E-mail: aplipo@enam.com
Investor Grievance Email:
complaints@enam.com

ICICI Securities Limited
ICICI Centre, H. T. Parekh Marg, Churchgate
Mumbai 400 020, India
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: apl_ipo@isecltd.com
Investor Grievance Email:
customercare@isecltd.com
Website: www.icicisecurities.com

Website: www.enam.com
Contact Person: Anusha Bharadwaj
SEBI Reg. No. INM000006856

Contact Person:Sumit Pachisia
SEBI Registration No: INM 000011179

IDFC-SSKI Private Limited*
803-4 Tulsiani Chambers,
8th Floor, Nariman Point,
Mumbai 400 021, India.
Tel: (91 22) 6638 3333
Fax: (91 22) 2282 6615
E-mail: apl..ipo@idfcsski.com
Investor Grievance Email:
complaints@idfcsski.com
Website: www.sski.co.in
Contact Person: Anjali Peri
SEBI Reg. No. INM000010254
*(*name being changed from SSKI Corporate Finance Private Limited subject to regulatory approvals)*

JM Financial Consultants Private Limited
141, Maker Chambers III
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6630 3030
Fax: (91 22) 2204 7185
Email: apl.ipo@jmfinancial.in
Investor Grievance Email:
grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Kunal Jain
SEBI Registration No: INM000010361

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar, 229,
Nariman Point
Mumbai-400 021, India
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: apl.ipo@kotak.com
Investor Grievance Email:
kmccredressal@kotak.com
Website: www.kotak.com
Contact Person: Chandrakant Bhole
SEBI Reg. No. INM000008704

Morgan Stanley India Company Private Limited
1101-1115, Trident
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6621 0555
Fax: (91 22) 6621 0556
Email: apl_ipo@morganstanley.com
Investor Grievance Email:
investors_india@morganstanley.com
Website:
www.morganstanley.com/indiaofferdocuments
Contact Person: Amit H. Shah
SEBI Registration No.: INM000011203

SBI Capital Markets Limited
202, Maker Towers 'E',
Cuffe Parade,
Mumbai 400 005
Tel: (91 22) 2218 9166
Fax: (91 22) 2218 8332
Email : project.adani@sbicaps.com
Investor Grievance Id:
investor.relations@sbicaps.com
Website : www.sbicaps.com
Contact Person : Alpa Joshi/Sylvia Mendonca
SEBI Registration No: INM000003531

Syndicate Members

[●]

[●]

Legal Advisors

Domestic Legal Counsel to the Company

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

Domestic Legal Counsel to the Underwriters

Khaitan & Co.
Meher Chambers
4th and 5th Floor
R.K. Marg
Ballard Estate
Mumbai 400 001
Tel.: (91 22) 6636 5000
Fax.: (91 22) 6636 5050

International Legal Counsel to the Underwriters

Jones Day
30 Cecil Street
29-01 Prudential Tower
Singapore 049712
Tel.: (65) 6538 3939
Fax: (65) 6536 3939

Registrar to the Issue

Karvy Computershare Private Limited
"Karvy House", 46, Avenue 4
Street No 1, Banjara Hills
Hyderabad 500 034
Toll free no: 1-800-345-4001
Tel: (91 40) 2342 0815
Fax: (91 40) 2342 0814
Email: adani.ipo@karvy.com
Investor Grievance Email: adani.ipo@karvy.com
Website: www.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]

Bankers to the Company

Allahabad Bank
S.P. Nagar Branch
Ahmedabad 380 006
Tel.: (91 79) 2646 0354
Fax: (91 79) 2646 8450

Andhra Bank
41, Parimal Society
C. G. Road
Ahmedabad
Tel.: (91 79) 2646 0945
Fax: (91 79) 2646 0947

Axis Bank Limited
“Trishul”
Opposite Samartheswar Mahadev Temple
Law Garden
Ahmedabad 380 006
Tel: (91 79) 2218 9106
Fax: (91 79) 2216 2467

Bank of India
Ahmedabad Corporate Banking Branch
2nd Floor, Bank of India Building
Bhadra, Ahmedabad 380 001
Tel: (91 79) 2539 2645
Fax: (91 79) 2539 5407

Bank of Maharashtra
1st Floor, Janmangal
45/47, Mumbai Samachar Marg,
Fort, Mumbai 400 023
Tel.: (91 22) 2265 2595
Fax: (91 22) 2265 2912

Canara Bank
Bhadra Branch
Opposite Advance Cinema
Bhadra
Ahmedabad 380 001
Tel.: (91 79) 2550 7535/2550 7884
Fax: (91 79) 2550 7736

Central Bank of India
Central Bank Building
Lal Darwaja
Ahmedabad 380 001
Tel.: (91 79) 2550 3586/2550 3587/2550 3588
Fax: (91 79) 2550 4411

Corporation Bank
Near Navrangpura Post Office
Ahmedabad 380 009
Tel.: (91 79) 2644 7172/2644 0818/2644 3412
Fax: (91 79) 2644 6498

ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex
Mumbai 400 051
Tel.: (91 22) 2653 1414
Fax: (91 22) 2653 1122

India Infrastructure Finance Company Limited
1201-1207, Naurang House
Kasturba Gandhi Marg
New Delhi 110 001
Tel.: (91 11) 2373 6354
Fax: (91 22) 2373 6355

Indian Overseas Bank
International Business Branch
2, Wood Street
Kolkata 700 016
Tel.: (91 33) 2287 8534/2287 8536/2283 0749
Fax: (91 33) 2240 3099/2283 0748

Oriental Bank of Commerce
"Neel Kamal", Op. Sales India
Ashram Road,
Ahmedabad 380 009
Tel.: (91 79) 2754 1843
Fax: (91 79) 2754 1113

Punjab National Bank
Ground Floor, "A" Wing
Pelican Building, Ashram road
Ahmedabad 380 009
Tel.: (91 79) 2658 6404
Fax: (91 79) 2658 6405

Small Industries Development Bank of India
C-11, G-Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel.: (91 22) 5553 1100/5553 1173
Fax: (91 22) 5553 1175

State Bank of Hyderabad
Ashram Road
Ahmedabad
Tel: (91 79) 2754 5434
Fax: (91 79) 2754 3548

State Bank of India
Project Finance SBU
Corporate Centre, 12th Floor
State Bank Bhavan
Madame Cama Road
Mumbai 400 021
Tel.: (91 22) 2288 4150 /2286 8100/2202 2474
Fax: (91 22) 2288 3021/2288 3558

State Bank of Mysore
Corporate Accounts Branch
Mittal Court, "C" Wing
Nariman Point
Mumbai 400 021
Tel.: (91 80) 2559 6901
Fax: (91 22) 2558 3642

State Bank of Patiala
Commercial Branch
First Floor, Atlanta
Nariman Point
Mumbai 400 021
Tel.: (91 22) 2204 7021/2204 7018/2204 7017
Fax: (91 22) 6637 5703

State Bank of Saurashtra
Gresnam House
Sir P. M. Road
Fort
Mumbai 400 001
Tel.: (91 22) 2261 3976/2262 5038/2261 6159
Fax: (91 22) 2263 0823/2261 2554/ 2262 4308

State Bank of Travancore
Commercial Branch, Chennai
"Jeevan Anand"
#556, Anna Salai
Teynampet
Chennai 600 018
Tel.: (91 44) 2435 9432 / 2435 9434 / 2435 9435
Fax: (91 44) 2435 1671

Standard Chartered Bank
Project and Export Finance
90, Mahatma Gandhi Marg

Syndicate Bank
Ashram Road Branch
Neptune Tower

Fort Mumbai 400 001 Tel.: (91 22) 2268 3151 Fax: (91 22) 2268 3158	Ashram Road Ahmedabad Tel: (91 79) 2658 7223 / 2658 9227 Fax: (91 79) 2658 9760
Tamilnad Mercantile Bank Goradia House (First Floor) 101-104 Kazi Syed Street Mandvi Mumbai 400 003 Tel.: (91 22) 2341 5624 Fax: (91 22) 2340 1667	**UCO Bank** UCOBHAWAN Near Sanyas Ashram Ashram Road Ahmedabad 380 009 Tel.: (91 79) 2657 9312 Fax: (91 79) 2657 8477

Auditors to the Company

Deloitte Haskins & Sells
Chartered Accountants
Heritage, 3rd Floor
Near Gujarat Vidhyapith
Off. Ashram Road
Ahmedabad 380 014
Tel: (91 79) 2758 2542
Fax: (91 79) 2758 2551
Email: atd@deloitte.com

Monitoring Agency

The Monitoring Agency will be appointed prior to the filing of the Red Herring Prospectus with the ROC.

Appraising Entity

ICICI Bank Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai 400 051 Tel.: (91 22) 2653 1414 Fax: (91 22) 2653 1122 Email: sukumar.jain@icicibank.com	**SBI Capital Markets Limited** 202, Maker Tower E Cuffe Parade Mumbai 400 005 Tel.: (91 22) 2218 7052 Fax : (91 22) 2216 0379 Email: gh.pafs@sbicaps.com

Inter Se Allocation of Responsibilities between the Book Running Lead Managers

The responsibilities and co-ordination for various activities in this Issue are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	DSPML
2.	Due diligence of Company's operations / management / business plans/legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing. Drafting and approval of all	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	DSPML

Sr. No.	Activity	Responsibility	Co-ordination
	statutory advertisement		
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 2 above including corporate advertisement, brochure etc.	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	ENAM
4.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	DSPML
5.	Institutional Marketing strategy * Preparation of Road show presentation * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	DSPML
6.	Non-Institutional marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material * Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	ENAM
7.	Finalisation of Pricing, in consultation with the Company	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	DSPML
8.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's) to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	DSPML, ENAM, ISEC, JM FINANCIAL, KMCC, SBICAPS, IDFC-SSKI, MS	ENAM

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by [●] and has been assigned [●] indicating [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For details in relation to the Report of the Grading Agency, please refer to Annexures beginning on page [●] of this Draft Red Herring Prospectus. Attention is drawn to the disclaimer appearing on page [●] of this Draft Red Herring Prospectus.

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinions.

Trustee

As this is an Issue of Equity Shares, the appointment of a trustee is not required.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- The Company;
- The BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Issue; and
- Escrow Collection Banks.

In terms of Rule 19(2)(b) of SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to [●] Equity shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see "Terms of the Issue" on 342 of this Draft Red Herring Prospectus.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Guidelines is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the BRLMs, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see "Issue Procedure - Who Can Bid?" on page 347 of this Draft Red Herring Prospectus);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that you have mentioned PAN in you Bid cum Application Form. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form; and

5. Bids by QIBs will only have to be submitted to the BRLMs.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefore.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[●]**
BID/ISSUE CLOSES ON	**[●]**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the bids uploaded by the Underwriter including through its Syndicate/Sub Syndicate. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. Million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the underwriting agreement.

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In Rs. Million, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED CAPITAL**		
	2,500,000,000 Equity Shares of Rs. 10 each	25,000.00	
	500,000,000 Cumulative Compulsorily Convertible Participatory Preference shares of Rs. 10 each	5,000.00	
		30,000.00	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	1,771,456,203 Equity Shares of Rs. 10 each	17,714.56	
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**[(1)]		
	296,948,000 Equity Shares of Rs. 10 each fully paid up	2,969.48	[●]
	Of which		
	Employee Reservation Portion:		
	4,000,000 Equity Shares of Rs. 10 each fully paid up	40.00	[●]
	Net Issue to the Public:		
	[●] Equity Shares of Rs. 10 each fully paid up	[●]	[●]
D	**SHARE PREMIUM ACCOUNT**		
	Before the Issue		285.44
	After the Issue		[●]
E	**EQUITY CAPITAL AFTER THE ISSUE**		
	2,068,404,203 Equity Shares of Rs. 10 each fully paid up	20,684.04	[●]

(1) The present Issue in terms of this Draft Red Herring Prospectus has been authorized by our Board of Directors and our shareholders, pursuant to their resolutions dated March 31, 2008 and April 25, 2008 respectively.

The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up capital being offered to the public.

Changes in the Authorised Capital

(1) The initial authorised share capital of Rs. 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10 each was increased to Rs. 11,000,000 divided into 1,100,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders on August 1, 2006.

(2) The authorised share capital of Rs. 11,000,000 divided into 1,100,000 Equity Shares of Rs. 10 each was increased to Rs. 15,000,000,000 divided into 1,500,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders on September 1, 2006.

(3) The authorised share capital of Rs. 15,000,000,000 divided into 1,500,000,000 Equity Shares of Rs. 10 each was increased to Rs. 25,000,000,000 divided into 2,500,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders on March 28, 2007.

(4) The authorised share capital of Rs. 25,000,000,000 divided into 2,500,000,000 Equity Shares of Rs. 10 each was increased to Rs. 30,000,000,000 divided into 2,500,000,000 Equity Shares of Rs. 10 each and 500,000,000 Cumulative Convertible Preference Shares of Rs. 10 each pursuant to a resolution of the shareholders on July 30, 2007.

(5) The authorised capital was reorganized on September 21, 2007 as follows:

Rs. 25,000 Mn (Rupees Twenty Five Thousand Million only) divided into 2,500 Mn (Two Thousand Five Hundred Million) Equity Shares of Rs. 10 each ranking pari passu with the existing Equity Shares; and

Rs. 5,000 Mn (Rupees Five Hundred Million only) divided into 500 Mn (Five Hundred Million) Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- each.

Notes to the Capital Structure

1. Share Capital History of the Company

(a) Equity Share Capital History

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative Share Premium (Rs.)
August 22, 1996	1,000	10	10	Cash	Subscription to Memorandum	1,000	10,000	Nil
November 5, 2001	49,000	10	10	Cash	Allotment to Mr. Gautam S. Adani, Ms. Priti G. Adani, Mr. Rajesh S. Adani, Ms. Shilin R. Adani, Mr. Vasant S. Adani, Ms. Pushpa V. Adani, Mr. Mahasukh S. Adani, Ms. Suvarna M. Adani, Mr. Vinod S. Adani and Ms. Ranjan V. Adani	50,000	500,000	Nil
December 1, 2003	900,000	10	10	Cash	Allotment to Gautam S. Adani Family Trust, Rajesh S. Adani Family Trust, Vasant S. Adani Family Trust, Mahasukh S. Adani Family Trust, Vinod S. Adani Family Trust	950,000	9,500,000	Nil

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative Share Premium (Rs.)
August 5, 2006	150,000	10	10	Cash	Adani Enterprises Limited	1,100,000	11,000,000	Nil
October 16, 2006	196,090,000	10	10	Cash	Adani Enterprises Limited	197,190,000	1,971,900,000	Nil
January 4, 2007	45,000,000	10	10	Cash	Adani Enterprises Limited	242,190,000	2,421,900,000	Nil
February 21, 2007	18,500,000	10	10	Cash	Adani Enterprises Limited	260,690,000	2,606,900,000	Nil
June 11, 2007	77,580,000	10	10	Cash	Adani Enterprises Limited	338,270,000	3,382,700,000	Nil
September 17, 2007	18,530,000	10	10	Cash	Adani Enterprises Limited	356,800,000	3,568,000,000	Nil
October 1, 2007	52,083,333	10	144	Cash	3i Power Investments A1 Limited	408,883,333	4,088,833,330	6,979,166,622
December 12, 2007	21,759,900	10	10	Cash	Adani Enterprises Limited	430,643,233	4,306,432,330	6,979,166,622
March 31, 2008	121,440,100	10	10	Cash	Adani Enterprises Limited	552,083,333	5,520,833,330	6,979,166,622
April 25, 2008	350,800,000	10	10	Cash	Adani Enterprises Limited	902,883,333	9,028,833,330	6,979,166,622
April 25, 2008	32,059,002	10	46.78	Conversion of preference shares of the Company	3i Power Investments A1 Limited	934,942,335	9,349,423,350	8,158,576,602
April 25, 2008	49,200,000	10	10	Cash	Grow Power Trust	984,142,335	9,841,423,350	8,158,576,602
April 28, 2008	787,313,868	10	-	Other than cash	Bonus in the ratio of 4:5*	1,771,456,203	17,714,562,030	285,437,922

* *Bonus Equity Shares have been issued out of the share premium account by capitalising Rs. 7,873,138,680.*

(b) *Preference Share Capital History*

Date of allotment of the Preference Shares	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative no. of Preference Shares	Cumulative Paid-up Preference Capital (Rs.)	Cumulative Share Premium (Rs.)
October 1, 2007	150,000,000	10	10	Cash	Allotment to 3i Power Investments A1 Limited*	150,000,000	1,500,000,000	Nil

** On April 25, 2008 150,000,000 preference shares were converted into 32,059,002 Equity Shares at an aggregate price of Rs. 1,500 million.*

2. Build-up of Promoter Shareholding

Date of Allotment/ Transfer	Nature of consideration	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Nature of Transaction	Cumulative no. of Equity Shares
Adani Enterprises Limited						
May 29, 2006	Cash	950,000*	10	10	Transfer	950,000
August 5, 2006	Cash	150,000	10	10	Allotment	1,100,000
October 16, 2006	Cash	196,090,000	10	10	Allotment	197,190,000
January 4, 2007	Cash	45,000,000	10	10	Allotment	242,190,000
February 21, 2007	Cash	18,500,000	10	10	Allotment	260,690,000
June 11, 2007	Cash	77,580,000	10	10	Allotment	338,270,000
September 17, 2007	Cash	18,530,000	10	10	Allotment	356,800,000

Date of Allotment/ Transfer	Nature of consideration	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Nature of Transaction	Cumulative no. of Equity Shares
December 12, 2007	Cash	21,759,900	10	10	Allotment	378,559,900
March 31, 2008	Cash	121,440,100	10	10	Allotment	500,000,000
April 25, 2008	Cash	350,800,000	10	10	Allotment	850,800,000
April 28, 2008	Other than cash	680,640,000	10	-	Bonus issue in the ratio 4:5	1,531,440,000
Gautam S. Adani						
August 22, 1996	Cash	100	10	10	Subscription to Memorandum	100
November 5, 2001	Cash	4,900	10	10	Allotment	5,000
November 12, 2001	Cash	(2,500)	10	10	Transfer	2,500
June 30, 2004	Cash	(2,500)	10	10	Transfer	0
Rajesh S. Adani						
August 22, 1996	Cash	100	10	10	Subscription to Memorandum	100
November 5, 2001	Cash	4,900	10	10	Allotment	5,000
November 12, 2001	Cash	(2,500)	10	10	Transfer	2,500
June 30, 2004	Cash	(2,500)	10	10	Transfer	0

* 30,000 Equity Shares are held by various nominees on behalf of Adani Enterprises Limited.

3. Promoters' Contribution and Lock-in

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from the date of Allotment in the Issue or from the first date of commencement of commercial production, whichever is later. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under Clause 4.6 and 4.11 of the SEBI Guidelines. Equity shares offered by Promoters for minimum promoter contribution are not subject to pledge.

a. Details of the Equity Shares forming part of Promoters' contribution, which shall be locked-in for three years, are as follows:

Sr. No.	Date of Transfer/Allotment	Nature of Consideration	Number of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up capital
Adani Enterprises Limited						
1.	January 4, 2007	Cash	33,732,690	10.00	10.00	1.63
2.	October 16, 2006	Cash	196,090,000	10.00	10.00	9.48
3.	April 28, 2008	Other than cash (bonus)	183,858,151	10.00	-	8.89
Total			**413,680,841**			**20.00**

The minimum Promoters contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Guidelines. We have obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum promoters' contribution subject to lock-in. Further, the Promoters have given an undertaking to the effect that they shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Guidelines.

Equity Shares held by our Promoters and offered as minimum Promoters' contribution are free from pledge. AEL, one of our Promoters, has pledged 101,481,000 Equity Shares with ICICI Bank Limited, the consortium lender for our Mundra I & II project, of which 330,000 Equity Shares were pledged on October 3, 2006 and 101,151,000 Equity Shares were pledged on September 7, 2007.

b. Details of pre-Issue Equity Share capital locked in for one year:

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the balance pre-Issue share capital of the Company 1,357,775,362 Equity Shares shall be locked-in for a period of one year from the date of Allotment in the Issue.

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

4. Shareholding Pattern of the Company

(i) The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue:

	Pre-Issue		**Post-Issue***	
	No. of Equity Shares	**Percentage of Equity Share capital**	**No. of Equity Shares**	**Percentage of Equity Share capital**
Promoters				
Adani Enterprises Limited	1,531,440,000	86.45	1,531,440,000	74.04
Gautam S. Adani	0	0	0	0
Rajesh S. Adani	0	0	0	0
Total Holding of Promoters (A)	1,531,440,000	86.45	1,531,440,000	74.04
Promoter Group	0	0	0	0
Total Holding of Promoter Group (B)	0	0	0	0
Total Holding of Promoters and	**1,531,440,000**	**86.45**	**1,531,440,000**	**74.04**

	Pre-Issue		Post-Issue*	
	No. of Equity Shares	Percentage of Equity Share capital	No. of Equity Shares	Percentage of Equity Share capital
Promoter Group (C = A + B)				
Others (D)				
3i Power Investments A1 Limited	151,456,203	8.55	151,456,203	7.32
Grow Power Trust	88,560,000	5.00	88,560,000	4.28
Eligible Employees (pursuant to Employee Reservation Portion) (E)	-	-	4,000,000	0.20
Public (pursuant to the Issue) (F)	-	-	292,948,000**	14.16**
Total (A+B+C+D+E+F)	**1,771,456,203**	**100.00**	**2,068,404,203**	**100.00**

** Assuming that the Employee Reservation Portion is fully subscribed by the Eligible Employees and the non-promoter group shareholders do not apply for, and are not Allotted, Equity Shares in this Issue.*
*** The Company is considering a Pre-IPO Placement of Equity Shares with various investors If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up capital being offered to the public.*

5. The list of top ten shareholders of the Company and the number of Equity Shares held by them is as under:

(a) As of the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Adani Enterprises Limited*	1,531,440,000	86.45
2.	3i Power Investments A1 Ltd.	151,456,203	8.55
3.	Grow Power Trust	88,560,000	5.00
	TOTAL	**1,771,456,203**	**100.00**

** This includes 30,000 Equity Shares held by nominees of Adani Enterprises Limited.*

(b) As of ten days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Adani Enterprises Limited*	500,000,000	90.57
2.	3i Power Investments A1 Limited	52,083,333	9.43
	TOTAL	**552,083,333**	**100.00**

** This includes 30,000 Equity Shares held by nominees of Adani Enterprises Limited.*

(c) Two years prior to date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Mundra Special Economic Zone Limited*	950,000	100.00
	TOTAL	**950,000**	**100.00**

** This includes 30,000 Equity Shares held by nominees of Mundra Special Economic Zone Limited*

6. The Company, the Directors, the Promoters, the Promoter Group, their respective directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

7. None of our Directors or key managerial personnel hold Equity Shares in the Company.

8. Except as stated above, our Promoters, Directors and Promoter Group have not purchased or sold any Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

9. A total of upto 4,000,000 Equity Shares, have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid in this portion being Rs. [●]. Only Eligible Employees as on [●] would be eligible to apply in this Issue under Reservation for Eligible Employees. Eligible Employees may Bid in the Net Issue as well and such Bids shall not treated as multiple Bids.

10. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

11. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

12. Subject to the Pre-IPO Placement, if any, there will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

13. Subject to the Pre-IPO Placement, the Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

14. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

15. We have eight members as of the date of filing of this Draft Red Herring Prospectus.

16. The Company has not raised any bridge loans against the proceeds of the Issue.

17. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated above.

18. Except for Equity Shares allotted to Bidders opting for Payment Method-1, all Equity Shares will be fully paid up at the time of allotment failing which no allotment shall be made.

19. As per the RBI regulations, OCBs are not allowed to participate in the Issue.

20. In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

OBJECTS OF THE ISSUE

We intend to utilize the Issue Proceeds, after deducting the underwriting and issue management fees, selling commissions and other expenses associated with the Issue (the "Net Proceeds") for the following objects:

(a) To part finance the construction and development of our power projects at Mundra Gujarat, for 4,620 MW;

(b) Funding equity of subsidiaries to part finance the construction and development cost of projects for 5,280 MW as given below:

(i) To part-finance the construction and development cost of power project for 1,980 MW at Tiroda, Maharashtra set up by our Adani Power Maharashtra Private Limited;

(ii) To part-finance the construction and development cost of power project for 1,980 MW at Dahej, Gujarat set up by our Adani Power Dahej Private Limited; and

(iii) To part-finance the construction and development cost of power project for 1,320 MW at Kawai, Rajasthan set up by our Adani Power Rajasthan Limited.

(c) General corporate purposes.

The main objects clause of our Memorandum of Association enables us to undertake our existing activities and the activities for which the funds are being raised by us through this Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the Net Proceeds of the Issue are summarized in the table below:

(In Rs. Million)

	Amount
Proceeds from the Issue*	[•]
Issue related expenses*	[•]
Net Proceeds from the Issue*	**[•]**

* *To be finalised upon determination of the Issue Price.*

Means of Finance

The following table sets forth the total expenditure expected to be incurred on our projects, amount proposed to be financed from Net Proceeds of this Issue, and other means of financing:

(In Rs. Million)

Project	Total Estimated Expenditure	Amount proposed to be financed from Net Proceeds	Balance amount	Amount financed \ proposed to be financed from Equity other than current Issue/Internal accruals	Amount financed \ proposed to be financed from third party debt	Amount deployed as of February 29, 2008 (1)	Amount deployed as of February 29, 2008 from Equity	Amount deployed as of February 29, 2008 from third party debt
Mundra I &II, Gujarat	43,500	612	42,888	6,288	36,600	13,808	5,758	8,050
Mundra III, Gujarat	57,960	5,817	52,143	7,603	44,540	7,353	7,353	-

Project	Total Estimated Expenditure	Amount proposed to be financed from Net Proceeds	Balance amount	Amount financed \ proposed to be financed from Equity other than current Issue/Internal accruals	Amount financed \ proposed to be financed from third party debt	Amount deployed as of February 29, 2008 [1]	Amount deployed as of February 29, 2008 from Equity	Amount deployed as of February 29, 2008 from third party debt
Mundra IV, Gujarat	89,600	17,060	72,540	860	71,680	-	-	-
Tiroda, Maharashtra implemented by our 100% owned Subsidiary[2]	92,630	12,839	79,791	5,687	74,104	182	182[3]	-
Dahej, Gujarat implemented by our 100% owned Subsidiary	88,810	8,402	80,408	9,360	71,048	26	26	-
Kawai, Rajasthan implemented by our 100% owned Subsidiary	58,890	11,570	47,320	208	47,112	-	-	-
General Corporate Purposes	[•]	[•]	[•]	-	-	-	-	-
Total	**[•]**	**[•]**	[•]	**30,006**	**345,084**	**21,369**	**13,319**	**8,050**

[1] As certified by Deloitte Haskins & Sells, Chartered Accountants vide their certificate dated April 16, 2008 and April 29, 2008, and certified by C. C. Chokshi & Co., Dharmesh Parikh & Co., Chartered Accountants vide their certificate April 17, 2008 and April 15, 2008 respectively.

[2] We entered into a shareholders agreement dated January 15, 2008 with Millennium Developers Private Limited ("Millennium Developers") in connection with the subscription of 26.0% equity interest in Tiroda SPV to Millennium Developers. We have received Rs. 100.00 million as share application money, however, as of the date of this Draft Red Herring Prospectus, no shares have been allotted to Millennium Developers.

[3] Includes Rs. 50.00 million as share application money from Millennium Developers.

The fund requirements mentioned above are based on our current business plan. We may have to revise out estimated costs and fund requirements owing to factors such as geological assessments, exchange or interest rate fluctuations, changes in design and configuration of the projects, increase in input costs of steel & cement, other construction materials and labour costs, incremental rehabilitation, other pre-operative expenses and other external factors which may not be in our control. This may include rescheduling of our capital expenditure programs or changes in the capital expenditure for a particular purpose vis-à-vis current plans at the discretion of our management. There may also be requirements that may arise on account of new acquisitions, mergers and winning of various projects that we have either bid for or are in the process of bidding. In case of any increase in the actual utilisation of funds earmarked for the above activities or actual Net Proceeds from this Issue being lower than contemplated, such shortage will be met from a combination of internal accruals, additional equity or debt infusion. In case of surplus funds either due to lower utilization than what is stated above or surplus Issue proceeds after meeting all the above mentioned objects, the same shall be utilised towards general corporate purposes. Please refer to "Risk Factors" on page xiii of this Draft Red Herring Prospectus.

Funding Arrangement

The total funds required for the objects of the Issue are about Rs. 431,390 million. 75% of the stated means of finance, excluding funds to be raised through the Issue have been arranged as follows:

	In Rs. Million
Funds required for Object	**431,390.00**

	In Rs. Million
Funding through IPO	56,300.00
Funds required excluding the Issue	***375,090.00***
75% of the above	***281,317.50***
Arrangements	
Funded through existing equity/internal accruals	13,319.00
Funded through third party debt	
Loan Agreements (1)	*81,790.00*
Sanction Letters	*28,000.00*
Underwritten Arrangements	*105,500.00*
In-principle Underwriting Letters(2)	*53,250.00*
Total Debt	268,540.00
Grand Total	**281,859.00**

(1) Includes a US Dollar facility from Standard Chartered Bank for US$500 million, which has been converted into Rupees using a convenience exchange rate of US$ 1 = INR 40.00.

(2) The In-principle underwriting letter, which has been issued by State Bank of India, is in relation to the Dahej Project of the Company. The Company is in discussion with State Bank of India and expects to obtain sanction letters from, or enter into loan agreements with, State Bank of India or in its absence any other lender, prior to the filing of the Red Herring Prospectus with the Registrar of Companies.

Following are the details of loans/letters of intent from banks and financial institutions availed in respect of the six projects:

S. No.	Name of the Bank/Financial Institution	Project	Total Sanctioned Amount (Rs. Million)	Amount outstanding as of February 29, 2008 (In Rs. Million)
1.	ICICI Bank Ltd. and consortium (Loan agreement dated September 20, 2006)	Mundra I	17,100	7,454.08
2.	ICICI Bank Ltd. and consortium (Loan agreement dated July 25, 2007)	Mundra II	15,500	595.99
3.	ICICI Bank Ltd. (Subordinate Loan agreement dated June 26, 2006)	Mundra I & II	4,650	Nil
4.	State Bank of India and consortium (Loan agreement dated March 27, 2008)	Mundra III	23,470	Nil
5.	State Bank of India and consortium (Subordinate Loan agreement dated March 27, 2008)	Mundra III	1,070	Nil
6.	Standard Chartered Bank (Facility agreement dated March 28, 2008)	Mundra III	20,000	Nil
7.	State Bank of India (Sanction letter dated January 15, 2008)	Tiroda	10,000	Nil
8.	State Bank of India (underwriting letter dated March 4, 2008)	Tiroda	16,300	Nil
9.	State Bank of Mysore (Sanction letter dated January 30, 2008)	Tiroda	1,000	Nil
10.	State Bank of Saurashtra (sanction letter dated March 5, 2008)	Tiroda	500	Nil
11.	UCO Bank (sanction letter dated March 31, 2008)	Tiroda	5,000	Nil
12.	State Bank of Indore (sanction letter dated March 31, 2008)	Tiroda	500	Nil
13.	IFCI Ltd. (sanction letter dated March 20, 2008)	Tiroda	1,000	Nil
14.	Corporation Bank (sanction letter dated April 8, 2008)	Tiroda	1,000	Nil

S. No.	Name of the Bank/Financial Institution	Project	Total Sanctioned Amount (Rs. Million)	Amount outstanding as of February 29, 2008 (In Rs. Million)
15.	State Bank of Bikaner & Jaipur (sanction letter dated April 17, 2008)	Tiroda	1,000	Nil
16.	Union Bank of India (sanction letter dated April 19, 2008)	Tiroda	1,500	Nil
17.	Punjab National Bank Ltd. (sanction letter dated April 21, 2008)	Tiroda	5,000	Nil
18	State Bank of Patiala (sanction letter dated April 22, 2008)	Tiroda	1,500	Nil
19	State Bank of India (underwriting letter dated April 15, 2008)	Kawai	35,400	Nil
20.	State Bank of India (in-principle underwriting letter dated March 19, 2008)	Dahej	53,250	Nil
21.	State Bank of India (underwriting letter dated April 29, 2008)	Mundra IV	53,800	Nil
Total			268,540	8,050.07

* *US Dollar facility from Standard Chartered Bank for US$500 million, which has been converted into Rupees using a convenience exchange rate of US$ 1 = INR 40.00.*

Underwriting Arrangements

The Company has received three sanction letters from lenders to underwrite term loans. These sanction letters broadly indicate the terms and conditions to underwrite or arrange such facilities. The letters provide that the final terms and conditions would be detailed at the time of the final documentation. Such underwriting term loan commitments are valid for a stipulated period of time from their date of issuance and the proposed pricing in these letters is also valid for a stipulated period of time. The letters provide for the percentage of the total envisaged equity contribution that has to be brought up front for the projects and an undertaking from the promoters for the balance to be brought in later as per the project requirements.

These letters also provide for the security stipulations including security by way of first priority charges, assignment of project contracts, first charge of the project's various bank accounts etc. The underwriting stipulations by the lenders are subject to certain conditions including there being no material adverse changes in the international or domestic markets and to the business of the borrower. The letters provide that the lenders shall have the right to appoint one nominee director on the Board of Directors. The letters also include the negative covenants such as the long term debt equity ratios, restrictions on undertaking any new projects and making any material modifications to the project contracts and agreements.

The final documentation will contain customary clauses such as financial covenants, representations and warranties and conditions precedent to the effectiveness of the loan.

Sanction Letters

We have received 11 sanction letters from lenders for debt facilities in the form of various Rupee term loans along with letter of credit facilities (the "Facilities"). The Facilities have been sanctioned subject to certain terms and conditions which include execution of other documents relating to the Facilities by us in such form as may be required by the banks, creation of charge over assets in terms of the sanction and upfront equity contribution to be brought in by our promoters. The Facilities have been sanctioned as a means to finance the cost of the project. The banks shall have the right to appoint a nominee director on our board of directors.

These letters also provide for the security stipulations including security by way of first priority charges, assignment of project contracts, first charge of the project's various bank accounts etc. Sub-debt, if any, for the project shall have a second charge on the above security. The execution and effectiveness of each project agreement and financing document shall be undertaken to the satisfaction of the lender for the first drawdown of the Facility. The loan documentation shall contain customary clauses including standard representations, warranties and covenants.

In-Principle Underwriting Letter

We have received one in-principle underwriting letter from State Bank of India (the "Bank") to underwrite the project debt requirement not exceeding Rs. 53,250.00 million. The letter contains the indicative terms and the Bank may stipulate specific terms other than those specified in the information memorandum.

Pursuant to the above, the Company believes it has made firm arrangements (as envisaged under clause 2.8 of the SEBI DIP Guidelines) for financing at least 75% of the financing requirements for the Objects, after taking into account the financing proposed to be made out of the Net Proceeds of the Issue. For more details on the loan agreements mentioned above, see the section titled "Financial Indebtedness" on page 285 of this Draft Red Herring Prospectus. Also, please refer to "Risk Factors – We may not be able to raise additional capital to fund the balance of costs for our projects" on page xxviii of this Draft Red Herring Prospectus.

Cost of the Projects

The breakdown of construction and development of power project at Mundra, Gujarat, Tiroda, Maharashtra and Dahej, Gujarat and Kawai, Rajasthan is as follows:

(In Rs. Million)

Particulars	Project						
	Mundra I&II	**Mundra III**	**Mundra IV**	**Tiroda**	**Dahej**	**Kawai**	**Total**
Land and site development	1,310	150	400	640	750	250	**3,500**
Building, Civil Works, Engineering, Procurement and Construction Cost	33,010	46,070	68,400	70,970	69,160	46,400	**334,010**
Transmission Line /Railway Line	640	3,580	8,800	3,160	4,150	3,600	**23,930**
Mining Cost/Coal Supply Cost	0	1,500	0	4,400	2,000	0	**7,900**
Preliminary & Pre-operative expenses	2,105	660	690	1,260	970	820	**6,505**
Interest during construction period	3,350	4,620	7,800	8,680	7,300	5,560	**37,310**
Contingency	1,885	110	1,910	1,980	2,610	1,070	**9,565**
Margin money for working capital	1,200	1,270	1,600	1,540	1,870	1,190	**8,670**
Total Cost	**43,500**	**57,960**	**89,600**	**92,630**	**88,810**	**58,890**	**431,390**

Schedule of Implementation

The details of the estimated projects costs and investments schedule as set out below is based on the project cost estimated by ICICI Bank Limited and SBI Capital Markets Limited in their information memoranda.

(In Rs. Million)

Particulars	Project						
	Mundra I&II	**Mundra III**	**Mundra IV**	**Tiroda**	**Dahej**	**Kawai**	**Total**
Estimated Project Cost	43,500	57,960	89,600	92,630	88,810	58,890	431,390
Investment Schedule							
Already deployed upto February 29, 2008	13,808	7,353	0	182	26	0	21,369
From March 1, 2008 till March 31, 2009	19,895	8,676	14,356	12,172	10,147	11,394	76,640

Particulars	Project						
	Mundra I&II	Mundra III	Mundra IV	Tiroda	Dahej	Kawai	Total
For FY 2009-10	9,797	12,232	18,904	23,658	16,510	18,556	99,657
For FY 2010-11	0	25,065	19,909	31,504	21,159	21,941	119,577
For FY 2011-12	0	4,633	36,432	25,115	33,349	6,999	106,528
For FY 2012-13 and onwards	0	0	0	0	7,619	0	7,619
Total	**43,500**	**57,960**	**89,600**	**92,630**	**88,810**	**58,890**	**431,390**

The Net Proceeds are currently expected to be deployed in the six projects in accordance with the following schedule.

(In Rs. Million)

Particulars	Project						
	Mundra I&II	Mundra III	Mundra IV	Tiroda	Dahej	Kawai	Total
Amount proposed to be financed from Net Proceeds							
For FY 2008-09	612	-	7,935	5,635	6,217	5,619	26,018
For FY 2009-10		1,595	380	1,028	-	1,868	4,871
For FY 2010-11	-	4,222	3,982	4,167	2,185	4,083	18,639
For FY 2011-12	-		4,763	2,009	-	-	6,772
Total	**612**	**5,817**	**17,060**	**12,839**	**8,402**	**11,570**	**56,300**

Details of the Projects

I. Mundra Phase I and Phase II Power Project

Phase I

As set out in the information memorandum dated January 2006 prepared by ICICI Bank Limited, the breakdown of project cost for Mundra Phase I Power Project is set out below.

Particulars	In Rs. Million
Land and site development	750
Building, Civil works, Engineering, procurement and construction Cost	15,870
Railway Line	440
Preliminary and Pre-operative expenses	1,755
Interest during construction period	1,915
Contingency	1,470
Margin money for working capital	600
Total Cost	**22,800**

Land & Site Development

The cost for acquiring the total land is estimated at Rs. 750 million.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

Primarily civil works and infrastructure includes development of around 4-5 independent systems such as cooling water system, cooling towers, Township & main plant building.

Primarily the total plant and machinery for the project includes: (i) steam generator island; (ii) turbine generator island; (iii) cooling water system; (iv) DM water system; (v) coal handling system ; (vi) other BoP mechanical; (vii) control and instrumentation; (viii) LT switch-gear; (ix) transmission line; (x) 220 kV switchyard; (xi) transformers; and (xii) initial spares.

Preliminary & Pre-operative expenses

Preliminary expenses include establishment expenses, design and engineering, audit and accounts. Pre-operative expenses include erection testing and commissioning, start-up fuel, and site supervision, operators training and insurance.

Interest during construction period

Interest during construction period includes interest and up-front fees. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 7.8% of all costs (excluding financing costs and margin money for working capital).

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 600.0 million. For the purpose of the estimates, the current assets comprising of receivables of 60 days, fuel stock of 60 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been considered.

Phase II

As set out in information memorandum dated December 2006 prepared by ICICI Bank Limited, the breakdown of the project cost for Mundra Phase II Power Project is set out below.

Particulars	In Rs. Million
Land and site development	560
Building, Civil Works, Engineering, Procurement and Construction Cost	17,140
Railway Line	200
Preliminary & Pre-operative expenses	350
Interest during construction period	1,435
Contingency	415
Margin money for working capital	600
Total Cost	**20,700**

Land & Site Development

The cost for acquiring the land is estimated at Rs. 560 million. Further, an amount of Rs. 380 million would be incurred on the preliminary investigation and site development.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

Primarily civil works and infrastructure includes incremental expenditure on development of around 4-5 independent systems (being set up for Phase I of the project) such as cooling water system, additional cooling towers, Township & main plant building etc.

Primarily the total plant and machinery for the project includes: (i) steam generator and turbine generator island including pre-operative expenses; (ii) cooling water system; (iii) DM water system; (iv) coal handling system; (v) other BoP mechanical; (vi) control and instrumentation; (vii) LT switch-gear; (ix) transmission line; (x) 220 kV switchyard; (xi) transformers; and (xii) initial spares.

Preliminary & Pre-operative expenses

Preliminary expenses include design and engineering, audit and accounts, site supervision, operators training and insurance.

Interest during construction period

Interest during construction period includes interest and up-front fees. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 2.2% of all costs (excluding financing costs and margin money for working capital).

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 600.00 million. For the purpose of the estimates, the current assets comprising of receivables of 60 days, fuel stock of 60 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been considered.

II. Mundra Phase III Power Project

As set out in the information memorandum dated August 2007 prepared by SBI Capital Markets Limited, the breakdown of the project cost for Mundra III Power Project is set out below.

Particulars	In Rs. Million
Land	150
Building, Civil Works, Engineering, Procurement and Construction Cost	46,070
Transmission Line	3,580
Coal Supply Advance	1,500
Preliminary & Pre-operative expenses	660
Interest during construction period	4,620
Contingency	110
Margin money for working capital	1,270
Total Cost	**57,960**

Land Acquisition Cost

The cost for acquiring the land is estimated at Rs. 150 million.

Building, Site development, Civil Works, Engineering, Procurement and Construction Cost

This head includes site development, cost of building, civil works and plant and machineries.

Primarily civil works and infrastructure includes expenditure of independent systems such as main plant building, cooling water system, additional RCC chimney, various pump house buildings, storage tanks, coal handing plant, ash handling plant.

The complete plant and machinery for Mundra Phase III Power Project is to be procured through a turnkey EPC contract. The EPC contract would comprise of civil works contracts, Boiler Turbine generator package (for super critical technology), cooling tower, DM water system, Coal handling system, other BoP mechanical, LT Switchgear, Control and Instrumentation, Initial spares etc.

Transmission Line

Transmission cost includes fabrication and supply of transmission towers, supply of earth wire, hardware fittings and accessories for conductor, insulators etc. To set up a double circuit 400 kV transmission line of 413 km, connecting the project site to the PGCIL grid at Dehgam, Gandhinagar.

Coal Supply Advance

The expenditure includes the advance given to AEL for committing supply of the required coal for the project for the period of 15 years from the COD of the project as per agreed coal specifications.

Preliminary & Pre-operative expenses

Preliminary expenses broadly includes design and engineering, appraisal fees, upfront fees to lenders, advisor fees, start up fuel, employee recruitment, audit and accounts, site supervision, operators training and insurance etc.

Interest during construction period

Interest during construction period include interest payable on debt incurred for the project. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 3.00% of the non firm costs.

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 1,270.0 million. For the purpose of the estimates, the current assets comprising of receivables of 60 days, fuel stock of 30 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been considered.

III. Mundra Phase IV Power Project

As set out in the information memorandum dated January 2008 prepared by SBI Capital Markets Limited, the breakdown of the project cost for Mundra IV project is set out below.

Particulars	In Rs. Million
Land and site development	400
Building, Civil Works, Engineering, Procurement and Construction Cost	68,400
Transmission Line	8,800
Preliminary & Pre-operative expenses	690
Interest during construction period	7,800
Contingency	1,910
Margin money for working capital	1,600

Particulars	In Rs. Million
Total Cost	89,600

Land & Site Development

The cost for acquiring the land and site development is estimated at Rs. 400 million.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

Primarily civil works and infrastructure includes expenditure of independent systems such as main plant building, cooling water system, RCC chimney, various pump house buildings, storage tanks, coal handing plant, ash handling plant etc.

The complete plant and machinery for Mundra Phase IV Power Project is to be procured through a turnkey EPC contract. The EPC contracts would comprise of civil works contracts, Boiler Turbine generator package (for super critical technology), cooling tower, DM water system, Coal handling system, other BoP mechanical, LT Switchgear, Control & Instrumentation, Initial spares etc.

Transmission Line

Transmission cost includes fabrication and supply of transmission towers, supply of earth wire, hardware fittings and accessories for conductor, insulators etc. To set up a double circuit 400/765 kV transmission line of 800 km., connecting the project site to the Haryana.

Preliminary & Pre-operative expenses

Preliminary expenses broadly include design and engineering, appraisal fees, upfront fees to lenders, advisor fees, start up fuel, employee recruitment, audit and accounts, site supervision, operators training and insurance.

Interest during construction period

Interest during construction period include interest payable on debt incurred for the project. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 2.25% of the hard costs.

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 1,600.0 million. For the purpose of the estimates, the current assets comprising of receivables of 60 days, fuel stock of 30 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been considered.

IV. Tiroda Project

Phase I

As set out in the information memorandum dated November 2007 prepared by SBI Capital Markets Limited, the breakdown of the project cost for the first phase of Tiroda project is set out below.

Particulars	In Rs. Million
Land and site development	390

Particulars	In Rs. Million
Building, Civil Works, Engineering, Procurement and Construction Cost	48,000
Transmission Line	3,160
Mining Cost \ Coal Transport Arrangement	4,400
Preliminary & Pre-operative expenses	810
Interest during construction period	6,340
Contingency	1,460
Margin money for working capital	1,040
Total Cost	**65,600**

Land & Site Development

The cost for acquiring the land and site development is estimated at Rs. 390 million.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

Primarily civil works and infrastructure includes expenditure of independent systems such as main plant building, cooling water system, additional RCC chimney, various pump house buildings, storage tanks, coal handing plant, ash handling plant etc.

The complete plant and machinery is proposed to be procured through a turnkey EPC contract. The EPC contracts would comprise of civil works contracts, Boiler Turbine generator package (for super critical technology), cooling tower, DM water system, Coal handling system, other BoP mechanical, LT Switchgear, Control & Instrumentation, Initial spares etc.

Transmission Line

Transmission cost includes supply of transmission towers, earth wire, hardware fittings and accessories for conductor, insulators and cost of ROU/ROW, land etc. to set up two double circuit 400 KV transmission line, one connecting the Project site to the PGCIL substation at Wardha and other to the MAHATRANSCO substation at Koradi. Total cost of transmission lines is estimated to be about Rs. 3,160 million.

Mining Cost

The Company plans to carry out mining by itself for which Company proposes to install equipment and systems required. The requisite equipments and system will be procured and installed by one of the reputed vendor and the contract for the same would be awarded though competitive bidding process. The capital expenditure for mining as estimated by the Company is about Rs. 4,000 million.

Water Arrangement

The water arrangement for the Project involves building a barrage/dam, raw water pipeline up to plant, pump house and a raw water reservoir. The water arrangement is estimated to cost about Rs.2,060 million.

Coal Transportation Arrangement

The Company proposes to transport the coal from mines in wagons. Kolkata-Mumbai Electrified rail route (BG) of SE Railways passes close to Tiroda Town. A spur from the Kachewani Railway Station will be drawn from this rail route to connect the plot. This would have track length of about 2 km. Another railway spur would be required to be drawn from Chandrapur railway station to the mines, which is about 20 kms.

The coal transportation infrastructure required for the Project as estimated by the Company is about Rs. 400 million.

Township

The Company proposes to develop a township for the employees of the Proposed Project. Township will include the residential units, school, hospital, community centre etc. Total cost of township development is estimated to be about Rs. 500 million.

Preliminary & Pre-operative expenses

Preliminary expenses broadly include design and engineering, appraisal fees, upfront fees to lenders, advisor fees, start up fuel, employee recruitment, audit and accounts, site supervision, operators training and insurance.

Interest during construction period

Interest during construction period includes interest payable on debt incurred for the project. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 2.50% of EPC cost and 5% on non EPC cost.

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 1,040 million. For the purpose of estimates, the current assets comprising of receivables of 1.5 months, primary fuel stock of 1 month, secondary fuel stock of 2 month, O&M expenses of 1 month and spares requirement equal to 1% of the capital cost has been considered.

Phase II

As set out in the information memorandum dated January 2008 prepared by SBI Capital Markets Limited, the break up of the project cost for the second phase of Tiroda project is set out below.

Particulars	In Rs. Million
Land and site development	250
Building, Civil Works, Engineering, Procurement and Construction Cost	22,970
Preliminary & Pre-operative expenses	450
Interest during construction period	2,340
Contingency	520
Margin money for working capital	500
Total Cost	**27,030**

Land & Site Development

The cost for acquiring the land and site development is estimated at Rs. 250 million.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

The broad civil works and infrastructure includes expenditure of independent systems such as main plant building, cooling water system, additional RCC chimney, various pump house buildings, storage tanks, coal handing plant, ash handling plant etc.

The complete plant and machinery is proposed to procured through a turnkey EPC contract. The EPC contracts would comprise of civil works contracts, Boiler Turbine generator package (for super critical technology), cooling tower, DM water system, Coal handling system, other BoP mechanical, LT Switchgear, Control & Instrumentation, Initial spares etc.

Preliminary & Pre-operative expenses

Preliminary expenses broadly design and engineering, appraisal fees, upfront fees to lenders, advisor fees, start up fuel, employee recruitment, audit and accounts, site supervision, operators training and insurance etc.

Interest during construction period

Interest during construction period include interest etc. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 2.25% of EPC cost and 5% on non EPC cost.

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 500 million. For the purpose of estimates, the current assets comprising of receivables of 1.5 months, primary fuel stock of 1 month, secondary fuel stock of 2 month, O&M expenses of 1 month and spares requirement equal to 1% of the capital cost has been considered.

V. Dahej Project

As set out in the information memorandum dated January 2008 prepared by SBI Capital Markets Limited, the break up of the project cost for Dahej is set out below.

Particulars	In Rs. Million
Land and site development	750
Building, Civil Works, Engineering, Procurement and Construction Cost	69,160
Transmission Line	4,150
Coal Supply Advance	2,000
Preliminary & Pre-operative expenses	970
Interest during construction period	7,300
Contingency	2,610
Margin money for working capital	1,870
Total Cost	**88,810**

Land & Site Development

The cost for acquiring the land and site development is estimated at Rs. 750 million.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

The broad civil works and infrastructure includes expenditure of independent systems such as main plant building, cooling water system, additional RCC chimney, various pump house buildings, storage tanks, coal handing plant, ash handling plant etc.

The complete plant and machinery for Phase III is to be procured through a turnkey EPC contract. The EPC contracts would comprise of civil works contracts, Boiler Turbine generator package (for super critical technology), cooling tower, DM water system, Coal handling system, other BoP mechanical, LT Switchgear, Control & Instrumentation, Initial spares etc.

Transmission Line

Transmission cost includes fabrication and supply of transmission towers, supply of earth wire, hardware fittings and accessories for conductor, insulators etc. To set up a double circuit 220/400 kV transmission lines of 325 km., connecting the project site to the Dahej sub-station of GETCO and PGCIL substation at Vapi.

Coal Supply Advance

The expenditure includes the advance given to AEL for committing supply of the required coal for the project for the period of 15 years from the COD of the project as per agreed coal specifications.

Preliminary & Pre-operative expenses

Preliminary expenses broadly include design and engineering, appraisal fees, upfront fees to lenders, advisor fees, start up fuel, employee recruitment, audit and accounts, site supervision, operators training and insurance etc.

Interest during construction period

Interest during construction period include interest etc. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 3.50% of the non firm costs.

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 1,870 million. For the purpose of the estimates, the current assets comprising of receivables of 45 days, fuel stock of 60 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been considered.

VI. Kawai Project

As set out in the information memorandum dated January 2008 prepared by SBI Capital Markets Limited, the break up of the project cost for Kawai is set out below.

Particulars	In Rs. Million
Land and site development	250
Building, Civil Works, Engineering, Procurement and Construction Cost	46,400
Transmission Line	3,600
Preliminary & Pre-operative expenses	820

Particulars	In Rs. Million
Interest during construction period	5,560
Contingency	1,070
Margin money for working capital	1,190
Total Cost	**58,890**

Land & Site Development

The cost for acquiring the land and site development is estimated at Rs. 250 million.

Building, Civil Works, Engineering, Procurement and Construction Cost

This head includes cost of building, civil works and plant and machineries.

The broad civil works and infrastructure includes expenditure of independent systems such as main plant building, cooling water system, additional RCC chimney, various pump house buildings, storage tanks, coal handing plant, ash handling plant etc.

The complete plant and machinery for the project is to be procured through a turnkey EPC contract. The EPC contracts would comprise of civil works contracts, Boiler Turbine generator package (for super critical technology), cooling tower, DM water system, Coal handling system, other BoP mechanical, LT Switchgear, Control & Instrumentation, Initial spares etc.

Transmission Line

Transmission cost includes fabrication and supply of transmission towers, supply of earth wire, hardware fittings and accessories for conductor, insulators etc. To set up a double circuit 220/400 kV transmission lines of 300 km., connecting the project site to the PGCIL sub-station at Kota and PGCIL substation at Bina, MP.

Preliminary & Pre-operative expenses

Preliminary expenses broadly include design and engineering, appraisal fees, upfront fees to lenders, advisor fees, start up fuel, employee recruitment, audit and accounts, site supervision, operators training and insurance etc.

Interest during construction period

Interest during construction period include interest etc. This has been calculated based on the capital expenditure phasing schedule estimated.

Contingency

Provision for contingency has been provided at about 7.50% of the non firm costs.

Margin Money for Working Capital

Provision for margin money for working capital has been made at Rs. 1,190.0 million. For the purpose of the estimates, the current assets comprising of receivables of 45 days, fuel stock of 60 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been considered.

Government and Environmental Clearances

We have obtained certain of the required government and environmental clearances for the Projects. We are in the process of the obtaining the balance or we may apply for the same based on the stage of development. For more details, see "Government Approvals" on page 322 of this Draft Red Herring Prospectus.

For further details, status and schedule of implementation of the Projects see "Our Business" on page 78 of this Draft Red Herring Prospectus.

Issue Expenses

The estimated issue related expenses are as follows:

(In Rs. Million)

Activities	Estimated Expenses*
Lead management fee, underwriting and selling commission	[•]
Advertising and marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring Agent fees, Registrar's fee, legal fee, listing fee etc.)	[•]
Total estimated issue expenses	**[•]**

* Will be incorporated after finalisation of Issue Price.

General Corporate Purposes

We intend to deploy the balance Net Proceeds aggregating Rs. [•] million for General Corporate Purposes, including but not restricted to, meeting working capital requirements, initial development costs for projects other than the Projects specified, fund project cost overruns (if any), strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board.

Bridge Loan

As at the date of this Draft Red Herring Prospectus, we have not entered into any bridge loan facility that will be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds received by us from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and financial products.

Monitoring of Utilisation of Funds

We have appointed [●] as the monitoring agency in relation to the Issue. Our Board and [●] will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. We will indicate investments, if any, of unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing.

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 proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company shall be required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter group companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of the Company is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the price are:

- The Company expects to benefit from the strong linkages of the Adani Group in the power sector through presence in coal mining, coal trading, shipping and power trading
- The Company is in advanced stages of having tied secured supply of fuel for many of its projects
- The Company's power projects enjoy locational advantages
- The Company expects to benefit from SEZ status and the Mega Power Project status related tax and other benefits
- The Company has entered into long-term power off-take arrangements for its Mundra I and II and Mundra III power projects
- The Company has an experienced management team with a track record of project execution

For details, please see, "Our Business" and "Risk Factors" beginning on page 78 and xiii, respectively, of this Draft Red Herring Prospectus.

Quantitative Factors

1. Earnings Per Share (EPS)

Particulars	Earning Per Share (Face Value Rs. 10 per share)	
	Rupees	Weight
Year ended March 31, 2005	NA	1
Year ended March 31, 2006	NA	2
Year ended March 31, 2007	NA	3
Nine Months ending December	NA	4
Weighted Average	NA	

The company has not commenced any commercial activities; hence, there are no earnings, as a result EPS cannot be computed.

2. Price/Earning (P/E) ratio in relation to Issue Price of Rs. [●]

a. Based on the financial statements for years ended March 31, 2005, 2006 and 2007, the weighted average EPS is NA.
b. P/E based on profits after taxes, as restated, for the year ended March 31, 2007 is NA
c. The company has not commenced any commercial activities; hence, there are no earnings as a result P/E cannot be computed.
d. Industry P/E
   (i) Highest: 42.9
   (ii) Lowest: 9.2
   (iii) Industry Composite: 23.1

Source: *Capital Market Vol. XXIII/03; April 7 – 20, 2008*

3. Return on Average Net Worth as per restated Indian GAAP financials:

Particulars	RONW %	Weight
Year ended March 31, 2005	NA	1
Year ended March 31, 2006	NA	2

Particulars	RONW %	Weight
Year ended March 31, 2007	NA	3
Nine Months Ended December 31, 2007	NA	4
Weighted Average	NA	

The company has not commenced any commercial activities; hence, there are no earnings, as a result EPS cannot be computed.

4. Minimum RONW required for maintaining pre-issue EPS is [●] %.

5. **Net Asset Value per Equity Share**

(i) Net Asset Value per Equity Share as on March 31, 2007 and as on December 31, 2007 is Rs. 10.00 and Rs.29.68, respectively.[(1)]
(ii) After the Issue: [●]
(iii) Issue Price: Rs. [●]

Issue Price per Equity Share will be determined on conclusion of book building process.
[(1)]The Company has allotted a further 432,059,002 Equity Shares since March 31, 2008 and has also undertaken a bonus issue of Equity Shares on 787,313,868 on April 28, 2008. For further details, please refer to Note 1 to Capital Structure on page 30 of this Draft Red Herring Prospectus.

6. **Comparison of Accounting Ratios with Industry Peers**

Sr. No.	Name of the company	EPS (Rs.)	P/E Ratio[(2)]	RoNW (%)	NAV (Rs.)	Sales (In Rs. Million)
1.	Reliance Energy Limited[(1)]	33.3	29.1	10.2	399.4	57,693
2.	NTPC Limited[(1)]	7.9	20.8	14.5	59.7	326,317
3.	Tata Power[(1)]	28.7	42.9	12.0	333.5	49,497
4.	Gujarat Industries Power Co. Limited [(1)]	11.8	9.2	18.2	71.3	7,956
5.	Reliance Power Limited[(1)]	NA	NA	0.2	60.0	23
6.	Torrent Power Limited [(3)]	3.0	25.7	5.4	57.3	13,946

Source: *Capital Market Vol. XXIII/03; April 7 – 20, 2008*
(1) For the year ended March 31, 2007
(2) Based on market price as on March 31, 2008
(3) For the 6 month period ending March 31, 2007

7. The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages xiii, 78 and 224 respectively, of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

<u>Ref. No. IT/A-322/40/2008-09</u> April 16, 2008

Adani Power Limited
Shikhar, Near Mithakhali Circle,
Ahmedabad – 380 009.

Kind Attn.: Mr. Jatin Shah

Dear Sir,

<u>Re.: Statement of Possible Tax Benefits</u>

We hereby report that the enclosed annexure states the possible tax benefits available to Adani Power Limited ("Company") and its shareholders under the current tax laws 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 based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

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 and the changing tax laws, 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 whether:

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have no objection if the attached annexure i.e. Tax Benefits Available to the company is incorporated in the information memorandum to be submitted to the concerned stock exchange.

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Adani Power Limited. Deloitte Haskins & Sells will not be liable to Adani Power Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. Deloitte Haskins & Sells will not be liable to any other person in respect of this statement.

Thanking you,

Yours faithfully,

Gaurav J. Shah
Membership Number 35701

ANNEXURE

Statement of Possible Tax Benefits Available to Adani Power Limited and to its Shareholders

Statement of special tax benefits:

Adani Power Limited (herein after referred to as 'the Company') is a developer of Special Economic Zone (SEZ) at Village Tunda & Siracha, Kutch, Gujarat over an area of 293-88-10 hectares. The Central Government has already notified the above SEZ vide Notification no. F.2/487/2006-SEZ dated 10^{th} May 2007.

Being a developer of SEZ, the Company is entitled to certain special tax benefits and the same are listed below. Several of these benefits are dependent on the Company fulfilling the conditions prescribed under the tax law as well as subject to the overall compliance of the law relating to SEZ (including Notification of the SEZ by the Central Government and the project being granted letter of approval for establishing the SEZ Unit). Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

A. Direct Taxes

1. The Company is eligible for deduction of profits and gains from any business of developing a Special Economic Zone, under section 80-IAB of the Income Tax Act, 1961 ('ITA'), subject to compliance with conditions specified in Section 80-IAB. This deduction can be claimed for a period of 10 consecutive years in a block of 15 years starting from the year in which the company has been notified by the Central Government.

2. The Company proposes to be engaged in generation of power and therefore it is eligible for deduction of profits and gains from the business of generation of power, under section 80-IA of ITA, for a period of 10 consecutive years in a block of 15 years starting from the year in which the company starts generating power, subject to compliance with conditions specified in Section 80-IA. It may be mentioned that deduction u/s. 80-IA shall be available only in respect of an undertaking which starts generating power on or before 31^{st} March 2010.

   It may be noted that deduction with respect to same business profits cannot be claimed simultaneously u/s. 80-IAB as well as u/s. 80-IA.

3. The provisions of Minimum Alternative Tax, as contained in section 115JB of ITA, shall not apply to the income accrued or arising on or after April 1, 2005 from business carried on by the Company in SEZ.

4. The Company, being developer of SEZ, no tax on distributed profits shall be chargeable u/s. 115-O of the ITA in respect of the total income of the Company on any amount of dividends (whether interim or otherwise) declared, distributed or paid by it on or after the April 1, 2005 out of its current income.

5. Since the company proposes to be engaged in the business of generation of power, by virtue of clause (*i*) of sub-section (1) of section 32 of the ITA, the Company has an option to claim depreciation on straight line method on actual cost of the assets instead of written down value method on written down value of block of assets, in respect of the assets acquired on or after 1^{st} April 1997. It may be mentioned here that once the option is exercised, it will apply for all subsequent assessment years.

B. Indirect Taxes :

1. Under Section 26(1) of the Special Economic Zone Act, 2005 the company is entitled to the following exemptions, drawbacks and concessions, subject to the fulfilment of terms and conditions prescribed by the Central Government in this regard, namely: -

a. Exemption from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or any other law for the time being in force, on goods brought from Domestic Tariff Area to a Special Economic Zone, to carry on the authorized operations by the developer;

b. Drawback or such other benefits as may be admissible from time to time on goods brought or services provided from the Domestic Tariff Area into a Special Economic Zone or services provided in a Special Economic Zone by the service providers located outside India to carry on the authorized operations by the developer.

c. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods imported into, or service provided in a Special Economic Zone to carry on the authorized operations by the developer

d. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods exported from, or services provided, from a Special Economic Zone, to any place outside India

e. Exemption from service tax under Chapter-V of the Finance Act, 1994 on taxable services provided to a developer to carry on the authorized operations in a Special Economic Zone.

f. Exemption from the levy of taxes on the sale or purchase of goods under the Central Sales Tax Act, 1956 if such goods are meant to carry on the authorized operations by the developer of Special Economic Zone.

2. As per Section 7 of the SEZ Act, 2005, any goods or services exported out of, or imported into, or procured from the Domestic Tariff Area by the Developer shall, subject to such terms, conditions and limitations, as may be prescribed, be exempt from the payment of taxes, duties or cess under enactments specified in the First Schedule of the SEZ Act, 2005.

   This exemption would *inter alia* apply to taxes and cess payable under Agricultural Produce Cess Act, Oil Industry (Development) Act, Tobacco Cess Act, Research and Development (R&D) Cess Act, 1986, etc.

3. As per Section 21(3) r.w.s. 21(1) of the Gujarat SEZ Act, 2004, the Company is entitled to exemption from stamp duty and registration fees payable on transfer of land, loan agreements, credit deeds and mortgages executed by the company.

4. As per Section 21(3) r.w.s. 21(1) of the Gujarat SEZ Act, 2004, the Company is entitled to exemption from tax on sales, purchase of goods (other than goods specified in Schedule III of the Gujarat Value Added Tax Act 2003), motor spirit tax, luxury tax, entertainment tax and other taxes and cess payable on sales and transactions by company's SEZ unit in processing area of zone or in the demarcated area. Exemption benefit shall be available to the company on the sales and transactions of goods which have been actually and physically involved in the movement of goods.

5. As per Section 21(3) r.w.s. 21(2) of the Gujarat SEZ Act 2004, inputs (goods and services) purchased by the Company from Domestic Tariff Area will be exempt from tax on purchase of goods (other than the goods specified in Schedule III of the Gujarat Value Added Tax Act 2003) and other taxes under the State law.

6. As per Section 11(2) of Gujarat SEZ Act, 2004 SEZ shall cease to be an area under the jurisdiction of any municipal corporation, municipal council, nagar panchayat or gram panchayat or the notified area constituted under the State laws. Accordingly, it shall have exemption from Municipal Taxes like property tax, octroi, etc.

Statement of General Tax Benefits:

These are the general tax benefits available to the all companies and shareholders, subject to compliance with relevant provisions.

A. Under the Income Tax Act, 1961 ("ITA")

I. Benefits available to the company

1. As per section 10(34) of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax.

2. As per section 10(35) of the ITA, the following income will be exempt in the hands of the Company:

   a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

   b. Income received in respect of units from the Administrator of the specified undertaking; or

   c. Income received in respect of units from the specified company:

   However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

   For this purpose (i) "Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in section 2(h) of the said Act.

3. As per section 2(29A) read with section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below para in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are held for more than twelve months.

4. As per section 10(38) of the ITA, long term capital gains arising to the company from the transfer of 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 securities transaction tax will be exempt in the hands of the Company.

   For this purpose, "Equity Oriented Fund" means a fund –

   (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

   (ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the ITA.

   As per section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 10% (plus applicable surcharge and education cess) of the book profits.

5. The company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the ITA, subject to the limit specified in section 35D(3).

6. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

   However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

   (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

7. As per section 111A of the ITA, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

   It may be mentioned here that vide Finance Bill, 2008, with effect from AY 2009-10, the above said rate has been proposed to be increased to 15% (plus applicable surcharge and education cess).

8. As per section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the ITA or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.

9. Under section 115JAA(1A) of the ITA, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the ITA for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the ITA for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowable.

II. Benefits available to Resident Shareholders

1. As per section 10(34) r. w. s. 115-O(6) of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.

2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

3. As per section 10(38) of the ITA, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

4. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

   However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

   (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

5. As per section 54F of the ITA, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

   (a) if the individual or Hindu Undivided Family-
      - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
      - purchases another residential house within a period of one year after the date of transfer of the shares; or
      - constructs another residential house within a period of three years after the date of transfer of the shares; and

   (b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

   If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per Section 74 Short-term capital loss suffered during the 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, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is

allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

7. As per section 111A of the ITA, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

   It may be mentioned here that vide Finance Bill, 2008, with effect from AY 2009-10, the above said rate has been proposed to be increased to 15% (plus applicable surcharge and education cess).

8. As per section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less. Under section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.

III. Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than FIIs)

1. As per section 10(34) r. w. s. 115-O(6) of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.

2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

3. As per section 10(38) of the ITA, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

4. As per first proviso to section 48 of the ITA, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case. As per section 112 of the ITA, taxable long-term capital gains, if any, on sale of shares of the company will be charged to tax at the rate of 20% (plus applicable surcharge and education cess).

5. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

   However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

(i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

(ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

6. As per section 54F of the ITA, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

(a) if the individual or Hindu Undivided Family-
   - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
   - purchases another residential house within a period of one year after the date of transfer of the shares; or
   - constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

7. As per Section 74 Short-term capital loss suffered during the 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, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

8. As per section 111A of the ITA, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

It may be mentioned here that vide Finance Bill, 2008, with effect from AY 2009-10, the above said rate has been proposed to be increased to 15% (plus applicable surcharge and education cess).

9. As per section 115E of the ITA, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the ITA) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

10. As per section 115F of the ITA and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the ITA. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the ITA then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

11. As per section 115G of the ITA, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the ITA, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the ITA.

12. As per section 115H of the ITA, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the ITA 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 converted into money.

13. As per section 115I of the ITA, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the ITA, 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 ITA.

For the purpose of aforesaid clauses "Non-Resident Indian" means an Individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

Provisions of the ITA vis-à-vis provisions of the Tax Treaty

14. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is resident. As per the provisions of section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Benefits available to Foreign Institutional Investors ('FIIs')

1. As per section 10(34) r. w. s. 115-O(6) of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.

2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

3. As per section 10(38) of the ITA, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.

4. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

   However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

   (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

5. As per Section 74 Short-term capital loss suffered during the 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, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

6. As per section 111A of the ITA, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

   It may be mentioned here that vide Finance Bill, 2008, with effect from AY 2009-10, the above said rate has been proposed to be increased to 15% (plus applicable surcharge and education cess).

7. As per section 115AD of the ITA, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the ITA, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30

   The above tax rates have to be increased by the applicable surcharge and education cess.

   In case of long term capital gains, (in cases not covered under section 10(38) of the ITA), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

8. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

Provisions of the ITA vis-à-vis provisions of the Tax Treaty

9. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is resident. As per the provisions of section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

VI. Benefits available to Mutual Funds

As per section 10(23D) of the ITA, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

B. Benefits available under the Wealth Tax Act, 1957

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company are not liable to wealth tax in the hands of shareholders.

C. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the Company will not attract gift tax.

Notes:

(i) All the above benefits are as per the current laws. Accordingly, any change or amendment in the laws/regulation would impact the same.

(ii) 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 investments in the shares of the company.

(iii) The above Statement of Possible 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.

INDUSTRY OVERVIEW

Unless otherwise indicated, all financial and statistical data in the following discussion is derived from websites of and publicly available documents from, various sources, including the website of the Ministry of Power and Central Electricity Authority ("CEA"). The data may have been re-classified by us for the purpose of presentation. Unless otherwise indicated, the data presented excludes captive capacity and generation.

Overview of the Indian Economy

India is the fourth largest economy in the world after the United States of America, China and Japan in purchasing power parity terms (*Source: CIA World Factbook*). India is also amongst the fastest growing economies globally and has grown at an average rate of 6.8% per annum during the last five years. The following table presents a comparison of India's real GDP growth rate with the real GDP growth rate of certain other countries.

Countries	*2003*	*2004*	*2005*	*2006*	2007
Australia	3.6	2.8	3.5	2.6	2.8
Brazil	1.0	0.1	5.1	2.4	3.1
China	8.0	9.1	9.1	9.3	10.5
India	**4.3**	**7.6**	**6.2**	**7.6**	**8.5**
Japan	- 0.3	2.3	2.9	2.4	2.8
Korea South	6.2	2.8	4.6	3.9	5.1
Malaysia	4.2	4.9	7.1	5.2	5.5
Russia	4.2	7.3	6.7	5.9	6.6
Thailand	5.2	6.3	6.1	4.4	4.4
UK	1.6	2.1	3.2	1.7	2.6
USA	2.5	3.1	4.4	3.5	3.4

(Source: CIA World Factbook)

Industry Demand-Supply Overview

The Indian power sector has historically been characterized by energy shortages which have been increasing over the years. In 2006-07, peak energy deficit was estimated to be at 13.8% and normative energy deficit was estimated to be 9.6%. The following table sets forth the peak and normative shortages of power in India from 2003 to 2008:

	Peak				Normative			
Fiscal Year	Requirement	Availability	Shortage		Requirement	Availability	Shortage	
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
2003	81,492	71,547	9,945	12.2	545,983	497,890	48,093	8.8
2004	84,574	75,066	9,508	11.2	559,264	519,398	39,866	7.1
2005	87,906	77,652	10,254	11.7	591,373	548,115	43,258	7.3
2006	93,255	81,792	11,463	12.3	631,757	578,819	52,938	8.4
2007…..	100,715	86,818	13,897	13.8	690,587	624,495	66,092	9.6
2008 (up to February 2008)........	107,791	90,793	16,998	15.8	671,915	608,053	63,862	9.5

(Source: CEA, "Power Scenario at a Glance", March 2008)

Regional Demand-Supply Scenario

The following table displays the peak and normative power shortages in India for the period from April 2007 – February 2008 across different regions in India:

	Peak				Normative			
Fiscal Year	Requirement	Availability	Shortage		Requirement	Availability	Shortage	
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	*(%)*
North	32,462	29,495	2,967	9.1	199,779	179,834	19,945	*10.0*

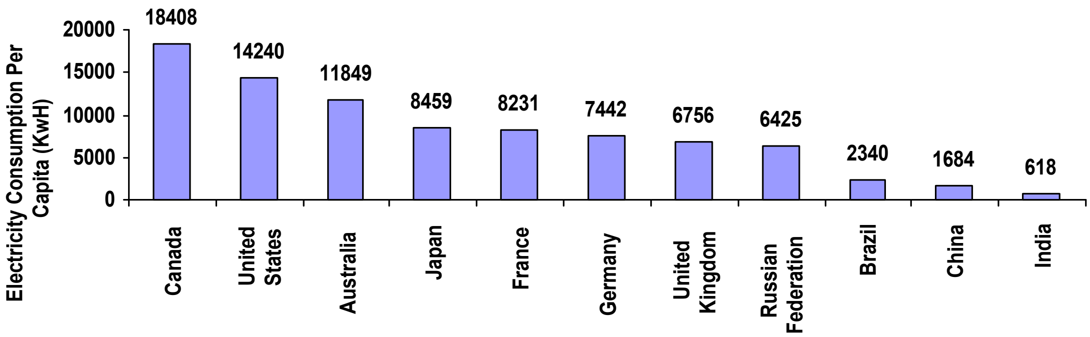
Fiscal Year	Peak				Normative			
	Requirement	Availability	Shortage		Requirement	Availability	Shortage	
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	*(%)*
West	38,277	29,385	8,892	23.2	223,928	189,555	34,373	*15.4*
South	26,913	24,194	2,719	10.1	171,247	165,904	5,343	*3.1*
East	11,385	10,699	686	6.0	68,906	65,629	3,277	*4.8*
North-East	*1,684*	*1,347*	*337*	*20.0*	*8,055*	*7,131*	*924*	*11.5*

(Source: CEA, "Power Scenario at a Glance", March 2008)

Energy deficit varies widely across India, with the western region having the highest peak and normative energy shortages followed by the northern region.

Large Energy Deficit Results in Low Per Capita Consumption of Electricity

Due to unreliable supply and inadequate distribution infrastructure, the per capita consumption of energy in India is extremely low in comparison to most other parts of the world. The following chart shows per capita electricity consumption of energy in various developed and developing countries.

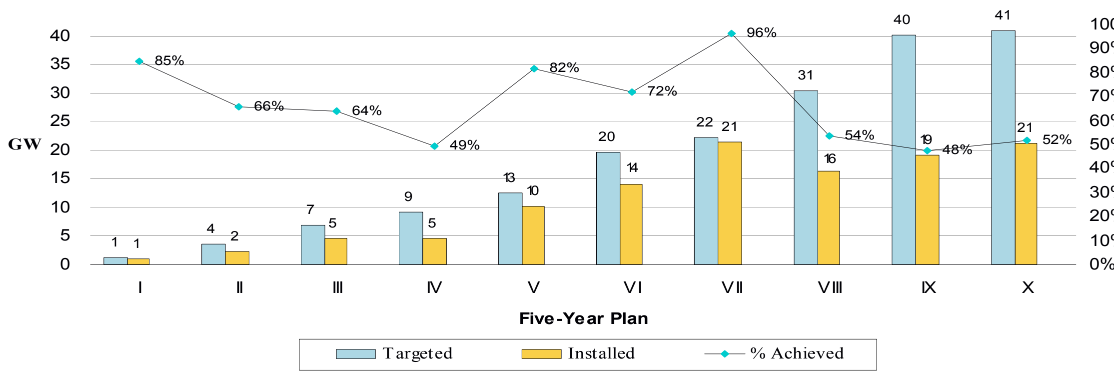


(Source: Human Development Report 2007 -2008)

Historical Capacity Additions

The energy deficit is a consequence of slow progress in the development of additional energy capacity. The Indian economy is based in part on planning through successive five year plans ("Five-Year Plans") that set out targets for economic development. In the implementation of the last three Five-Year Plans (the Eighth, Ninth and Tenth Five-Year Plans, covering fiscal 1992 to 2006), less than 50% of the targeted additional energy capacity was added. India added an average of approximately 20,000 MW to its energy capacity in each of the Ninth and Tenth Five-Year Plan periods (fiscal 1997 to 2001 and 2002 to 2006). *(Source: White Paper on Strategy for Eleventh Plan, prepared by CEA and Confederation of Indian Industry (the "White Paper"))*

The following chart sets forth the targeted energy capacity addition for Five-Year Plans, the installed capacity actually achieved at the end of those Five-Year Plans and the installed capacity actually achieved as a percentage of the targeted capacity additions for each of those Five-Year Plans:



(Source: The White Paper)

The total capacity addition during the past 25 years between the VI[th] and the X[th] Five-Year Plans was approximately 91,000 MW. A total capacity addition of 78,557 MW is planned for the XI[th] Five-Year Plan (2007-12) which should result in substantial investments in the power generation sector.

Future Capacity Additions

According to the CEA Executive Summary, as on February 29, 2008, India has an installed generation capacity of 141,499.90 MW that has increased at a compound annual growth rate ("CAGR") of 5.2% between 2003 and 2007.

A key risk to the continued growth of the Indian economy is inadequate infrastructure. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements. The Government of India (the "Government") has identified the power sector as a key sector of focus to promote sustained industrial growth by embarking on an aggressive mission – "Power for All" by 2012. According to the Integrated Energy Policy ("IEP") report issued by the Planning Commission, India would require additional capacity of about 85-98 gigawatt ("GW") by 2012, 171-202 GW by 2017 and 290–353 GW by 2022, respectively, based on normative parameters in order to sustain a 8-9% GDP growth rate *(Source: IEP, Expert Committee on Power)*. The following table sets forth the additional capacity required by 2012, 2017 and 2022 under different GDP growth rate scenarios:

	Assumed GDP Growth	**Electricity Generation Required**	**Peak Demand**	**Installed Capacity**	**Capacity Addition Required(1)**
	(%)	**(BU)**	**(GW)**	**(GW)**	**(GW)**
By fiscal 2012	8.0	1,097	158	220	85
	9.0	1,167	168	233	98
By fiscal 2017	8.0	1,524	226	306	171
	9.0	1,687	250	337	202
By fiscal 2022	8.0	2,118	323	425	290
	9.0	2,438	372	488	353

Note:
(1) Based on the existing installed capacity of 135 GW in India.
Source: IEP Report, Expert Committee on Power

The likely capacity addition during the 11[th] Five-Year Plan is 78,578.4 MW. *(Source: CEA, "Power Scenario at a Glance", March 2008)*

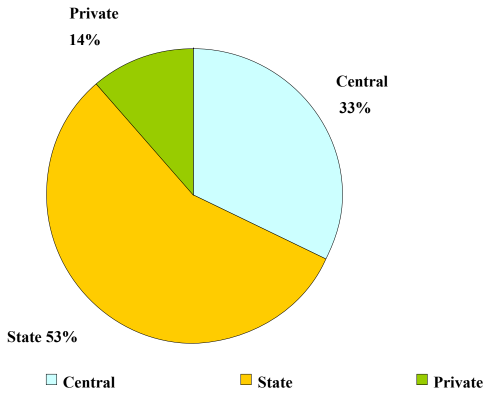
The Government of India has identified the power sector as a key sector of focus. It has embarked on an aggressive mission – "Power for All by 2012" and has undertaken several reforms to make the power sector more attractive to private sector investment.

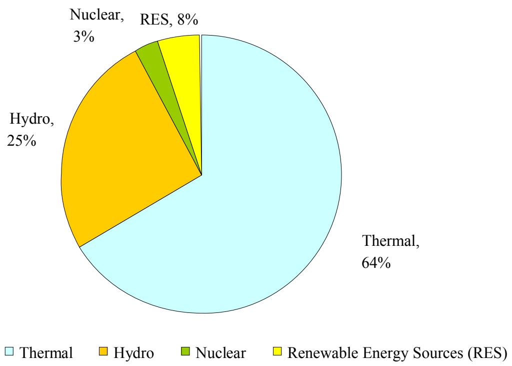
Installed Generation Capacity by Sector and Fuel

The following table and diagrams set forth a summary of India's energy generation capacity as of February 29, 2008 in terms of fuel source and ownership:

	Ownership				
	Central	**State**	**Private**	**Total**	
	(MW)	**(MW)**	**(MW)**	**(MW)**	**(%)**
Thermal (coal and natural gas)...........................	35,149.0	46,475.4	9,521.5	91,145.9	64.0

	Ownership				
	Central	State	Private	Total	
	(MW)	(MW)	(MW)	(MW)	(%)
Hydroelectric	8,252.0	25,820.6	1,306.2	35,378.8	25.0
Nuclear...	4,120.0	0.0	0.0	4,120.0	3.0
Renewable Energy Sources (RES).....................	0.0	2,085.9	8,769.3	10,855.2	8.0
Total	47,521.0	74,381.9	19,597.0	141,499.9	100.0





(Source: CEA, "Power Scenario at a Glance", March 2008)

The Central and State governments together own and operates over 86.0% of the installed power capacity in India and the private sector has historically been reluctant to enter the market for power plants because of onerous governmental regulations on the construction and operation of and sourcing of fuel for such plants. The participation of the private sector has however been increasing over time owing to power sector reforms.

Thermal Power Generation

Thermal power plants account for over 64% of India's installed capacity, within which over 82.5% of the capacity is accounted for by coal based plants, on total available thermal capacity, as of February 29, 2008. *(Source: CEA "Power Scenario at a Glance", March 2008)*

Given India's large coal reserves, coal is expected to continue dominate as source of fuel for power plants in India. India has the fourth largest coal reserves in the world. However, in the past there were restrictions on the entry of private sector players into coal mining, which had caused India's coal production to remain low in comparison to its reserves. These restrictions have now been removed and private participation is allowed in coal mining. The total coal production for the fiscal year 2005 was 377.27 million tonnes and for April-December 2005 was 282.43 million tonnes. Total geological coal reserves of India have been estimated at 253.30 billion tonnes as of January 1, 2006. *(Source: Ministry of Coal)*

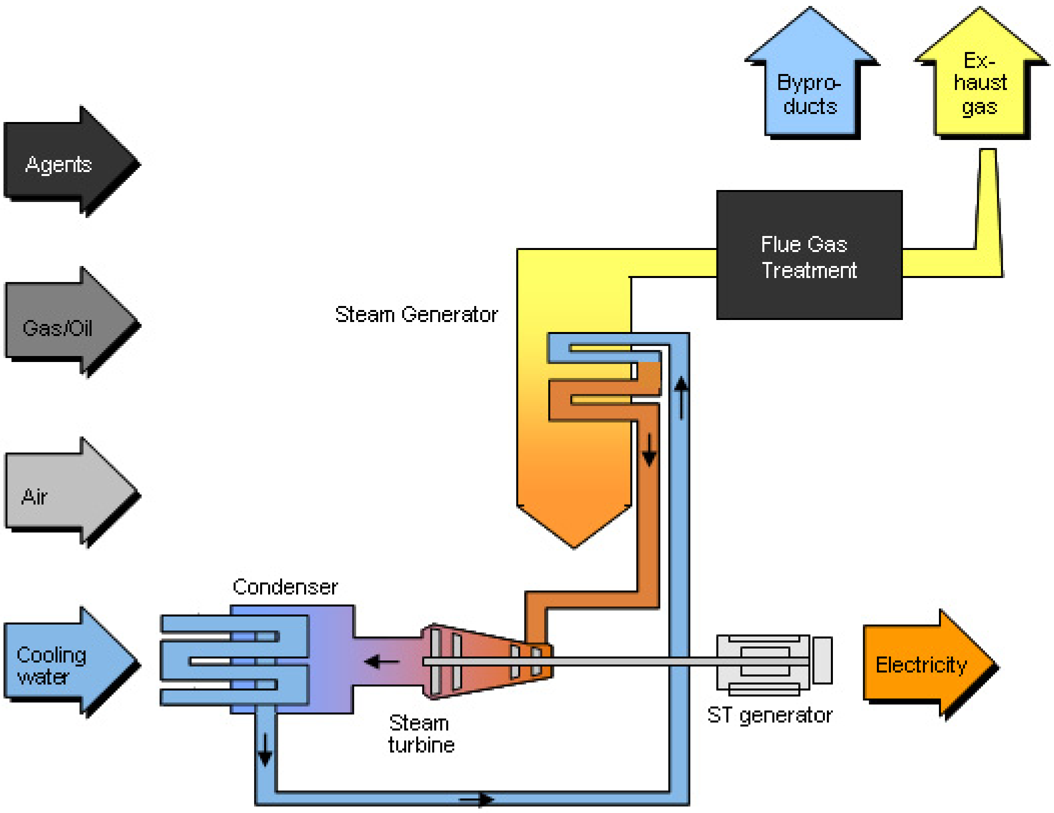
In 2004, the Government of India set up a committee on coal sector reforms that led to several new initiatives being launched to encourage coal-based independent power plants in the country. These have increased the prospects of coal blocks being allotted to various private sector entities. Coal is already the key contributor to India's energy scenario with 55.0% of the current total commercial energy needs being met by coal. And given India's large coal reserves and favorable policy outlook, coal is expected to continue to be the dominant source of energy for India and play a major role in sustaining India's economic growth.

Steam Power Plants

The process of generation of power from steam power plants, utilizing coal or lignite fuel, essentially entails two stages. In the first stage, the chemical energy stored in the coal is converted into heat energy in coal-fired boilers. In the second stage, high-pressure, high-temperature steam, which is generated in the boilers, is passed through turbines (through conversion of heat energy into mechanical energy), which in turn is coupled to generators (through conversion of mechanical energy into electrical energy), thereby generating electricity.

The water steam cycle essentially contains a coal-fired steam generator, a steam turbine with condenser, a feed-water tank, low-pressure ("LP") heaters and high-pressure ("HP") heaters and connecting pipelines. The superheated steam produced in the steam generator is supplied to the steam turbine, which drives the three-phase AC generator. After leaving the HP turbine, the steam is reheated in the steam generator and fed to the intermediate pressure ("IP") turbine. In the LP turbine, the steam coming directly from the IP turbine expands to condenser pressure and is condensed in the condenser.

Closed cycle water system is used for cooling the condenser. The condensation collected in the condenser hot well is discharged by the condensate pumps and supplied via the LP condensate heaters into the feedwater tank. The feedwater is further heated by bled steam from turbine and dissolved gases from the feedwater are liberated. The boiler feed pumps discharge feed water from the feedwater tank via the HP heaters to the economizer. Steaming starts from this point onwards. The high temperature steam water mix is further converted into steam in water walls and finally passed through the super heaters sections for converting the saturated steam into superheated steam.



Steam power plant cycles are characterized by the pressure level at which they operate. Sub critical cycles use pressures below the critical pressure of water. Typical popular unit sizes of large plants are in multiples of 125 /135 MW, 250/300 MW, 500 MW or 600 MW. On the other hand, supercritical cycles operate above the critical pressure providing higher efficiency. These cycles have varying unit sizes and varying parameters.

Boiler types can be alternatives of various capacity parameters, namely:

- Atmospheric Fluidized Bed Combustion type ("AFBC");
- Circulating Fluidized Bed Combustion type ("CFBC");
- Pulverized Fuel type ("PF"); and
- Stoking Boilers.

Power Scenario in Western India

The power requirement of Western India are met by the power generated by state utilities, Independent Power Producers ("IPPs") and the state government's share in the power generated by the central power stations. The total installed capacity in the western region as on February 29, 2008 was 42,802.7 MW. Details of the installed capacity in Western region are given below:

Installed Capacity as on February 29, 2008:

Sector	Hydro	Thermal				Nuclear	Wind	Total
		Coal	Gas	Diesel	Total			
State	5,218.0	15,352.5	1,430.8	17.3	16,800.6	0.0	311.9	22,330.5
Private	460.5	2,790.0	1,658.0	0.2	4,448.2	0.0	2,698.8	7,607.5
Central	1,520.0	5,992.7	3,512.0	0.0	9,504.7	1,840.0	0.0	12,864.7
Total	7,198.5	24,135.2	6,600.8	17.5	30,753.5	1,840.0	3,010.7	42,802.7

(Source: CEA, "Power Scenario at a Glance", March 2008)

Demand Supply Scenario

Period	Peak Demand (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Deficit (MU)	Energy Deficit (%)
9th Five-Year Plan End	26,510	4,486	16.9	175,016	18,223	10.4
2002-03	28,677	5,824	20.3	190,745	24,058	12.6
2003-04	29,704	6,047	20.4	191,680	20,444	10.7
2004-05	31,085	6,957	22.4	204,048	23,038	11.3
2005-06	31,772	6,515	20.5	215,983	29,079	13.5
2006-07	36,453	8,990	24.7	232,391	36,274	15.6
April 2007 to February 2008	38,277	8,892	23.2	223,928	34,373	15.4

(Source: CEA, "Power Scenario at a Glance", March 2008)

State-wise demand supply scenario in Western India for the period April 2007 to February 2008

State/Union Territories	Peak Demand (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Deficit (MU)	Energy Deficit (%)
Gujarat	12,047	3,162	26.2	62,163	9,764	15.7
Chhattisgarh	2,266	153	6.8	12,706	619	4.9
M.P.	7,200	764	10.6	37,537	4,987	13.3
Maharashtra	18,441	4,866	26.4	104,324	18,776	18.0
Daman and Diu	240	25	10.4	1,621	175	10.8
Dadar and Nagar Haveli	460	44	9.6	3,087	23	0.7
Goa	457	49	10.7	2,490	29	1.2

(Source CEA, "Power Scenario at a Glance", March 2008)

Likely capacity Addition in XIth Five-Year Plan Period Sector Wise

The likely capacity addition (sector wise and state wise) in the Western region during XIth Five-Year Plan is given below:

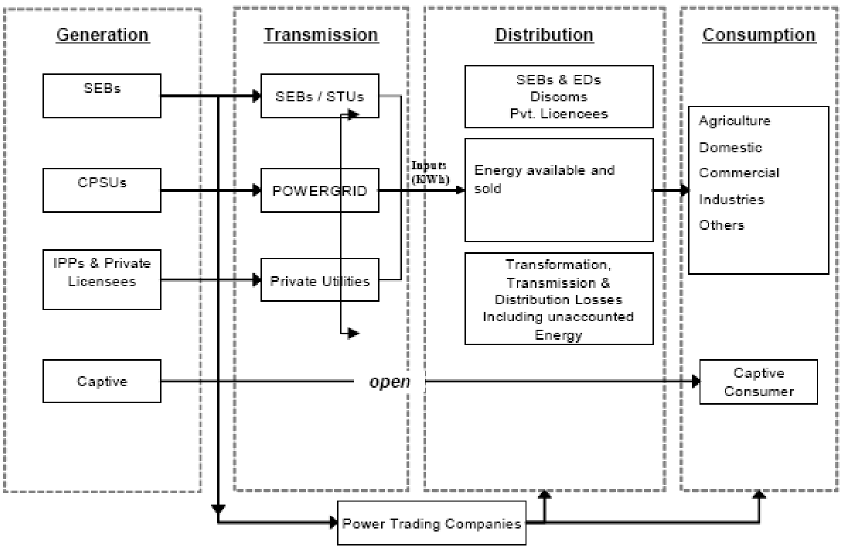
Sector	**Hydro**	**Thermal**				**Nuclear**	**Wind**	**Total (MW)**
		Coal	**Gas**	**Diesel**	**Total**			
State	250	6,625	765	0	**7,390**	0	0	**7,640**
Private	400	5,690	1,128	0	**6,818**	0	0	**7,218**
Central	520	4,980	740	0	**5,720**	0	0	**6,240**
Total	1,170	17,295	2,633	0	**19,928**	0	0	**21,098**

(Source: CEA, "Power Scenario at a Glance", March 2008)

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

Organization of the Power Industry

The following diagram depicts the current structure of the Indian power industry:



Key to the diagram:

CPSUs	Central Public Sector Undertakings
Discoms	Distribution Companies
ED	Electricity Department
IPP	Independent Power Producer
SEB	State Electricity Board
STU	State Transmission Units

Transmission and Distribution

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. The five regional grids, structured on a geographical contiguity basis, facilitate transfer of power from a power surplus state to a power deficit state. The regional grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between the power plants. The regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be transferred to another region facing power deficits, thereby facilitating a more optimal utilization of the national generating capacity.

Most inter-regional and interstate transmission links are owned and operated by the Power Grid Corporation of India Limited ("PGCIL") though some are jointly owned by the State Electricity Boards

("SEBs"). PGCIL is the central transmission utility of India and possesses one of the largest transmission networks in the world. PGCIL currently owns and operates over 40,000 circuit kms of extra high voltage transmission lines along with 66 substations with over 33,230 mega-volt ampere of transformation capacity *(Source: http:powermin.nic.in)*. About one-third of the total generating capacity in India is transmitted through PGCIL's system.

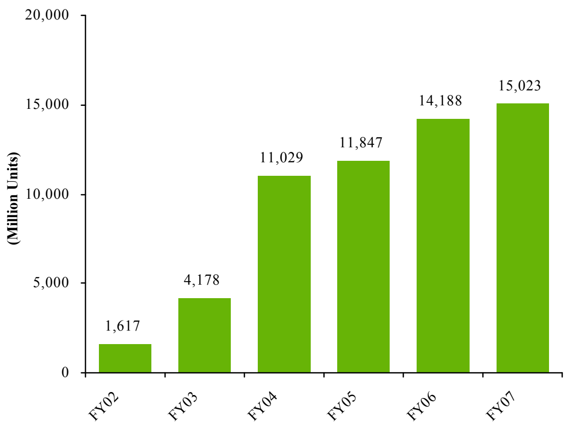
PGCIL is working towards establishment of an integrated national power grid, in a phased manner, in order to strengthen the regional grids and to support the generation capacity addition program of about 100,000 MW during the Tenth and Eleventh Five-Year Plan periods. The present inter-regional power transfer capacity of 17,000 MW is expected to be enhanced to 37,000 MW by 2012. Based on the expected generation capacity addition in eleventh plan, an investment of about Rs. 750.00 billion is envisaged in Central sector and Rs. 650.00 billion is envisaged in the State sector. *(Source: http://powermin.nic.in)*

State grids and distribution networks are primarily owned and operated by the respective SEBs or state governments (through state electricity departments). State distribution networks are managed at the state level and continue to be impacted by high aggregate technical and commercial ("AT&C") losses estimated to be approximately 35%, which implies that 35% of power entering the system is lost during distribution. *(Source: http://powermin.nic.in)* A direct consequence of the high AT&C losses is the poor financial condition of SEBs, thereby constraining the SEBs from making any meaningful investments in generation and in upgrading the transmission and distribution ("T&D") network.

Power Trading

Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long term basis by way of power purchase agreements ("PPAs") with regulated tariffs. However in order to encourage the entry of merchant power plants and private sector investment in the power sector, the Electricity Act recognized power trading as a distinct activity from generation, T&D and has facilitated the development of a trading market for electricity in India by providing for open access to transmission networks for normative charges. Power trading involves the exchange of power from suppliers with surpluses to suppliers with deficits. Seasonal diversity in generation and demand, as well as the concentration of power generation facilities in the resources-rich eastern region of India, has created ample opportunities for the trading of power. Recent regulatory developments include the announcement of rules and provisions for open access and licensing related to interstate trading in electricity. Several entities have started trading operations or have applied for trading licenses. With the aid of the reforms, the volume of power traded as well as its traded price has grown rapidly over the last few years. The following graph and table shows the increasing volume and higher prices of power traded by the Power Trading Corporation of India Limited for the periods indicated:

Increasing Volumes of Power Traded



Source: Power Trading Corporation

Increasing Traded Volume at Higher Prices

	Electricity Traded (Units mm)		
Price	FY05	FY06	FY07
< Rs.1.00			252
Rs.1.00 – 2.00	1,210		
Rs.2.00 – 3.00	10,378	5,103	1,388
Rs.3.00 – 4.00	258	8,437	1,781
Rs.4.00 – 5.00		648	7,203
Rs.5.00 – 6.00			462
Total	**11,847**	**14,188**	**15,023**

Source: CERC

Tariffs

The main objectives of the National Tariff Policy ("NTP") notified by the Government of India on January 6, 2006, include promoting competition, efficiency in operations and improvements in the quality of supply and ensuring the availability of electricity to consumers at reasonable and competitive rates. The NTP reiterates the importance of implementing competition in different segments of the electricity industry as highlighted in the Electricity Act and that competition will lead to significant benefits to consumers through reduction in capital costs and improved efficiency of operations. It will also facilitate the determination of price through competition.

The NTP stipulates that all future power requirements should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a state controlled or state-owned developer involved, in which case, regulators will need to resort to tariffs determined by reference to standards of the CERC, provided that expansion of generating capacity by private developers for this purpose will be restricted to a one-time addition of not more than 50% of the existing capacity. Under the NTP, even for public sector projects, tariffs for all new generation and transmission projects will be decided on the basis of competitive bidding after a certain period of time.

Merchant Power Plants

Merchant power plants ("MPPs") generate electricity for sale at market driven rates in the open wholesale market. Typically, the MPPs do not have long-term PPAs and are built and owned by private developers. Merchant sales, however, include sale of power under short-term PPAs and on spot basis. Many new private sector players are beginning to adopt the MPP model for their projects to generate higher returns as opposed to selling power through a long term PPA, as the off take risk is perceived to be low in view of significant power shortages in the country. The MPPs can sell power to the power trading companies (like the Power Trading Corporation), the SEBs and industrial and bulk customers.

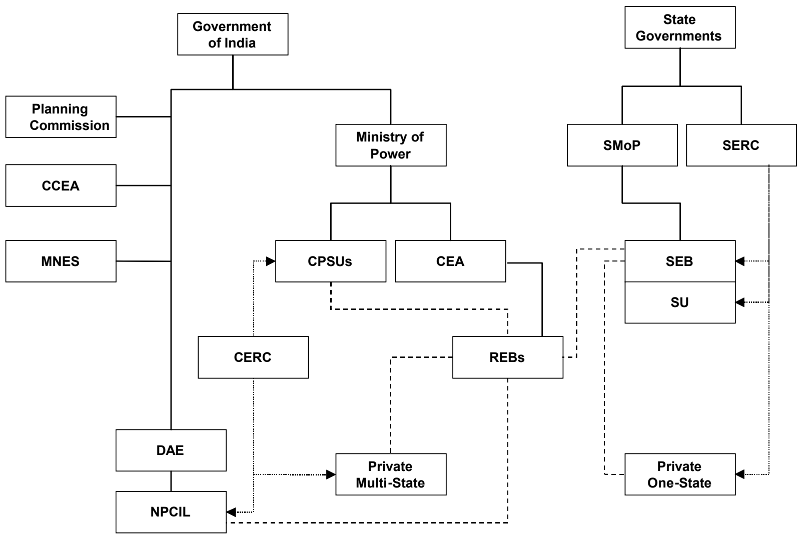
Regulatory Control

In India, control over the development of the power industry is shared between the central and the state governments. The Ministry of Power is the highest authority governing the power industry in India. The CEA, a statutory organization constituted under the Supply Act (as defined hereinafter), is the technical branch of the Ministry of Power assisting in technical, financial and economic matters relating to the electricity industry. The CEA is responsible for giving concurrence to schemes involving capital expenditure beyond a certain limit fixed by the Government from time to time, and it is also responsible for the development of a sound, adequate and uniform power policy in relation to the control and utilization of national power resources. The Central Electricity Regulatory Commission constituted under the Electricity Regulatory Commissions Act 1998 is an independent statutory body with quasi-judicial powers. Its main functions include the formulation of policy and the framing of guidelines with regard to electricity tariffs.

Several states have set up SERCs. The SERCs are engaged in regulating the purchase, distribution, supply and utilization of electricity, tariff and charges payable, as well as the quality of service. State governments have set up SEBs at the state level, which are responsible for ensuring that the supply, transmission and distribution of electricity in such states is carried out in the most economical and efficient manner. These SEBs are required to coordinate with power generating companies, as well as the government entities that control the relevant power grids. Some states have amalgamated their respective SEBs to form Regional Electricity Boards, to ensure that the electricity supply, transmission and distribution policies are consistently applied.

Private sector companies operating in the electricity supply, transmission and distribution industry report to the Ministry of Power, as well as their respective SEBs and their SERCs.

Regulatory Structure



Key to the diagram:

CCEA	Cabinet Committee on Economic Affairs
MNES	Ministry of Non-Conventional Energy Sources
CPSUs	Central Public Sector Undertakings
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
REBs	Regional Electricity Boards
SMoP	State Ministry of Power
SU	State Undertaking
SEB	State Electricity Board
SERC	State Electricity Regulatory Commission
DAE	Department of Atomic Energy
NPCIL	Nuclear Power Corporation of India Limited

Regulations

The Electricity (Supply) Act, 1948 of India (the "Supply Act") lays down the broad institutional framework for regulating the power industry. The Supply Act led to the setting-up of the SEBs, which are the state government agencies with the sole responsibility for generation, transmission and distribution of electricity within each state. However, due to systemic deficiencies and the need to overcome shortcomings of the existing regime, which focused primarily on generation and not on T&D, the Government passed the Electricity Act in 2003.

The Electricity Act is a comprehensive legislation which replaced the Indian Electricity Act, 1910, the Supply Act and the Electricity Regulatory Commission Act, 1998 (the "ERC Act"). The Electricity Act was introduced with the aim to increase commercial growth and enable the states and the central agencies to progress in harmony. Until now, 13 states including Delhi and Orissa have unbundled/corporatized their SEBs under the Accelerated Power Development and Reforms Programme ("APDRP") *(Source: Ministry of Power Performance Report 2005-06)*.

The Electricity Act has liberalized and de-licensed the power generation sector. This has resulted in an increase in the captive capacity additions by industrial units, thereby reducing the dependence on external providers. The requirement of techno-economic clearance has also been eliminated (except for hydro-electric projects). Open access has been allowed to transmission lines, both by distribution licensees as well as generating companies. Distribution licensees will be free to take up generation and generation companies will be free to take up distribution. Trading has been permitted as a distinct activity. The Electricity Act also provides for multiple distribution licensees in a single area.

In May 2007, the Government passed the Electricity (Amendment) Bill, 2007 recommending amendments to the Electricity Act. Subsequent to this, the Electricity (Amendment) Act was passed in June 2007. The amendments broadly relate to:

- the term “elimination” has been omitted in relation to cross-subsidies;
- captive units will not require a license to supply power to any user;
- strict action against unauthorized usage of power; and
- power theft has been recognized as a criminal offence, punishable under Section 173 of the Code of Criminal Procedure, 1973.

The Government has omitted the term “eliminated” in the context of cross-subsidies. Earlier, the Electricity Act stated that the cross-subsidy surcharge and cross subsidies shall be progressively reduced and eliminated. In the tariff policy issued in January 2006, the Government suggested that by the end of 2010-11, tariffs should be +/- 20% of the cost of supply, in conjunction to the Electricity Act, which envisaged a complete elimination of cross-subsidies. For this, the policy suggested that SERCs prepare a road map to achieve this target. However, the amendment suggests that cross-subsidies would be reduced gradually, and not completely eliminated, as per the earlier provision of “elimination of cross-subsidy”. Hence, the amendment is likely to make states more lenient in setting targets for cross-subsidy reduction. Consequently, this may act as a setback to the reformation process, as elimination of cross-subsidies is an important pre-requisite for tariff rationalization and improving the financials of state utilities.

The amendments related to penalties for unauthorized usage of power and recognition of power theft as an offence punishable under Section 173 of the Code of Criminal Procedure, 1973, are to ensure strict action against power theft. These amendments would simplify the process of identifying those consumers stealing power, as well as increase the assessment amount, which would help curb losses in the system. This is expected to further strengthen the drive by respective state utilities to eliminate power theft and improve operational efficiencies. According to the Central Electricity Authority, India faced T&D losses of around 33% in 2003-2004, which implies that one-third of the power is lost due to theft, pilferage and technical inefficiencies. In fact, a large part of the power lost is through theft and unaccounted agricultural consumption. Therefore, focused efforts towards eliminating theft of power can help reduce distribution losses substantially.

Ultra Mega Power Projects

With the aim of meeting India’s significant power requirements, the Government has proposed the construction of nine Ultra Mega Power Projects (“UMPPs”). The award of the projects is based on competitive bidding processes, with the amount of the normalized tariff for 25 years being a significant factor in the selection process. Each of the UMPPs will provide a power generation capacity of 4,000 MW and use coal as fuel. The Government will ensure land and environmental clearances, off-take agreements, payment security mechanism and also provide for fuel linkages in some cases to ensure efficient implementation of the UMPPs. The UMPPs will be awarded to developers on a Build-Own-Operate basis in which the developer builds, owns and operates the UMPP. The nine UMPPs, with a total power generation capacity of 36,000 MW, are expected to be awarded and built at nine different locations in India over the next seven to eight years. To date, three UMPPs have been awarded – the project in Mundra, Gujarat has been awarded to The Tata Power Company Limited and the projects in Sasan, Madhya Pradesh and Krishnapattam, Andhra Pradesh have been awarded to Reliance Power Limited.

Captive Power Generation in India

Captive power refers to power generation from a project set up for captive industrial consumption. Due to the continuing shortage of power and India’s economic growth, there has been an increase in the requirement for captive power projects in India. As most captive units are based on diesel generator sets, the cost of generation has increasing sharply with rising crude oil and diesel prices.

OUR BUSINESS

Overview

We are a power project development company, which is developing, and will operate and maintain, power projects in India. We have six coal fired thermal power projects under various stages of development or planning, with a combined installed capacity of 9,900 MW, which we intend to sell under a combination of long-term power purchase agreements to industrial and state-owned consumers and on merchant basis.

We are part of the Adani Group, a leading business group in India. Adani Enterprise Limited, our Promoter, is the flagship company of the Adani Group, with total revenues of Rs. 169,490.60 million for the fiscal year 2007. We believe AEL is one of the largest traders of coal in India for the fiscal year 2007, with coal mining rights both in the international and domestic markets, and according to Central Electricity Regulatory Commission, for the fiscal year 2007, AEL was the third largest power trader, by volume, in India. With the commissioning of our power projects, the Adani Group will be vertically integrated in power sector value chain through presence in related activities such as coal mining, coal trading, shipping, power generation, power transmission and power trading. Another Adani Group company, Mundra Port and Special Economic Zone Limited ("MPSEZL"), owns and operates one of the largest private sector commercial ports in India and a SEZ at Mundra, leading to strong synergies with our projects being set up in close vicinity. In addition, the Adani Group also has operations in other industries, including commodities trading, real estate development, agro processing and logistics. We expect that we will benefit from Adani Group's strategy of vertical integration, which gives us greater control over various activities of power generation and trading.

Our Power Projects

We currently have six thermal power projects under various stages of development or planning:

- Mundra I and II power project 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. We currently expect that the first 330 MW unit of Mundra I and II power project will commence operations from January 2009, and that the power project will be fully commissioned by October 2009.

- Mundra III power project 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 power project will commence operations from January 2011, and that the power project will be fully commissioned by June 2011.

- Mundra IV power project 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 power project will commence operations from August 2011, and that the power project will be fully commissioned by April 2012.

- Tiroda power project will have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. The BTG package for Tiroda was awarded to Sichuan Machinery and Equipment Import and Export Company Limited. We currently expect that the first 660 MW unit of Tiroda power project will commence operations from July 2011, and that the power project will be fully commissioned by April 2012.

- Dahej power project is expected to have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. We estimate that construction of the Dahej power project will commence in September 2008. We currently expect that the first 660 MW unit of

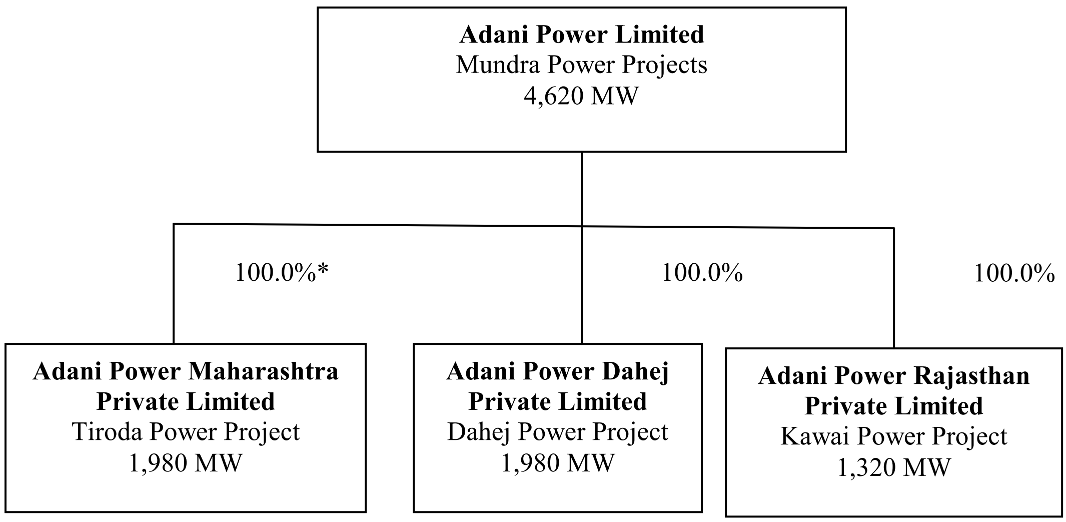
Dahej power project will commence operations from November 2011, and that the power project will be fully commissioned by June 2012.

- Kawai power project is expected to have two super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. We estimate that construction of the Kawai power project will commence in July 2008. We currently expect that the first 660 MW unit of Kawai power project will commence operations from October 2011, and that the power project will be fully commissioned by January 2012.

Power projects set up under the SEZ policy and the Mega Power Project policy are eligible for certain tax and other benefits. See, "Regulations and Policies". Our Mundra I, II and III power projects are being developed as sector-specific SEZs and we have applied for a sector-specific SEZ approval for the Mundra IV power project. We have applied for an approval to develop the power project located at Tiroda under the Mega Power Project policy of the Government of India. The power projects located at Dahej and Kawai are also expected to be developed under the Mega Power Project policy of the Government of India.

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. Notwithstanding various policy initiatives within India to diversify fuel mix, with the limited reserve potentiality of petroleum and natural gas, eco-conservation, restrictions on hydroelectric power projects, and the geo-political perception of nuclear power, we believe that it is likely that coal will continue to be the primary generator of energy in India.

The following chart outlines our corporate structure and details of power projects under development or planning:



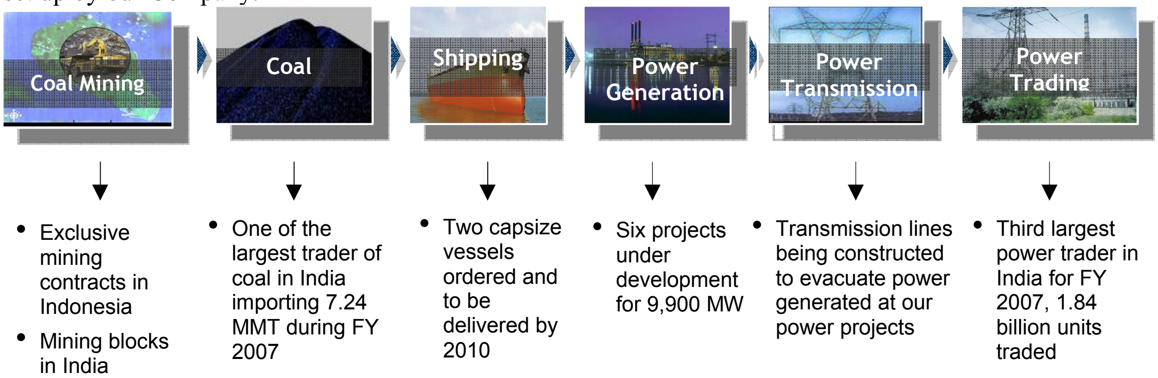
(i) *We entered into a shareholders agreement dated January 15, 2008 with Millennium Developers Private Limited ("Millennium Developers") in connection with the subscription of 26.0% equity interest in Tiroda SPV to Millennium Developers. We have received Rs. 100.00 million as share application money, however, as of the date of this Draft Red Herring Prospectus, no shares have been allotted to Millennium Developers.*

Our Competitive Strengths

We believe that we are well positioned to benefit from the growth opportunities in the Indian power sector due to the following competitive strengths:

We expect to benefit from the strong linkages of the Adani Group in the power sector through presence in coal mining, coal trading, shipping and power trading

We are part of the Adani Group, which seeks to be vertically integrated in the Indian power sector. As illustrated below, the Adani Group has active operations in coal mining, coal trading, shipping and power trading and has ventured into power generation and power transmission through projects being set up by our Company.



The Adani Group has coal mining rights in both the international and domestic markets. PT Adani Global, a wholly owned subsidiary of AEL, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu island, Indonesia. In addition, we have also been allocated two coal blocks in India to mine coal for our power projects. Adani Shipping Pte. Limited, Singapore, a wholly owned subsidiary of AEL, has entered into a contract for the purchase of two newly-built capsize vessels with expected delivery by December 2010 for transportation of coal from the Indonesian coal mines operated by AEL. AEL is also the third largest power trader, by volume, in India for the fiscal year 2007. To further integrate the Adani Group's power generation and trading operations, we intend to own transmission lines for evacuating power generated at our power projects.

We believe that the Adani Group has established diversified sourcing and distribution networks and that its industry expertise enables it to effectively capitalize on and manage risks associated with opportunities across markets. We expect that we will benefit from the Adani Group's strategy of vertical integration which gives us greater control over various activities of power generation.

We have access to experienced personnel in mining and power trading businesses pursuant to the shared services agreement with MPSEZL and AEL. We also expect to benefit from the Adani Group's strong project development and management experience while developing our power projects.

We have secured supply of fuel for many of our projects

One of the critical success factors for any power generation project is the availability of cost-effective fuel source throughout the lifetime of the power project.

- Mundra power projects: Our Mundra power projects are located along the coast and will utilize imported coal as primary fuel for its operations. We have entered into long-term coal supply arrangements for importing coal with AEL for our Mundra power projects. PT Adani Global, a wholly owned subsidiary of AEL, has entered into agreements with holders of long-term exploitation licenses to exclusively mine coal in Bunyu island, Indonesia. For Mundra I, II and III power projects, AEL proposes to procure the coal from PT Adani Global which will source such coal from these mines in Indonesia. The coal for Mundra IV power project will also be procured internationally and supplied by AEL to the power project site. As a result of our long-term coal supply agreements and relationship with the supplier, we believe we benefit from competitive pricing for coal for Mundra and Dahej power projects.

- Tiroda power project: We have been allocated coal blocks at Lohara West and Lohara Extension for generating up to 1,000 MW of power at our Tiroda power project which have estimated coal reserves of approximately 170 million metric tons ("MMT") and an average gross calorific value ("GCV") ranging between 4,290 and 5,590 Kcal/kg, according to the geological report prepared by the Central Mine Planning and Design Institute Limited. We have applied to the Standing Linkage Committee, Ministry of Coal, for allocating additional long term coal linkage for Tiroda power project.

- Dahej power project: The Dahej power project is located close to the Dahej fair-weather lighterage port and will utilize imported coal as primary fuel for its operations. We have entered into long-term coal supply arrangements for importing coal with AEL for our Dahej power project.

- Kawai power project: Under a memorandum of understanding, the State Government of Rajasthan has agreed to use its best efforts to facilitate the provision of coal for such power project from the Government of India or other sources.

Our power projects enjoy locational advantages

Our power projects enjoy locational advantages in terms of easy access to fuel, water and proximity to power deficit areas. Five of our six power projects are located in Western India, where according to the CEA, the peak deficit was 8,892 MW for the period between April 2007 and February 2008. We believe that our power projects are well positioned to serve this deficit in power supply.

Our Mundra power projects are located close to the Mundra port, which is owned and operated by MPSEZL, an Adani Group company. MPSEZL has proposed to set-up a coal jetty at a distance of approximately five km from the Mundra power project site and imported coal can be transferred from this coal jetty to the power project by conveyor belts and/or railway lines. Close proximity to the sea will ensure water for steam generation and cooling.

The Tiroda power project is located in Tiroda industrial area developed by the Maharashtra Industrial Development Corporation ("MIDC"), adjacent to the state highway. The project is approximately 260 km from the Lohara West and Lohara Extension coal blocks, which are the designated coal blocks to supply coal for the Tiroda power project. The project is expected to be connected to the mine by rail. Water will be available for the project from the nearby Wainganga river. Power can be evacuated at 400 kV levels to the existing Power Grid Corporation of India Limited ("PGCIL") and Maharashtra State Electricity Distribution Company Limited ("Mahadiscom") sub-stations.

The Dahej power project is located close to the Dahej fair-weather lighterage port, which will ensure minimum on-land handling of coal. Close proximity to the sea will ensure water for steam generation and cooling. The project site is well connected by road and rail. The site is 46 km from National Highway 8 and is also serviced by the Bharuch – Dahej state highway. The railway stations of Bharuch and Vadodara are located 46 km and 108 km, respectively, from the site.

The Kawai power project is located approximately two km from the Salpura Kawai Railway station and is close to the National Highway 90, which is currently under construction. The site is located close to Lhasi and Andheri rivers, which will supply water for the project.

We expect to benefit from SEZ status and the Mega Power Project status related tax and other benefits

Our Mundra I, II and III power projects are being developed as sector-specific SEZs and we have applied for a sector-specific SEZ approval for the Mundra IV power project. The SEZ status will entitle us to benefits in terms of certain exemptions from income tax, excise duty, central sales tax, service tax, dividend distribution tax and customs duty on import of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment. We have applied to develop the Tiroda power project and intend to develop Dahej and Kawai power projects under the Mega Power Project Policy of the Government of India, under which we will able to benefit from certain exemptions from income tax, excise duty and customs duty on import of coal and equipment. See, "Regulations and Policies". These benefits will help us reduce the cost of equipment and fuel, and improve our profit margins once we commence operations.

We have entered into long-term power off-take arrangements for our Mundra I and II and Mundra III power projects

We have entered into two off-take agreements with Gujarat Urja Vikas Nigam Limited ("GUVNL") for the supply of 1,000 MW of power produced from the Mundra I and II power project, and for the supply of 1,000 MW of power produced from the Mundra III power project. We have also submitted a bid to supply 1,420 MW of power from the proposed Tiroda power project to Maharashtra State Electricity Distribution Company Limited ("MSEDCL"). Further, we have bid to enter into long-term power purchase agreement for power that will be produced from our Mundra IV power project. Off-take agreements generally provide that the consumer purchase power in pre-determined quantities at fixed rates and surplus power, if any, may then be sold to other consumers in the unregulated market. We expect that the power produced in excess of what is sold under our Mundra I and II off-take agreements will be sold on a merchant basis. Further, we have entered into an agreement with AEL for selling surplus power from Mundra III power project on merchant basis. In addition, we may supply surplus power to various units within the MPSEZL. These off-take arrangements will allow us to mitigate our off-take risk, while enabling us to sell the residual power at market determined rates.

We have an experienced management team with a track record of project execution

We have been able to attract and retain managerial and technical talent. Our management team has an established track record, knowledge in the power generation sector and relevant experience in India. We are managed by experienced and highly qualified professionals. The team has extensive exposure to implement large projects with long gestation periods. The majority of our senior management personnel have two to three decades of experience, and we believe this is one of our key competitive strengths in view of the large size of the projects that are we are simultaneously implementing. See "Our Management" beginning on page 143 of this Draft Red Herring Prospectus.

Our Strategy

Capitalize on the growth of the Indian power generation sector

The power sector in India has historically been characterized by power shortages that have consistently increased over time. According to the Central Electricity Authority, the total peak shortage was 13,897 MW as of March 31, 2007. According to IEP Report, the Expert Committee on Power, in the XIth Plan (2007-2012), the Government of India recommended a capacity addition of 85 Gigawatts ("GW") and 98 GW, assuming a 8.0% and 9.0% GDP growth rate, respectively. We believe that our six power projects will play a significant role in the growth of the Indian power sector. Further, we will continue to look at further opportunities to set up power projects in various locations across the country.

Realize the opportunities presented by power sector reforms and benefits extended by the Government of India

In 1991, the Indian power sector began a process of deregulation that is continuing today. The Electricity Act of 2003 and subsequent reforms have generated significant opportunities in the power sector. These changes include the following:

- Liberalization and de-licensing in the generation sector, and doing away with the requirement of techno-economic clearances for thermal power projects, which expedites the thermal power project development process;

- Power trading recognized as distinct activity, also covered under 100.0% FDI;

- Distribution licensees can now procure power through a process of international competitive bidding; projects are no longer awarded on a cost-plus basis. We believe that competitive bidding presents attractive opportunities for efficient generation of power;

- Power generation companies can now sell power to any distribution licensees, or where allowed by the state regulatory commissions, directly to consumers. The market has evolved for merchant sales, which allows for the supply of peak power at premium rates;

- Power generation companies have open access to transmission lines, which will facilitate the direct sale of power to distribution and trading licensees;

- Improved payment security mechanisms, which we believe will improve sector stability and enhance our ability to obtain financing for our projects;

- No distinction between foreign and domestic investor as per electricity laws; and
- 100.0% FDI allowed in the power sector.

Our projects are positioned and structured to take advantage of these benefits and also the benefits under the SEZ and Mega Power Project policy of the Government of India. Future power sector reforms may present additional opportunities for us and we intend to capitalize upon these opportunities as they arise.

Benefit from the power scenario in Western India

The Mundra and Dahej power projects are 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. This deficit is expected to increase in the future. These states have formulated policies for substantial investments in the power sector to support increased industrial activities. We believe that stable and assured availability of power will lead to an increase in industrial activity in these states, which will further increase the power requirements. Though a number of power projects are under various stages of implementation in these states, such projects may not eliminate the deficit in power. Thus, further power generation facilities may be required. We are investing in the development and planning of power projects in these high energy deficit states in order to be in a strong position to capture the opportunity.

Secure Fuel Access

Having a dedicated, cost-efficient and established fuel supply line for a power project is fundamental to our success. Our strategy has been to establish dedicated fuel lines prior to setting up a power project. We try to ensure that we have adequate supplies of cost-efficient fuel through captive fuel sources or long-term contracts to fuel our power projects needs. We will continue to explore other options and sources for procuring and strengthening our fuel supplies.

Further integrate our power generation business with the installation of transmission lines

In order to ensure evacuation of power from the power project to demand centers, it is critical to have appropriate transmission linkages for the project. We intend to build a dedicated 413 km double circuit 400 kV transmission line connecting to the PGCIL Grid at Dehgam, Gandhinagar for evacuation of surplus power from the Mundra I and II and Mundra III power projects. Under agreements with Kalpataru Power Transmission Limited and Jyoti Structures Limited, each dated June 4, 2007, we have contracted for the construction of the towers and the supply of tower accessories and other materials to set up the transmission line. We expect the transmission line to be complete by January 2009. In light of the transmission constraints facing inter-regional links and the present capacity of 17,000 MW only, we believe that the proposed Mundra transmission line will act as a cost-efficient facility for evacuating power, if required. It will also mitigate the risk, which may arise in the event GUVNL reduces its procurement of contracted power from Mundra I and II and Mundra III power projects.

We also intend to install a 800 km double circuit 400/765 kV transmission line from our Mundra IV power project, a 225 km double circuit 400 kV transmission line and a 140 km double circuit 400 kV transmission line from our Tiroda power project, a 100 km double circuit 400 kV transmission line and 200 km double circuit 400 kV transmission line from our Kawai power project, and a 75 km double circuit 220 kV transmission line and 275 km double circuit 400 kV transmission line from our Dahej power project. However, we have not yet entered into construction or supply contracts with respect to these transmission lines. See “Risk Factors – If power evacuation facilities are not made available by the time our power projects are ready to commence operations, our operations could be adversely affected”. We expect to gain from the further integration of our power generation and transmission business due to cost-efficiencies and greater control over power evacuation.

Optimize operational efficiency

We have invested in technology to drive operational efficiency. For example, all of our power projects, with the exception of the Mundra I and II power project, will deploy super-critical technology to reduce the amount of coal consumed to generate power. The efficiency of steam generation through super-critical technology is significantly higher than that from the conventional sub-critical technology. Higher steam generation efficiency will lead to lower coal consumption and hence increase overall efficiency.

Further, we expect that our experienced management team coupled with our superior project management, execution and operational skills, will drive higher operational efficiencies in our power projects.

Engage in an Optimal Mix of Off-Take Arrangements with State-Owned and Industrial Consumers

We are developing six power projects that are capable of generating an aggregate 9,900 MW of power. We believe that state-run utility companies will require substantial amounts of power in order to meet their power demands and to cope adequately with power shortages in their respective states. We intend to utilize our marketing and trading capacities by optimizing our off-take arrangements between state-run utility companies and industrial consumers. This will enable us to enter into secured long-term off-take arrangements with state-run utility companies and industrial consumers as well as carry out merchant sales of power at market rates.

Our Projects

We currently have six projects under various stages of development or planning. A summary of these projects is given below:

Project Name, Location	Proposed Installed Capacity, Technology	Procurement Status	Fuel Supply Status	Off-take Arrangement Status	Expected Commissioning Date of First Unit/Expected Date for Project to be Fully Commissioned	Estimated Project Cost (In Rs. Million)
Mundra I and II, Gujarat	1,320 MW coal fired, sub- critical	BTG and BoP contracts entered	Coal Supply Agreement entered with AEL	Long term PPA for 1,000 MW entered with GUVNL	January 2009/October 2009	43,500.00
Mundra III, Gujarat	1,320 MW coal fired, super-critical	EPC contracts entered	Coal Supply Agreement entered with AEL	Long term PPA for 1,000 MW entered with GUVNL Agreement for merchant sale of surplus power entered with AEL	January 2011/June 2011	57,960.00
Mundra IV, Gujarat	1,980 MW coal fired, super- critical	EPC contracts entered	Coal Supply Agreement entered with AEL	Long term PPAs and merchant sales to be arranged	August 2011/April 2012	89,600.00
Tiroda (Phase I and II), Maharashtra	1,980 MW coal fired, super- critical	BTG contract entered	Captive mines allocated by Ministry of Coal for up to 1,000 MW	Long term PPAs and merchant sales to be arranged	July 2011/April 2012	92,630.00
Dahej, Gujarat	1,980 MW coal fired, super- critical	In progress	Coal Supply Agreement entered with AEL	Long term PPAs and merchant sales to be arranged	November 2011/June 2012	88,810.00
Kawai , Rajasthan	1,320 MW coal fired, super- critical	In progress	Coal supply to be arranged	Long term PPAs and merchant sales to be arranged	October 2011/January 2012	58,890.00
Total	**9,900 MW**					**431,390.00**

1,320 MW Mundra I and II Power Project – Mundra, Gujarat

Introduction

The Mundra I and II power project is a coal-based power project with four sub-critical units of 330 MW each and an aggregate capacity of 1,320 MW of power. The power project is situated at Tunda and Siracha, Mundra village, Kutch district in the state of Gujarat. We expect that the first unit of 330 MW will be commissioned by January 2009 and the remaining three units will be commissioned by October 2009. This power project has an estimated development cost of Rs. 43,500.00 million.

The power project is being developed as a sector-specific SEZ, which will entitle us to an exemption with respect to customs duty on import of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment, central excise duty, central sales tax, income tax, service tax and dividend distribution tax.

The power project is located in the vicinity of the Mundra port owned by MPSEZL, an Adani Group Company, which we expect will provide logistic solutions with respect to the transportation of shipped coal. MPSEZL has proposed a coal jetty at a distance of approximately five km from the power project site from where the imported coal can be transferred to the power project by conveyor belts and/or railway lines. In addition, we expect that the power project's close proximity to the coastline will ensure water for steam generation and cooling. The site is accessible by National Highway 8A extension between the towns of Gandhidham and Mandvi, and the Kandla and Bhuj airports are at a distance of approximately 65 km each.

Financing

The total investment required for the Mundra I and II power project is expected to be Rs. 43,500.00 million. We have arranged financing of approximately 85.6% of the cost of this power project through third party debt. The balance is expected to be funded through equity contribution by Promoters, strategic investors and through Net Proceeds of the Issue. For further details on the use of Net Proceeds of the Issue, see the section "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus. Rs. 37,250.00 million of the project cost has been obtained through secured debt financing from a consortium of project lenders, as follows:

For Mundra I, Rs. 17,100.00 million of financing has been obtained through secured loans from a syndicate of lenders comprising of ICICI Bank Limited, Allahabad Bank, Punjab National Bank, Bank of India, Syndicate Bank, Small Industries Development Bank of India, Bank of Baroda, Andhra Bank, Bank of Maharashtra, State Bank of Hyderabad, Oriental Bank of Commerce, Canara Bank and UCO Bank, pursuant to a term loan agreement dated September 20, 2006. The interest rates on these loans range from 1.10% to 4.25% below the applicable bank benchmark rate, with the exception of the interest rate of Canara Bank and State Bank of Hyderabad, which are fixed at 10.0% and 9.5% per annum, respectively. The lenders may reset the interest rate on the expiry of every three year period from the date of the first disbursement. The repayment schedule for the loan specifies 44 quarterly instalments commencing six months after the date of commercial operation, or the date falling at the end of 45 months from financial closure, whichever is earlier. As of February 29, 2008, we have drawn Rs. 7,454.08 million in principal amount, which remains outstanding.

For Mundra II, Rs. 15,500.00 million of financing has been obtained through secured loans from a syndicate of lenders comprising of ICICI Bank Limited, Central Bank of India, Punjab National Bank, India Infrastructure Finance Company Limited, Allahabad Bank, Small Industries Development Bank of India, State Bank of Hyderabad and Rural Electrification Corporation Limited, pursuant to a term loan agreement dated July 25, 2007. The interest rates on these loans range from 1.5% to 4.5% below the applicable bank benchmark rate, with the exception of the interest rate of Central Bank of India, which is fixed at 10.5% per annum. The lenders may reset the interest rate on the expiry of every three year period from the date of the first disbursement. The repayment schedule for the loan specifies 44 quarterly instalments commencing six months after the date of commercial operation, or the date falling at the end of 39 months from financial closure, whichever is earlier. As of February 29, 2008, we have drawn Rs. 595.99 million in principal amount, which remains outstanding.

In addition, we have entered into an agreement to incur subordinated debt in the principal amount of Rs. 4,650.00 million from ICICI Bank. The interest rates on this debt ranges from 1.23% below the applicable bank benchmark rate to 1.25% above the applicable bank benchmark rate. The repayment schedule for the loan specifies 20 quarterly instalments commencing 120 months after the date of commercial operation. As of February 29, 2008, we have not drawn any amount under this facility. For further information on our indebtedness, see the section "Finanical Indebtedness" beginning on page 285 of this Draft Red Herring Prospectus.

Procurement/Implementation

The power project is being implemented through a number of construction contracts. We have entered into a number of contracts with suppliers for machinery and equipment. The BTG package comprises approximately 50.0% of the total project cost. We undertook an international competitive bidding for procurement of the BTG package and subsequently awarded the contract for supply, erection and commissioning of the BTG package for two 330 MW units to Sichuan Machinery and Equipment Import and Export Company Limited pursuant to a letter of award dated June 30, 2006 for a total contract value of approximately US$ 206.00 million. For the other two 330 MW units, we have awarded the contract for supply, erection and commissioning of the BTG package to Kowa Company Limited pursuant to a letter of award dated March 1, 2007, for a total contract value of US$ 235.00 million. The supply, erection and construction of other equipment and civil structures ("BoP") is being undertaken by a number of contractors. Fitchner Consulting Engineers (India) Private Limited has been appointed to assist in formulating concepts, systems, basic and detailed engineering, and coordinating procurement, construction management services, preparing detailed project report, performance testing procedure and site supervision, inspection, quality control and project management.

Regulatory Approvals

The power project is being developed as a sector-specific SEZ, and we have received the necessary approvals from the Ministry of Commerce and Industry and the Government of India for such purpose.

We have received environment clearance from the Ministry of Environment and Forest ("MoEF") for Mundra I and II Power Projects. We have received consent to establish Mundra I from Gujarat Pollution Control Board. We have applied and are awaiting clearance from Gujarat Pollution Control Board for the establishment of Mundra II. We have also applied to the MoEF for coastal regulation zone clearance for Mundra I and are awaiting such approval. We have received no objection certificates from the Airport Authority of India concerning the construction and height of the chimneys required for Mundra I and Mundra II on December 1, 2006 and January 7, 2008, respectively. We have also received approval for sea water intake and discharge for Mundra I from Gujarat Maritime Board and we have applied for similar approval for Mundra II.

Fuel Supply

The primary fuel for the power project will be coal, which we propose to source from AEL, one of the largest traders of coal in India. The expected consumption of coal for the Mundra I and II power project is 4.00 MTPA with an average GCV of 5,200 kcal/kg at 85.0% PLF. PT Adani Global, a wholly owned subsidiary of AEL, has entered into agreements to exclusively mine coal in Bunyu island, Indonesia. For Mundra I, II and Mundra III power projects, AEL proposes to procure the coal from PT Adani Global which will source such coal from these mines. Under the coal supply agreement dated December 8, 2006, as amended, AEL has committed to supply 4.76 MTPA of coal with average GCV of 5,200 Kcal/kg, annually for a minimum period of 25 years. See "– Sources of Coal for AEL". For further details, see "Description of Certain Key Contracts" beginning on page 103 of this Draft Red Herring Prospectus.

We have entered into an agreement dated March 24, 2008 with MPSEZL to utilize their port and cargo handling services for a period of 15 years from the date of full commercial operations date of Mundra power project. The port and cargo handling services include berthing and unberthing of vessels, cargo handling services, such as unloading of imported coal, loading in rakes and delivery of rakes to the power project site.

Secondary fuel in the form of light diesel oil or heavy fuel oil will be required for start up of the coal fired boilers, which we intend to source from local vendors.

Water Supply

The amount of water required for the Mundra I and II power project is estimated to be approximately 13,700 cubic meters per hour. The power project will utilize sea water to meet consumptive and cooling water requirements. The site is located approximately three km from the coastline. On July 4, 2007, we entered into a contract with Ion Exchange Limited for erection, commissioning and testing of 7 MLD capacity sea water desalination plant. The desalination plant will be commissioned by July 4, 2008 at a total cost of Rs. 206.50 million. The desalination plant is located at the power project site, and will supply adequate water for the consumptive and cooling requirements of Mundra I and II.

Power Generation

The main generating equipment of the Mundra I and II power project consists of four steam turbine generators and four pulverized coal fired boilers.

Off-take Arrangements

We have executed a long-term power off-take agreement dated February 6, 2007 with GUVNL for a term of 25 years from the date of commercial operation of the last of the four units of the power project. 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 tariff for the contracted power shall consist of capacity charges, energy charges, an incentive charge and a penalty charge for less than 80.0% availability.

If the contracted capacity is not commissioned by its scheduled commercial operation date, we will be required to pay liquidated damages for the delay. If the power project fails to provide GUVNL's proportionate right of output energy during any settlement period, we will be liable for a penalty in the amount of 1.5 times the difference between the highest energy charges for industrial energy in Gujarat and the energy charges for each unit of energy for which GUVNL's right was breached.

GUVNL has a right of first of refusal on any additional or surplus capacity from the power project, however, the right of first refusal shall not apply if, (a) we intend to use such surplus capacity for our own consumption or consumption by an Adani Group company, or (b) we have contracted to sell such surplus capacity on a long term basis to a government controlled distribution licensee or to a government controlled entity responsible for supplying bulk power to distribution licensees in Gujarat.

The off-take agreement provides that for security, GUVNL shall deliver a revolving letter of credit and additional collateral in an escrow account. A third party sale of up to 25.0% of the electricity (including contracted capacity) is permitted if payment for purchase of power is not received within seven days from the due date. In addition, if the collateral is not restored within 30 days of the due date under the invoice, we have the right to sell 100.0% of the contracted capacity to third parties.

Subject to the right of first refusal of GUVNL, we intend to sell surplus power on merchant basis, including to businesses operating in the MPSEZL, through the power trading arm of AEL in order to take advantage of better pricing due to the short-term demand and supply gap in the market.

Power Evacuation

The power from Mundra I and II is expected to be generated at low voltage at approximately 22 kV, which will be stepped up to 400 kV and connected to the 400 kV switchyard at the power project site. The power will be procured by GUVNL from the bus bar at the power project site.

In addition, we intend to utilize the transmission lines built for Mundra III for evacuation of surplus power from Mundra I and II on merchant basis. The expected development cost for this power project includes the cost of laying down the transmission lines.

Property

We entered into a lease deed with MPSEZL dated December 28, 2006 for a plot measuring 231.61 hectare in Tunda and 62.27 hectare in Siracha, Mundra village, Kutch district in the state of Gujarat. The lease is for a term of 25 years and expires on December 27, 2031. Under this lease deed, we shall have access to land for all of our Mundra power projects. We have paid to MPSEZL a one-time sum of Rs. 293.88 million, and have agreed to pay Rs. 2.94 million to MPSEZL annually, commencing December 28, 2007, in connection with the lease.

In addition, we entered into an infrastructure use agreement with MPSEZL dated December 28, 2006. This agreement grants us the right to use infrastructure facilities in MPSEZL for a one-time fee of Rs. 2,351.05 million. The term of this agreement is co-terminus with the lease agreement.

1,320 MW Mundra III Power Project

Introduction

The Mundra III power project is a coal-based power project with two super-critical units of 660 MW each and an aggregate capacity of 1,320 MW of power. The power project is situated adjacent to the Mundra I and II power project and thus will enjoy the same locational advantages. We expect that the first unit of 660 MW will be commissioned by January 2011, and the second unit will be commissioned by June 2011. This power project has an estimated development cost of Rs. 57,960.00 million.

The Mundra III power project is also being developed as a sector-specific SEZ, which will entitle us to an exemption with respect to customs duty on import of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment, central excise duty, central sales tax, income tax, service tax and dividend distribution tax.

Financing

The total investment required for the Mundra III power project is expected to be Rs. 57,960.00 million. We have arranged financing of approximately 77.0% of the cost of this power project through third party debt. The balance is expected to be funded through equity contribution by Promoters, strategic investors and through Net Proceeds of the Issue. For further details on the use of Net Proceeds of the Issue, see the section “Objects of the Issue” beginning on page 37 of this Draft Red Herring Prospectus.

We entered into an external commercial borrowing agreement on March 28, 2008 for US$ 500.00 million of senior debt financing for Mundra III, with Standard Chartered Bank as the lead arranger and facility agent. This facility is for a term of 12 years with an interest rate of US$ LIBOR plus an escalating margin ranging from 1.85% to 2.25%. This facility is repayable in 17 equal six-monthly instalments commencing from March 31, 2012.

We entered into a rupee denominated senior debt agreement of Rs. 23,470.00 million and rupee denominated subordinated debt of Rs. 1,070.00 million from a consortium of lenders, including the State Bank of India, State Bank of Patiala, State Bank of Mysore, State Bank of Saurashtra, State Bank of Travancore, Axis Bank Limited, Bank of India, Corporation Bank, India Infrastructure Finance Company Limited, Indian Overseas Bank, Tamil Nadu Mercantile Bank Limited and Punjab National Bank Limited, pursuant to a loan agreement dated March 27, 2008. The interest rates on these loans range from 1.25% to 4.0% below the applicable bank benchmark rate. The lenders may reset the interest rate during the term of the loan after giving written notice. The repayment schedule for the loan specifies 40 quarterly instalments commencing six months after the date of commercial operation, or the date falling at the end of 51 months from the date of such debt agreement, whichever is earlier.

Procurement/Implementation

We entered into a supply contract dated September 6, 2007 with SEPCO-III Electric Power Construction Corporation, for a total contract value of US$ 949.96 million. The scope of work under the supply contract includes supply of basic and detailed design, engineering, procurement and supply of goods and equipment for the Mundra III power project.

The service contract will be implemented through an EPC contract, which was awarded through international competitive bidding to Shandong Tiejun Electric Power Engineering Company Limited on September 7, 2007 for a total contract value of Rs. 7,040.00 million. The scope of work under the EPC contract includes erection of the main plant, civil works for the plant, electrification, effluent treatment plant, water cooling systems and cooling towers, laying of pipelines, design, engineering, manufacturing, procurement, packing and forwarding, supply, transportation, receipt, unloading, installation, erection, testing, commissioning and performance guarantee tests.

Regulatory Approvals

The power project is being developed as a sector-specific SEZ, and we have received the necessary approvals from the Ministry of Commerce and Industry and the Government of India for such purpose. We have applied for environment clearance from the MoEF for both of the 660 MW units. We have also applied for a no objection certificate from the Airport Authority of India concerning the construction and height of the chimneys required for the power project. We have applied for approval for sea water intake and discharge for the power project from the Gujarat Maritime Board. We have applied to the Principal Chief Conservator of Forest for approval for spanning a wildlife sanctuary for purposes of setting up the transmission line for evacuation of power from Mundra I and II and Mundra III.

Fuel Supply

The primary fuel for the power project will be coal, which we propose to source from AEL. The expected consumption of coal for the Mundra III power project is 4.06 MTPA with a GCV of 5,200 kcal per kg at 85.0% PLF. As described above, for Mundra I, II and Mundra III power projects, AEL proposes to procure the coal from PT Adani Global which will source such coal from the mines in Bunyu island, Indonesia. Under the coal supply agreement dated March 24, 2008, as amended, AEL has committed to supply 4.33 MTPA of coal with an average GCV of 5,200 Kcal/kg annually for a minimum period of 25 years. See "– Sources of Coal for AEL". For further details, see "Description of Certain Key Contracts" on page 103 of this Draft Red Herring Prospectus.

Secondary fuel in the form of light diesel oil or heavy fuel oil will be required for start up of the coal fired boilers, which we intend to source from local vendors.

Water Supply

The amount of water required for the Mundra III power project is estimated to be approximately 12,000 cubic meters per hour. The power project will utilize sea water to meet consumptive and cooling water requirements of Mundra III and Mundra IV power projects. On January 22, 2008 and February 16, 2008, we entered into two contracts with VA Tech Wabag Limited for erection, commissioning and testing of a 20 MLD capacity sea water desalination plant at Mundra port. The desalination plant will be commissioned in three phases between April 30, 2009 and December 31, 2009 at a total cost of Rs. 404.55 million.

Power Generation

The main generating equipment for the power project will consist of two steam turbine generators and two pulverized coal fired boilers.

Off-take Arrangements

We have executed a long-term power off-take agreement dated February 2, 2007 with GUVNL for a term of 25 years from the date of commercial operation of the second unit of the power project. Pursuant to the off-take agreement, GUVNL is entitled to the supply of electricity in bulk in the aggregate amount of 1,000 MW at a fixed tariff of Rs. 2.35 per unit. The tariff for the contracted power shall consist of capacity charges based on contracted capacity of 80.0%, energy charges, an incentive charge payable for availability beyond 85.0% and a penalty charge for less than 75.0% availability.

If the contracted capacity is not commissioned by its scheduled commercial operation date, we will be required to pay liquidated damages for the delay. If the power project fails to provide GUVNL's proportionate right of output energy during any settlement period, we will be liable for a penalty in the amount of 1.5 times the difference between the highest energy charges for industrial energy in Gujarat and the energy charges for each unit of energy for which GUVNL's right was breached.

The off-take agreement provides that for security, GUVNL shall deliver a revolving letter of credit and additional collateral in an escrow account. A third party sale of up to 25.0% of the electricity (including contracted capacity) is permitted if payment for purchase of power is not received within seven days from the due date. In addition, if the collateral is not restored within 30 days of the due date under the invoice, we have the right to sell 100.0% of the contracted capacity to third parties.

We have entered into an agreement dated March 24, 2008 with AEL for selling surplus power from Mundra III power project on merchant basis. The surplus power will be purchased by AEL at market rates for a period of 15 years from the commercial operations date of the power project. We believe that sale of power through AEL will enable us to take advantage of better pricing due to the short-term demand and supply gap in the market.

Power Evacuation

The power from Mundra III is expected to be generated at low voltage at approximately 22 kV, which will be stepped up to 400 kV and connected to the 400 kV switchyard at the power project site. The power will be procured by GUVNL from the project site.

In addition, as described above, we intend to build a dedicated 413 km double circuit 400 kV transmission line connecting to the PGCIL Grid at Dehgam, Gandhinagar for evacuation of surplus power from the Mundra I and II power project and the Mundra III power project on merchant basis. The expected development cost for this power project includes the cost of laying down the transmission lines.

Property

The land for Mundra III power project forms part of the land leased pursuant to the lease deed dated December 28, 2006 that we entered into with MPSEZL, as described under "- 1,320 MW Mundra I and II Power Project – Property" on page 88 of this Draft Red Herring Prospectus.

1,980 MW Mundra IV Power Project – Mundra, Gujarat

Introduction

The Mundra IV power project is proposed to be a coal-based power project with three super-critical units of 660 MW each and an aggregate capacity of 1,980 MW of power. The power project is situated at Tunda and Siracha, Mundra village, Kutch district in the state of Gujarat. This power project will be constructed in a single phase. The first unit of the power project is expected to be commissioned by August 2011, and the last unit is expected to be commissioned by April 2012. This power project has an estimated development cost of Rs. 89,600.00 million.

The power project is expected to be developed as a sector-specific SEZ for which we have applied for the SEZ status and are awaiting relevant approval. The SEZ status will entitle us to an exemption with respect to customs duty on import of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment, central excise duty, central sales tax, income tax, service tax and dividend distribution tax.

The power project is located approximately 25 km from Mundra port owned by the Adani Group, which we expect will provide advantages with respect to the import of coal. MPSEZL has proposed a coal jetty at a distance of approximately five km from the power project site from where imported coal can be transferred to the power project by conveyor belts and railway lines.

Financing

The total investment required for the Mundra IV power project is expected to be Rs. 89,600.00 million. We intend to finance approximately 80.0% of the cost of this power project through third party debt.

The balance is expected to be funded through equity contribution by Promoters, strategic investors and through Net Proceeds of the Issue. For further details on the use of Net Proceeds of the Issue, see the section "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus. We expect the financing for the project to include senior debt of Rs. 67,200.00 million and subordinated debt of Rs. 4,480.00 million. We have not yet entered into any financing agreements with respect to this power project. However, we have received a sanction letter dated April 29, 2008 with respect to the underwriting of the proposed senior debt of Rs. 50,400.00 million and subordinated debt of Rs. 3,400.00 million from State Bank of India. See "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus.

Procurement/Implementation

We entered into a supply contract dated January 30, 2008 with SEPCO – III Electric Power Construction Corporation, China for a total contract value of US$ 1,450.64 million. The scope of work under the supply contract includes supply of basic and detailed design, engineering, procurement and supply of goods and equipment for the Mundra IV power project.

The service contract was awarded to Shandong Tiejun Electric Power Engineering Company Limited, on January 31, 2008 for a total contract value of Rs. 10,586.00 million. The scope of work under the service contract includes design, engineering, inland transportation, erection, testing, commissioning, construction and construction management, demonstration of tests on completion and tests after completion of the Mundra IV power project.

Regulatory Approvals

We intend to develop Mundra IV as a sector-specific SEZ, and we have applied for necessary approvals from the Ministry of Commerce and Industry and the Government of India for such purpose. We are also in the process of applying for required regulatory approvals, including the environment clearance from the MoEF, a no objection certificate from the Airport Authority of India concerning the construction and height of the chimneys, and approval for sea water intake and discharge for the power project from Gujarat Maritime Board.

Fuel Supply

We expect that the primary fuel for the project will be coal, which will be sourced from AEL. The expected consumption of coal for the Mundra IV power project is 6.09 MTPA with a GCV of 5,200 kcal/kg at 85.0% PLF. Under the coal supply agreement dated April 15, 2008, AEL has committed to supply 6.50 MTPA of imported coal with an average GCV of 5,200 Kcal/kg annually for a minimum period of 25 years. See "– Sources of Coal for AEL". For further details, see "Description of Certain Key Contracts" beginning on page 103 of this Draft Red Herring Prospectus.

Secondary fuel in the form of light diesel oil or heavy fuel oil will be required for start up of the coal fired boilers, which we intend to source from local vendors.

Water Supply

The amount of water required for Mundra IV is estimated to be approximately 17,000 cubic meters per hour and is expected to be supplied by a desalination plant we are developing. For details of commissioning of the desalination plant, see "Our Projects – 1,320 MW Mundra III Power Project – Water Supply".

Power Generation

The main generating equipment for the power project will consist of three steam turbine generators and three pulverized coal fired boilers.

Off-take Arrangements

We intend to enter into long-term PPAs for supply of power. Further, we have submitted a bid to enter into supply of 1,425 MW of power to the Haryana Power Generation Company Limited.

Power Evacuation

We expect that the power from the proposed power project will be generated at low voltage at approximately 22 kV, which will be stepped up to 400 kV and connected to the 400 kV switchyard at the power project site. We also intend to install a 800 km double circuit 400/765 kV transmission line from our Mundra IV power project to the grid for supplying power to the State of Haryana. The expected development cost for this power project includes the cost of laying down the transmission lines.

Property

The land for Mundra IV power project forms part of the land leased pursuant to the lease deed dated December 28, 2006 that we entered into with MPSEZL, as described under "- 1,320 MW Mundra I and II Power Project – Property" on page 88 of this Draft Red Herring Prospectus.

1,980 MW Tiroda Power Project – Tiroda, Maharashtra

Introduction

Our wholly owned subsidiary Adani Power Maharashtra Private Limited (the "Tiroda SPV") is developing the Tiroda power project, a coal based power project consisting of three super critical units of 660 MW each and aggregate capacity of 1,980 MW. The power project will be developed in two phases at village Tiroda in the district of Gondia in Maharashtra, India. We have entered into a shareholders agreement dated January 15, 2008 with Millennium Developers in connection with the subscription of 26.0% equity interest in Tiroda SPV to Millennium Developers. We have received Rs. 100.00 million as share application money, however, as of the date of this Draft Red Herring Prospectus, no shares have been allotted to Millennium Developers. For details of shareholders agreement, see "Description of Certain Key Contracts". The first unit of the power project is expected to be commissioned by July 2011, and the last unit is expected to be commissioned by April 2012.

The project is located in MIDC's Tiroda Industrial Area, adjacent to the state highway. The national highway is at a distance of 45 km from the project site. The nearest airport is at Gondia which is at a distance of 30 km from the project site. The project site is approximately two km from Kachewani railway station, which is on the Mumbai-Kolkatta main railway line.

Financing

The total investment required for the Tiroda power project is approximately Rs. 92,630.00 million. The total expected cost for phase I of 1,320 MW is Rs. 65,600.00 million, of which the Tiroda SPV intends to finance approximately 80.0% from third party debt. The balance amount will be funded by Promoters, strategic investors and through Net Proceeds of the Issue.

The total expected cost for phase II of 660 MW is Rs. 27,030.00 million, of which the Tiroda SPV intends to finance approximately 80.0% from third party debt. The balance amount will be funded by Promoters, strategic investors and through Net Proceeds of the Issue. The Tiroda SPV has not yet entered into any financing agreements with respect to this power project. However, the Tiroda SPV has received a letter dated March 4, 2008 with respect to the underwriting of the proposed senior debt of Rs. 15,250.00 million and subordinated debt of Rs. 1,050.00 million from State Bank of India. The Tiroda SPV has also received sanction letters for a total debt of Rs. 28,000.00 million from State Bank of India, State Bank of Mysore, State Bank of Indore, UCO Bank, Corporation Bank, IFCI Limited, Union Bank of India, State Bank of Bikaner and Jaipur, Punjab National Bank, State Bank of Patiala and State Bank of Saurashtra. See "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus.

Procurement/Implementation

The Tiroda power project is expected to be implemented through a number of construction contracts with Sichuan Machinery and Equipment Import and Export Company Limited and other parties. The BTG package comprises approximately 40.0% of the total project cost. We undertook an international competitive bidding for procurement of the BTG package and subsequently awarded the contract for supply of the BTG package to Sichuan Machinery and Equipment Import and Export Company Limited. Pursuant to the supply contract dated February 28, 2008, the total contract value is US$ 999.90 million. The scope of work under the supply contract includes supply of basic and detailed design, engineering, procurement and supply of goods and equipment for the Tiroda power project and training identified personnel in operations and maintenance of the power project.

Regulatory Approvals

We have received a letter dated February 14, 2007, from the State Government of Maharashtra assuring their administrative support for the Tiroda power project.

The Ministry of Coal has also allocated Lohara West and Extension coal blocks located in Chandrapur district for supplying coal for generating up to 1,000 MW of power. The Tiroda power project is proposed to be developed as a Mega Power Project, and we have applied for necessary approvals to the Ministry of Power, Government of India. We received a letter of intent from WRD, State Government of Maharashtra and approval from Vidarbha Irrigation Development Corporation, Nagpur for allocation of water to the extent of 0.2 million cubic meters per day from Wainganga river. We have received environment clearance from the Ministry of Environment and Forests for setting up two units of 660 MW each and for operating coal mines, and we are yet to apply for environment clearance for one unit of 660 MW. We have applied for Pollution Control Board approval and a no objection certificate from the Airport Authority of India concerning the construction and height of the chimneys required for the power project. We have not yet applied for certain regulatory approvals, including Ministry of Coal approvals in relation to the coal mines and forest clearance.

Fuel Supply

The primary fuel for the proposed project is expected to be domestic coal. The project will require approximately 6.18 MTPA coal based on average GCV of 4,895 kcal/kg and PLF of 85.0%. We have been allocated two coal mines pursuant to a letter dated November 6, 2007 by the Ministry of Coal to meet the coal requirement of up to 1,000 MW of power production. The coal mines are located at Lohara West and Lohara extension near Chandrapur, Maharashtra. On January 14, 2008, we have applied to the MoEF for permission to excavate the two coal mines allocated for this project. We have also applied to the Ministry of Coal requesting that transfer of allocation of coal mines from our Company to Tiroda SPV. We are in the process of finalizing the mining plan with the Ministry of Coal. According to the geological report prepared by the Central Mine Planning and Design Institute Limited, these blocks are expected to have extractable coal reserves of approximately 170 MMT with GCV ranging between 4,290 and 5,590 Kcal/kg. Further, we have applied to the Standing Linkage Committee, Ministry of Coal, for allocating additional long term coal linkage for Tiroda power project.

The distance of Lohara West and Extension Coal Blocks from the site is approximately 260 km. The Tiroda SPV proposes to enter into a coal transportation arrangement with the Indian railways for transportation of coal from mines by rail.

The nearest railway station from the mines is Chandrapur, which is approximately 20 km from the mines. The Kolkata-Mumbai Electrified rail route of South Eastern Railways passes through Chandrapur and Kachewani, which is approximately two km from the project site. A spur of approximately 20 km from the Chandrapur Railway Station to the mines and a spur approximately two km from the Kachewani Railway Station to the power project site is expected to be drawn to complete the rail route for coal transportation.

Secondary fuel in the form of light diesel oil or heavy fuel oil will be required for start up of the coal fired boilers, which the Tiroda SPV intends to source from local vendors.

Water Supply

The aggregate amount of water required for the Tiroda power project is estimated to be approximately 7,500 cubic meters per hour. The power project will utilize river water to meet consumptive and cooling water requirements. We have received a Letter of Intent from WRD, State Government of

Maharashtra for allocation of 70 million cubic meter per year (0.2 million cubic meters per day) of water from Wainganga river, which is approximately 20 km from the power project site.

Wainganga river is an intermittent river and is expected to have dry spells during the summer season. To ensure year-round availability of water for the power project, the Tiroda SPV proposes to build a barrage or dam for the storage of water. The barrage location is expected to be approximately 20 km from the project site. The water from the proposed barrage would be transported to the power project site through a raw water pipeline, which is expected to be approximately 15 to 20 km long.

Power Generation

The main generating equipment for the power project will consist of three steam turbine generators and three pulverized coal fired boilers.

Off-take Arrangements

We have submitted a bid to supply 1,420 MW of power from the proposed Tiroda power project to MSEDCL. The Tiroda SPV intends to sell the balance power output on merchant basis.

Power Evacuation

We expect that the power for the proposed power project will be evacuated from the project at 400 kV levels. There are three different 400 kV substations of Maharashtra State Electricity Transmission Company Limited ("Mahatransco") in Koradi, Khaparkheda and Chandrapur, which can be utilized to dispatch power to Mahadiscom. Similarly, there are four 400 kV substations of PGCIL at Bhadravati, Bhilai, Wardha and Seoni, which can be used to dispatch power outside the state of Maharashtra. The Tiroda SPV is planning to evacuate power through PGCIL and Mahatransco substations and is proposing to build two double circuit 400 kV transmission lines of 225 km and 140 km, respectively, from the project site to the nearest PGCIL substation located at Wardha and nearest Mahatransco substation located at Koradi. The expected development cost for this power project includes the cost of laying down the transmission lines.

Property

We have leased approximately 204 hectares of land from MIDC for this power project. We have paid Rs. 85.30 million to MIDC towards allotment of land and development works. We have applied to the State Government of Maharashtra and MIDC for allotting additional 192 hectares of land. We are in the process of identifying the land to be acquired and/or leased in order to meet the balance requirement of 109 hectares for the power project.

1,980 MW Dahej Power Project – Dahej, Gujarat

Introduction

The Dahej power project is a proposed coal-based power project with three super-critical units of 660 MW each with aggregate capacity of 1,980 MW. The power project is proposed to be developed by our wholly-owned subsidiary, Adani Power Dahej Private Limited (the "Dahej SPV"), at Dahej, Taluka Vagra, district Bharuch, Gujarat. This power project will be constructed in a single phase. The first unit of the power project is expected to be commissioned by November 2011, and the last unit is expected to be commissioned by June 2012. This power project has an estimated development cost of Rs. 88,810.00 million.

The proposed site is well connected by rail and road. The power project site is located approximately 46 km from Bharuch railway station and 108 km from Vadodara railway station, which is on the Mumbai – Ahmedabad / Delhi railway line. The power project site is accessible to National Highway 8 which is at a distance of approximately 46 km. In addition, the site is serviced by the Bharuch – Dahej state highway. Dahej is also connected with Bharuch by means of narrow gauge railway line. The nearest airport is Vadodara, which is well connected to Mumbai and Delhi. The project site is located close to the Dahej port.

Financing

The total investment required for the Dahej power project is estimated to be approximately Rs. 88,810.00 million. The Dahej SPV intends to finance approximately 80.0% of the cost of this power project by third party debt. The Dahej SPV expects the financing for the power project to include senior debt of Rs. 66,610.00 million and subordinated debt of Rs. 4,400.00 million. Pursuant to a letter of approval dated March 19, 2008, the State Bank of India has agreed in-principle to underwrite the project debt not exceeding Rs. 53,250.00 million. The State Bank of India's in-principle approval is tentative and subject to receipt of final approval. The balance is expected to be funded through equity contribution by the Promoters, strategic investors and through Net Proceeds of the Issue. For further details on the use of Net Proceeds of the Issue, see the section "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus. We have not yet entered into any financing agreements with respect to this power project.

Procurement / Implementation

The power project is proposed to be implemented by way of an EPC contract. The EPC contract will be awarded pursuant to an international competitive bidding process. We expect that the proposed scope of work of the EPC contract will include erection of the main plant, civil works for the plant, electrification, effluent treatment plant, water cooling systems and cooling towers, laying of pipelines, design, engineering, manufacturing, procurement, packing and forwarding, supply, transportation, receipt, unloading, installation, erection, testing, commissioning and performance guarantee tests.

Regulatory Approvals

We intend to develop Dahej power project as a Mega Power Project, and the Dahej SPV will apply for the necessary approvals from the Ministry of Power, Government of India. The Dahej SPV has not yet applied for any of the required regulatory approvals, including environment clearance from the Ministry of Environment and Forests, no objection certificate from Airport Authority of India concerning the construction and height of the chimneys, approval for sea water intake and discharge for the power project from the Gujarat Maritime Board, approval for river water intake from Gujarat Industrial Development Corporation Limited ("GIDC"), and approval for land acquisition from the State Government of Gujarat.

Fuel Supply

We expect that the primary fuel for the project will be coal, which will be sourced from AEL. The expected consumption of coal for the Dahej power project is 5.81 MTPA with a GCV of 5,200 kcal/kg at 85.0% PLF. Under the coal supply agreement dated April 15, 2008, AEL has committed to supply 6.50 MTPA of coal with an average GCV of 5,200 Kcal/kg annually for a minimum period of 25 years. See " – Sources of Coal for AEL". For further details, see "Description of Certain Key Contracts" beginning on page 37 of this Draft Red Herring Prospectus.

Adani Petronet Private Limited, a joint venture between the Adani Group and Petronet LNG Limited, is developing the dry cargo handling facilities at the Dahej Port. The Dahej SPV intends to enter into a port and cargo handling services agreement with Adani Petronet Private Limited to utilize their port and cargo handling services including berthing and unberthing of vessels, cargo handling services, such as unloading of imported coal, delivery of rakes to the delivery point and all other related services.

Secondary fuel in the form of light diesel oil or heavy fuel oil will be required for start up of the coal fired boilers, which the Dahej SPV intends to source from local vendors.

Water Supply

The amount of water required for the Dahej power project is estimated to be approximately 18,000 cubic meters per hour. The Dahej SPV expects that the power project will utilize sea water to meet cooling water requirements and river water to meet its consumptive requirements. The water required for the cooling system is expected to be drawn from the sea. Fresh water required for serving the requirements of employees and for producing boiler feed water is expected to be sourced from the Narmada river. The GIDC has developed a 70 million litres per day water supply scheme based on the

Narmada River to serve the Dahej industrial estate and various other industrial units in the region. The Dahej SPV proposes to enter into an agreement with GIDC to receive the fresh water requirements of the power project.

The Dahej SPV intends to apply to the Gujarat Maritime Board for draw and discharge of sea water. The Dahej SPV plans to construct a water reservoir for storage of water for the power project. The sea and river water will be drawn through an intake channel to the reservoir and further distributed to the power project through pumps located in the intake pump house.

Power Generation

The main generating equipment for the power project will consist of three steam turbine generators and three pulverized coal fired boiler.

Off-Take Arrangements

We have not yet entered into any off-take arrangements with respect to power that will be generated from the Dahej power project.

Power Evacuation

The power from the proposed power project will be generated at low voltage at approximately 22 kV, which is expected to be stepped up to 400 kV and connected to the 400 kV switchyard at the power project site.

The Dahej SPV intends to build a 220 kV double circuit transmission line of 75 km connecting the Dahej power project and the Dahej sub-station of Gujarat Energy Transmission Corporation Limited. This line will be used to evacuate power from the Dahej power project to any Gujarat distribution licensee or to any Gujarat based end user. In addition, the Dahej SPV intends to build a 400 kV double circuit transmission line of 275 km connecting the Dahej power project to Vapi sub-station of PGCIL. The expected development cost for this power project includes the cost of laying down the transmission lines.

Property

The Dahej SPV will require approximately 500 hectares of land for the Dahej power project. AEL has applied to the District Collector, Bharuch for the allocation of land for the Dahej power project.

1,320 MW Kawai Power Project – Kawai, Rajasthan

Introduction

The Kawai power project is a proposed coal-based power project with two super critical units of 660 MW each with an aggregate capacity of 1,320 MW. The power project is proposed to be developed by our wholly-owned subsidiary, Adani Power Rajasthan Limited (the "Kawai SPV") at Kawai Village, District Baran, Rajasthan. This power project will be constructed in a single phase. The first unit of the power project is expected to be commissioned by October 2011, and the last unit is expected to be commissioned by January 2012. This power project has an estimated development cost of Rs. 58,890.00 million.

The project site is well connected by rail and road. The project site is approximately two km from Salpura Kawai Railway station in Bina Kota and is close to National Highway 90, which is under construction. The Kota airport is located approximately 109 km from the project site.

Financing

The total investment for the power project is estimated to be Rs. 58,890.00 million. The Kawai SPV intends to finance approximately 80.0% of the cost of this power project by third party debt. The balance is expected to be funded through equity contribution by Promoters, strategic investors and through Net Proceeds of the Issue. For further details on the use of Net Proceeds of the Issue, see the section "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus. We expect the financing for the power project to include senior debt of Rs. 44,170.00 million and subordinated debt of Rs. 2,940.00 million. The Kawai SPV has not yet entered into any financing agreements with respect to this power project. However, the Kawai SPV has received a letter dated April 15, 2008 with respect to the underwriting of the proposed senior debt of Rs. 33,150.00 million and subordinated debt of Rs. 2,250.00 million from State Bank of India.

Procurement / Implementation

The power project is proposed to be implemented by way of an EPC contract. The EPC contract will be awarded pursuant to an international competitive bidding process. The Kawai SPV expects that the proposed scope of work of the EPC contractor will include erection of the main plant, civil works for the plants, electrification, effluent treatment plant, water cooling systems and cooling towers, laying of pipelines, design, engineering, manufacturing, procurement, packing and forwarding, supply, transportation, receipt, unloading, installation, erection, testing, commissioning and performance guarantee tests.

The Kawai SPV also intends to appoint an owner's engineer for assistance on engineering aspects of the power project. The Kawai SPV expects that the proposed scope of work for the owner's engineer will include preparation of the detailed project report for the proposed power project and review of engineering services provided by the EPC contractor, including review of progress made in project implementation.

Regulatory Approvals

We intend to develop Kawai power project as a Mega Power Project, and the Kawai SPV will apply for the necessary approvals from the Ministry of Power, Government of India. The Kawai SPV has not yet applied for any of the necessary regulatory approvals, including environment clearance from the Ministry of Environment and Forests, a no objection certificate from the Airport Authority of India concerning the construction and height of the chimneys, a no objection certificate from the state pollution control board, approval for river water intake and discharge for the power project from the State Government of Rajasthan and approval for land acquisition from the State Government of Rajasthan.

Fuel Supply

The Kawai SPV expects that the primary fuel for the proposed project will be domestic coal. Under a memorandum of understanding, the State Government of Rajasthan has agreed to use its best efforts to facilitate the provision of coal for the Kawai power project from the Government of India or other sources.

Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RRVUNL") has been allocated the Parsa East and Kente Basan coal blocks at Chattisgarh, which have estimated coal reserves of approximately 360 MMT. Our Promoter, AEL has entered into a joint venture agreement with RRVUNL for mining coal from these blocks. AEL has also agreed to use its best efforts to procure coal for the proposed Kawai power project from these coal blocks.

Secondary fuel in the form of light diesel oil or heavy fuel oil will be required for start up of the coal fired boilers, which the Kawai SPV intends to source from local vendors.

Water Supply

The amount of water required for the Kawai power project is estimated to be approximately 5,000 cubic meters per hour. The Kawai SPV expects that the power project will draw water from Lhasi and Andheri rivers, which are located approximately 12 km from the power project site. The Kawai SPV will apply to the State Government of Rajasthan for drawing water. To ensure year round availability of water to the power project, The Kawai SPV proposes to build a water reservoir. The river water will be drawn through an intake channel to the reservoir and further distributed to the plant through pumps located in the intake pump house.

Power Generation

The main generating equipment for the power project will consist of two steam turbine generators and two pulverized coal fired boilers.

Off-take Arrangements

We have not yet entered into any off-take arrangements with respect to power that will be generated from the Kawai power project.

Power Evacuation

The Kawai SPV expects that the power from the proposed power project will be generated at low voltage at approximately 22 kV, which will be stepped up to 400 kV and connected to the 400 kV/ 220 kV switchyard at the power project site.

The Kawai SPV proposes to build a dedicated double circuit 400 kV transmission line from the Kawai power station connecting to the 400 kV grid sub-station of PGCIL at Kota, which is approximately 100 km from the power project site. This line will be used for selling power generated from the power project to any Rajasthan based distribution licensee or to any other Rajasthan based end user.

Also, the Kawai SPV proposes to build a double circuit 400 kV transmission line from the power project site connecting to the 400 kV grid sub-station of PGCIL at Bina in Madhya Pradesh located approximately 200 km from the power project site. This will enable evacuation of power to any distribution licensee connected to the national grid. The expected development cost for this power project includes the cost of laying down the transmission lines.

Property

The Adani Group has applied to the State Government of Rajasthan for the allocation of land and water, and support for sourcing coal and power evacuation system for the Kawai power project.

Power Generation Technology

The process of generation of power from coal (water steam cycle) primarily entails two main stages. In the first stage, the chemical energy stored in coal is converted into heat energy in the coal-fired boilers. In the second stage, the high pressure steam, which is generated in the boiler, is passed through a turbine (conversion of heat energy into mechanical energy), which in turn is coupled to a generator (conversion of mechanical energy into electrical energy), thereby generating electricity.

The water steam cycle contains the coal fired steam generator, steam turbine with condenser, feed-water tank, low-pressure heaters and high pressure heaters and the connecting pipelines. The superheated steam produced in the steam generator is supplied to the high pressure steam turbine, which drives the three-phase AC generator. After leaving the high pressure turbine, the steam is reheated in the steam generator and fed to the intermediate pressure turbine. In the low pressure turbine the steam coming directly from the intermediate pressure turbine expands to condenser pressure and is condensed in the condenser.

A closed cycle water system is used for cooling of the condenser. The condensate collected in the condenser hot well is discharged by the condensate pumps and supplied via the low pressure condensate heaters into the feed water tank. The feed water is further heated by bleed steam from turbine and dissolved gases from the feed-water are liberated. The boiler feed pumps discharge feed water from the feed-water tank via the high pressure heaters to the economizer. The high temperature steam-water mix is further converted into steam in water walls and finally passed through the super heaters sections for converting the saturated steam into superheated steam.

This technology can be divided into sub-critical technology and super-critical technology. The technologies differ principally in the pressure and temperature at which steam is produced in the boiler. The pressure and temperature of steam in a super-critical plant are significantly higher than in a sub-critical plant. Super-critical technology necessitates the use of advanced materials for the equipment that processes the steam. The super-critical boiler is a “once through” type of boiler unlike sub-critical boiler where water and steam remains in saturated condition in the boiler drum and water is re-circulated for generation of steam. The “once through” boiler does not require any circulating pump or drum except for boiler feed water pump. Energy required for circulation is provided by the feed pump.

The main sections of the power generating unit include a steam generator along with milling system, fans and electrostatic precipitator, integral piping, integral control system, turbine and generator unit along with boiler feed pump, regenerative heaters, condensate extraction pump, circulating and auxiliary cooling water pumps and the generator transformer with bus duct. The main sections of the utility system are the coal handling system, ash handling system, fire fighting system, AC and Ventilation system, switchyard and the plant water system.

Carbon Credits

We intend to implement high efficiency power generation using coal-fired super-critical technology at some of our power projects. Due to the super-critical conditions, the efficiency of steam generation through super-critical technology is significantly higher than that from the conventional sub critical technology. Higher steam generation efficiency and hence higher overall cycle efficiency will lead to lower coal consumption for the generation of the same amount of electricity resulting in a reduction of greenhouse gas emissions into the atmosphere, which will contribute to the mitigation of global warming. Hence, we expect to be eligible for the clean development mechanism benefits and have applied to the MoEF for host country approval for Mundra III power project.

Sources of Coal for AEL

PT Adani Global, a wholly owned subsidiary of AEL, has entered into agreements to exclusively mine coal in Bunyu island, Indonesia. According to Pt. Mintek Dendrill Indonesia, the estimated coal reserves at these three mines is approximately 150 million metric tons with an average GCV of 5,200 kcal/kg. While the counter parties under the mining contracts for two of the three mines have procured long-term exploitation licenses to mine coal (for these two mines, an aggregate 1,000 hectare concession), the third license has not yet been granted to the counter party under the third mining contract.

PT Adani Global has also entered into a long-term contract with a third party to procure coal from Indonesia, and has undertaken exploration work with the objective of entering into additional mining contracts.

Employees

As of March 31, 2008, we had 385 full-time employees, all of whom were based in India. Our employees have a wide rage of experience and skills in areas such as power project implementation, power project operation and transmission operation. Of our full-time employees, approximately 48.0% are employed at the power project and 52.0% are employed at our offices.

The following table shows the function and the number of our employees as of March 31, 2008:

Function	Number of Employees
Administration, Human Resources and Legal	18
Accounting and Finance	28
Information Technology	20
Operations / Technical	261
Business Development	6
Commercial	52
Total	**385**

We intend to provide integrated accommodation facilities to our employees based at our power projects. The accommodation facilities are expected to be “mini-township” complexes with schools, shops, supermarkets, medical facilities and recreational facilities. In addition, we expect to provide a number of other benefits to our employees and members of their immediate family, such as subsidized work clothing, canteen facilities, annual leave, travel allowance, provident fund, health insurance (including on-site medical clinics), education up to high school level and subsidized electricity. We also offer retirement plans for managerial staff, and certain Government welfare schemes for non-managerial employees.

Our operations require highly skilled and experienced power project management personnel. We intend to offer our employees comprehensive on-going training in order to raise their competence and capability with respect to power project operations. We also intend to have regular staff training sessions and performance enhancement programs at our power projects to develop and improve competencies in our general workforce, particularly with respect to functional skills. We also plan to implement a performance appraisal system which will allow us to assess the performance of our employees.

Operation and Maintenance

O&M plays a very vital role in power generation, as optimum functioning with maximum availability of power ensures continuous quality power supply to the consumers. Hence, after commissioning of the respective units of all of our power projects, from the date of handing over of the unit, O&M of each of our power projects will be undertaken by our in-house O&M team, consisting of experienced and qualified expert engineers and technicians. Each unit will be headed by a senior personnel, under whom separate groups for O&M will function. In addition, an efficiency improvement and monitoring group and a maintenance planning group will be formed for continuous efficiency improvements in process. We are also inducting graduate engineering trainees from reputed engineering colleges, who will be trained in some of the premier training institutes of the country for the power sector. We have also made contractual agreements with the overseas suppliers for the main power project technology and equipment to train our O&M staff at their respective works and training institutes. Our O&M staff will also be trained with the simulators of the state-of-art technology to enhance their skill levels.

Insurance

We require our contractors to maintain insurance for our benefit during the construction of the power project. With respect to the Mundra I, II and III power projects, we are covered by third-party all risk, marine cum erection, insurance policies for loss caused by accident, fire, flood, riot, strike and malicious damage, for liability to our customers and third parties and for anticipated loss of profit.

Notwithstanding our insurance coverage, damage to our power projects, facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, power loss, telecommunications failure, intentional unlawful act, human error or natural disaster or terrorism, or any decline in our business as a result of any threat of war, outbreak of disease or epidemic could nevertheless have an adverse effect on the our financial condition and results of operations to the extent such occurrences disrupt the normal operation of our business. See "Risk Factors – We may not have sufficient insurance coverage to cover all possible economic losses" beginning on page xxiv of this Draft Red Herring Prospectus.

Safety and Risk Management

We implement work safety measures and standards to ensure healthy and safe working conditions, equipment and systems of work for all the employees, contractors, visitors and customers at our power projects. We intend to reduce waste and other harmful pollutants by careful use of materials, energy and other resources with maximizing recycling opportunities. Each of our power projects will have its own work safety management department which ensures compliance with safety measures and standards. We have established a committee for work safety which sets safety measures and standards in accordance with the relevant safety laws and regulations in India. We oversee the implementation and compliance of these safety measures and standards.

Starting at the design and engineering stage of our power projects, we adopt fail-safe technology for all our equipment, electrical machines and electronic control systems as per international standards of industrial safety. All our power projects will have integral safety systems and emergency shutdown systems for smooth and safe stoppage of the power projects in abnormal conditions. We intend to have available 24-hour, experienced fire fighting crews equipped with fire-fighting equipment, fire tenders and ambulances once our power projects start operations, all year round.

Environmental Matters

Prior to the commencement of any power project, we undertake environment impact assessment studies and based on the various findings, we develop an environment management plan. We are committed to complying with all statutory requirements, environmental regulations and quality standards as per the guidelines published by MoEF and Government of India from time to time. All our power projects will be equipped with advanced pollution control devices to reduce the major pollutants likely to affect the environment at our power projects, to acceptable levels. Pollutants from our power projects will include carbon dioxide, sulphur oxides, nitrogen oxides, liquid effluents, noise and thermal pollution. To keep the stack emissions within the limits and to control the ground level pollutants, all our power projects will be equipped with an efficient electrostatic precipitator at a sufficient height as per MoEF and state pollution control boards regulations.

Property

We own and lease certain properties for corporate operations and projects. The brief details of some of the material properties owned/leased by us are set out below:

Purpose	Description of the Property	Particulars
Registered office	Premises bearing numbers 902 and 904 having carpet area of 7074.50 square feet in 9th Floor, Shikhar, Near Mithakali Six Roads, Navrangpura, Ahmedabad	Licensed from Adani Properties Private Limited
Mundra power projects	Premises bearing survey no. 180 Part at village Tunda, Mundra, Gujarat having an aggregate area of 2,316,098 square meters	Leased from MPSEZL
	Premises bearing survey no. 295/1 Part at village Siracha, Mundra, Gujarat having an aggregate area of 622,712 square meters	
Tiroda power project	Plot No. A-1, Tiroda Growth Centre, village limits Mendipur, Gumadhawada and Khairbodi and outside the limits of Tiroda Municipal Council, Taluka Tiroda, District Gondia admeasuring 2,042,800 square meters	Licensed to Tiroda SPV by MIDC*

**MIDC has granted license to Tiroda SPV for a period of four years from the date of the agreement to enter upon the licensed land for the purpose of building and executing works thereon. On the completion of the building in accordance with the agreement and fulfilment of other conditions prescribed therein, MIDC will grant lease to Tiroda SPV for the term of ninety-nine / ninety-five years from the date of such agreement.*

Currently, we have not procured any land for our other power projects.

Competition

We compete with Indian and foreign companies operating in the power business. Some of our competitors may have more experience than us in the development and operation of power projects. In addition, a number of these companies may have more resources than us. We face competition with respect to setting up our power projects, and we will face competition with respect to selling excess power that we may produce from our power projects that will not be subject to long-term PPAs. 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, among others. See the section "Industry Overview" beginning on page 67 of this Draft Red Herring Prospectus.

Intellectual Property

We do not own the “Adani” trademark associated with the name and logo appearing on the front cover page of this Draft Red Herring Prospectus. Neither we nor any member of the Adani group has as yet filed an application for the registration of the trademark.

DESCRIPTION OF CERTAIN KEY CONTRACTS

A. Brief description of key agreements entered into by the Company

1. Investment Agreement between the Company, Adani Enterprises Limited and 3i Power Investments A1 Limited

The Company, Adani Enterprises Limited ("AEL") and 3i Power Investments A1 Limited ("3i") have entered into a agreement dated September 28, 2007 ("Investment Agreement") to, *inter alia*, set out the rights and obligations in relation to the investment made by 3i in the Company. 3i has subscribed to 52,083,333 equity shares and 150,000,000 cumulative compulsorily convertible participatory preference shares ("Preference Shares") of the Company ("Subscription Shares") for an aggregate consideration of Rs. 9,000.00 million.

The Company and AEL through letter dated April 24, 2008 addressed to 3i (the "Letter") agreed to terminate the Investment Agreement with effect from April 24, 2008, except with respect to certain matters, which shall survive termination in accordance with the terms of the Investment Agreement. The Letter, *inter alia*, provides that:

(i) If the company does not make an initial public offering on terms acceptable to 3i on or before April 23, 2009, then the Investment Agreement shall be reinstated in full force and effect;

(ii) immediately prior to the IPO, the Preference Shares held by 3i shall be converted into 32,059,002 Equity Shares of the Company.

3i has agreed to the terms of the Letter and consequently, the Investment Agreement shall stand terminated with effect from April 24, 2008.

2. Shareholders' Agreement between the Company and Millennium Developers Private Limited

The Company and Millennium Developers Private limited ("Millennium") have entered into a shareholders agreement dated January 15, 2008 (the "Millennium SHA") in terms of which Millennium has agreed to acquire equity shares of Adani Power Maharashtra Private Limited ("APMPL") representing 26% of the issued and paid-up share capital of APMPL, while the Company (or any other Adani Group company) will hold 74% of the issued and paid-up share capital of APMPL. The Millennium SHA provides, among other things, that:

(i) The Adani Group has the complete responsibility and control over the management and operations, including project management and project execution, of the 1,320 MW power project proposed to be developed by APMPL in Maharashtra.

(ii) The Company is not entitled assign, transfer, charge or otherwise deal with any of its rights or obligations under the Millennium SHA or grant, declare, create or dispose of any of its rights or interest in the whole or part of the Millennium SHA.

(iii) In case of investment to be made by any new investor in APMPL, the Company and Millennium will proportionately dilute their shareholding in APMPL.

(iv) The Company has a right of first refusal over the equity shares held by Millennium and Millennium may not transfer any equity shares of APMPL without giving prior written notice to the Company. The transfer price will be decided on the basis of third party independent valuation.

(v) Millennium has a right to nominate proportionate directors subject to a maximum of two directors on the board of directors of APMPL. The SHA shall terminate upon Millennium ceasing to hold any equity shares of APMPL.

3. **Lease Deed between Mundra Port and Special Economic Zone Limited and the Company**

The Company and Mundra Port and Special Economic Zone Limited ("MPSEZL") have entered into a lease deed dated December 28, 2006 (the "Mundra Lease Deed") in terms of which the Company has taken on lease 2,938,810 square metres of land situated in a SEZ at Mundra for a term of 25 years commencing from the day of execution of the Mundra Lease Deed. The Mundra Lease Deed provides, among other things, that:

(i) The Company shall use the land solely for the purpose of setting up of a power plant/power SEZ.

(ii) The Company shall have the right to develop the land and may enter into an agreement for construction and operation and maintenance subject to terms of the Lease Deed.

(iii) The Company has paid one-time charges of Rs. 293.88 million and shall be liable to pay annual lease charges of Rs. 2.94 million.

(iv) The Company may not, without the prior written approval of MPSEZ, sub-lease, assign, sublet, license, transfer or grant a right to the land to any person or create a charge or mortgage on the land or any part thereof

(v) MPSEZL shall be entitled to terminate the Mundra Lease Deed in the event of default of the terms of payment by the Company.

The parties shall seek to resolve any dispute arising out of or in relation to the Mundra Lease Deed through mutual discussion, failing which the dispute shall be settled through arbitration.

4. **Infrastructure Use Agreement**

The Company and Mundra Port Special Economic Zone Limited ("MPSEZL") (the "Parties") have entered into an agreement dated December 28, 2006 (the "Agreement") for the use of infrastructural facilities set up/to be set up by MPSEZL (the "Infrastructural Facilities"). The Infrastructural Facilities include:

(i) access to roads, both internal and approach roads;
(ii) right of way/corridor to lay telecom cable;
(iii) right of way/corridor to water pipeline; and
(iv) tapping point for electrification from the nearest sub-station.

MPSEZL had granted land on lease to the Company for a period of 25 years through lease deed dated December 28, 2006 (the "Lease Deed"). The Agreement shall be co-terminus with the Lease Deed. In consideration for the use of Infrastructural Facilities, the Company shall pay an upfront amount calculated at the rate of Rs. 800 per square metre of area leased for a period of 25 years. The Company paid an amount of Rs. 776.12 million to MPSEZL. Further, the Company shall be responsible for the payment of taxes and other charges. In case of early termination/expiry by efflux of time, the infrastructure usage charges shall not be refundable.

The Company is entitled to terminate the Agreement by giving 180 days notice to MPSEZL. Further, the Company shall not be entitled to refund from MPSEZL of any payment made on account of this Agreement.

Any disputes arising out of or in relation to the Agreement shall be resolved through mutual discussions within 30 days, subject to the provisions of the SEZ Act, 2005. In case the dispute cannot be resolved amicably within 30 days, it shall be referred to arbitration in accordance with the Arbitration and Conciliation Act, 1996 and in the manner provided therefor in the Agreement.

5. **Shared Services Agreement**

The Company, Adani Enterprises Limited ("AEL") and Mundra Special Economic Zone Limited ("MPSEZL") (the "Parties") have entered into an agreement dated April 1, 2008 ("Shared Services Agreement") setting out the terms and conditions for sharing of various services and facilities which include salary expenses of coal mining and power trading department, Adani House (Ahmedabad), Anand Niketan Guest House (New Delhi), Mumbai Guest House, Ahmedabad Guest House, Adani Corporate House, Adani Knowledge Centre, Central Recruitment Cell, AEL Pool Car Expense and aircrafts (B200 and Hawker). In terms of the Shared Services Agreement, each Parties share shall be decided by a committee of CFOs or equivalent persons of each of the Parties.

The term of the Shared Services Agreement is 1 year. Any of the Parties may terminate the Shared Services Agreement by giving prior written notice of one month to the other Parties or if any other Party defaults in paying its share of the expenses for a consecutive period of three months.

B. **Brief description of key Contracts in relation to Our Projects**

I. **1,320 MW Mundra Phase I and II Power Project – Mundra, Gujarat**

1. **Award of Assignment for the services of Owner's Engineers**

Mundra Port Special Economic Zone Limited ("MPSEZL") had through letter (No. MSEZ:OE:MVR:041203) dated December 3, 2004 appointed Fitchner Consulting Engineers (India) Private Limited ("Fitchner") as consultants for the 2x125 MW proposed to be set up by MPSEZL (the "Work Order"). The aggregate fee for the assignment is Rs. 46.6 million. Additionally, MPSEZL is required to reimburse certain expenses, pay Rs. 0.14 million per month as fee for the staff employed by Fitchner for construction management and site supervision services and pay establishment charges. Subsequently, through letter (No. MSEZ/OE/007) dated October 10, 2005 the capacity of the work was revised from 2x125 MW to 2x250/300 MW and the aggregate fee was revised to Rs. 62.0 million.

The Company, through letter dated July 4, 2006, informed that the Work Order has been assigned by MPSEZL to the Company and consequently, the Work Order be deemed to have been issued by the Company.

2. **Letter of Award from the Company to Sichuan Machinery and Equipment Import and Export Company Limited for the supply of 2x330 MW thermal power plant equipment**

The Company has issued a letter of award dated June 30, 2006 to Sichuan Machinery and Equipment Import and Export Company Limited ("SCMEC") ("LoA") for manufacture, inspection, testing at works, sub-vendor's works, packing and forwarding and supply of equipment and material for steam generator and steam turbine generator for the 2x330 MW units at Tunda, Gujarat, India (the "Project"). The price payable by the Company to SCMEC for the Project shall be US$ 206 million and the payment shall be made in accordance with the schedule provided therefor.

The LoA, *inter alia*, provides that:

(i) SCMEC shall furnish a performance security of US$ 15.1 million ("Performance Security") to the Company, which the Company can claim on various grounds which include failure by SCMEC to extend the Performance Security till the issuance of performance certificate, failure of SCMEC to remedy a default within 42 days after receiving notice from the Company and in circumstances which entitle the Company to terminate the contract. The Company has, however, not received the Performance Security and is therefore, deducting proportionate amount from amount due to SCMEC towards the Performance Security.

(ii) SCMEC shall supply the goods to the Company in accordance with the delivery schedule provided for in the contract and the last delivery date shall be 24 months commencing from July 1, 2006. The failure by SCMEC to complete the entire delivery within delivery schedule shall make SCMEC liable for damages at the rate of US$ 0.75 million per week of delay subject to a maximum of US$ 11.32 million. SCMEC shall, however, be entitled to adjustment of the delivery schedule if the delay is caused due to any variation or which has been caused by or attributable to the Company/Company's personnel. If SCMEC wants to deliver the goods before the last date, the approval of same shall be obtained from the Company and the Company shall issue a certificate to that effect.

(iii) SCMEC shall be entitled to charge financing charges ("Financing Charges") from the Company at LIBOR + 2% for non-compliance by the Company with the timing of payments in the manner as specified in the LOA.

The Company may terminate the LOA on the certain specified grounds. SCMEC may, after completion of 28 days' of charging Financing Charges, suspend the manufacture and supply of the goods by giving 21 days' notice. Further, SCMEC shall be entitled to terminate the contract by giving 14 days' notice to the Company on certain specified grounds which include (i) prolonged suspension (not less than 150 days), (ii) the Company substantially fails to perform its obligations under the contract, or (iii) the Company becomes bankrupt or insolvent or goes into liquidation. Any disputes arising out of and in relation to the LOA shall be resolved by arbitration, in accordance with UNCITRAL Arbitration rules as provided for in the LOA, at Singapore in English language.

3. Service Contract between the Company and Sichuan Fortune Project Management Limited for Mundra Phase I Power Project

The Company and Sichuan Fortune Project Management Limited, ("SFPML") have entered into a Service Contract dated August 2, 2006 (the "Service Contract") for erection, testing, commissioning, construction and construction management services (the "Works") for the BTG island of 2x330 MW thermal power plant for Mundra Phase I Power Project (the "Contractual Plant"). The contract price for the Service Contract is US$ 20 million.

The Service Contract provides, among other things, that:

(i) SFPML shall complete the Works for the first 330 MW unit within a period of 27 months and for the second 330 MW unit within a period of 30 months from the date of commencement. SFPML shall, however, be entitled to extension of time on specified grounds which include: (i) any change to the Company's requirements or the Works instructed/approved in terms of the Service contract; (ii) any delay attributable to the Company or Company's suppliers, personnel or Company's other contractor's on the project site. In case of delay, SFPML is required to pay to the Company damages at the rate of 3.775% of the contract price per section per week, subject to a maximum of 56.62% of the contract price.

(ii) SFPML shall be entitled to charge financing charges from the Company at LIBOR + 2% for non-compliance by the Company with the timing of payments in the manner as specified in the Service Contract.

The Company is entitled to terminate the Supply Contract by giving 14 days' notice, *inter alia,* if the SFPML: (a) abandons the manufacture and supply of goods or demonstrates intention to not perform its obligations under the Service Contract; (b) without reasonable excuse fails to proceed with the Works; (c) sub-contracts the Works or assigns the Service Contract without the required consent; (d) or its guarantor in relation to the Service Contract becomes subject of bankruptcy or insolvency proceedings; (e) gives or offers to give bribe in relation to the Supply Contract or if SFPML's personnel, agents or sub-vendors do so; (f) breaches any of its representations or warranties. However, on the occurrence of (d) or (e) above, the Company may by notice terminate the Supply Contract immediately. SFPML is entitled to terminate the Service Contract by giving 14 days' notice for various reasons which include: (i) prolonged suspension (not less than 112 days); (ii) the Company substantially fails to perform its obligations; (iii) the company becomes bankrupt or insolvent or goes into liquidation.

All disputes arising out of or in relation to the contract shall be referred to arbitration and the proceedings shall be conducted in accordance with the UNCITRAL Arbitration Rules and terms of the Service Contract.

4. Agreement between the Company and Kowa Company Limited

The Company has issued a letter of award dated March 1, 2007 ("LOA") to Kowa Company Limited, Japan ("KCL") (the "Parties") for the manufacture, supply and proving performance of 2x330 MW coal based boiler, steam turbine generator package as per the specifications provided in the LOA. The price payable for the Supply is US$ 235.00 million payable in accordance with the payment schedule. The supply of goods under the LOA shall be on a FOB basis as defined under the INCOTERMS 2000.

The LOA, *inter alia*, provides that KCL shall deliver the goods according to the delivery schedule specified in the LOA, the last delivery date being March 1, 2009. KCL shall be liable to pay damages for delay in making deliveries in accordance with the delivery schedule at the rate of US$ 0.77 million per week or part thereof subject to a maximum of US$ 11.62 million. Further, KCL shall also be liable to pay damages for shortfall in performance of the contractual plant calculated in accordance with the formula provided in the LOA. However, sum of all damages payable by KCL will not exceed US$ 22.65 million except when the gross output of the Contractual Plant falls below 97.5% of the guaranteed gross output, or if the gross heat rate is more than 2280kcal/ kWh or if the auxiliary power consumption of the contractual plant is 5% over the guaranteed auxiliary power consumption.

This Agreement can be terminated when a default by either Party, after due notice, is not remedied, a *Force Majeure* event has occurred and the works in progress are prevented for a prolonged period.

All disputes arising out of or in relation to the contract shall be referred to arbitration and the proceedings shall be conducted in accordance with the UNCITRAL Arbitration Rules.

5. Service Contract between the Company and Sichuan Fortune Project Management Limited for Mundra Phase II Power Project

The Company and Sichuan Fortune Project Management Limited, ("SFPML") have entered into a Service Contract dated March 5, 2007 (the "Service Contract") for erection, testing, commissioning, construction and construction management services (the "Works") of 2x330 MW thermal power plant equipment at Mundra Phase II Power Project (the "Contractual Plant"). The contract price for the Service Contract is US$ 20 million. SFPML shall be entitled to charge financing charges from the Company at LIBOR + 2% for non-compliance by the Company with the timing of payments in the manner as specified in the Service Contract.

The Service Contract, *inter alia*, provides that:

(i) SFPML shall complete the Works for the first 330 MW unit within a period of 27 months and for the second 330 MW unit within a period of 30 months from the date of commencement. SFPML shall, however, be entitled to extension of time on specified grounds which include: (i) any change to the Company's requirements or the Works instructed/approved in terms of the Service contract; (ii) any delay attributable to the Company or Company's suppliers, personnel or Company's other contractor's on the project site. In case of delay, SFPML is required to pay to the Company damages at the rate of 3.775% of the contract price per section per week, subject to a maximum of 56.62% of the contract price.

(ii) SFPML is eligible for payment of bonus by the Company, if all the works of the contracted unit are completed before the time of completion, as follows:

Time before the agreed time of completion (in months)	Bonus payable (In US$ Million)
1	0.125
2	0.25
3	0.5

The Company is entitled to terminate the Supply Contract by giving 14 days' notice, *inter alia,* if SFPML: (a) abandons the Works or demonstrates intention to not perform its obligations under the Service Contract; (b) without reasonable excuse fails to proceed with the Works; (c) sub-contracts the Works or assigns the Service Contract without the required consent; (d) or its guarantor in relation to the Service Contract becomes subject of bankruptcy or insolvency proceedings; (e) gives or offers to give bribe in relation to the Supply Contract or if SFPML's personnel, agents or sub-vendors do so; (f) breaches any of its representations or warranties. However, on the occurrence of (d) or (e) above, the Company may by notice terminate the Supply Contract immediately. SFPML is entitled to terminate the Service Contract by giving 14 days' notice for various reasons which include: (i) prolonged suspension (not less than 112 days); (ii) the Company substantially fails to perform its obligations; (iii) the company becomes bankrupt or insolvent or goes into liquidation.

6. Coal Supply Agreement between Adani Enterprises Limited and the Company

The Company and Adani Enterprises Limited (the "Supplier") (the "Parties") have entered into an agreement dated December 8, 2006 (the "Agreement") for supply of Standard Coal by the Supplier to the Company in accordance with the terms of the Agreement. The period of contract ("Contract Period") shall be 15 years from COD of the 660 MW power plant project undertaken by the Company at Mundra.

The Agreement, amongst other things, provides that:

(i) The Supplier shall supply 90,000 tonnes of Standard Coal during the Start-Up Period and 2 million tonnes of Standard Coal each year during the Contract Period. Further, at Company's request the Supplier shall sell up to 0.1 million tonnes of Standard Coal each year. Additionally, the Supplier shall use best endeavours to sell a further amount of Standard Coal not exceeding 0.1 million tonnes each year at Company's request. The Standard Coal shall be supplied in accordance with the scheduling provisions as detailed in the Agreement.

(ii) On occurrence of an event of default, the non-defaulting Party may terminate the Agreement after giving due notice. The events of default include:

a. breach of material obligations by the Supplier;
b. failure by the Supplier to deliver at least 90% of the aggregate quantity requested by the Company in two consecutive shipments or any three shipments in a year;
c. failure by the Supplier to deliver Standard Coal conforming to the specifications for any two consecutive shipments or for more than 33% of the shipments in a year;
d. any failure by the Company to make payment of invoice;
e. breach in any material respects of the representations and warranties made by the Supplier;
f. insolvency or liquidation(voluntary) or winding-up or dissolution of either party;
g. either Party ceasing or threatening to cease to carry on business; or
h. any distress execution being issued, levied or enforced upon the business, undertaking, property or assets or any part thereof of either Party; or

i. any act or omission by any Party or its officers, employees or agents which in other Party's opinion prejudices the interest of the first party or brings the name of first party into disrepute.

The Agreement was amended by the Parties through amendment no.1 to coal supply agreement dated August 10, 2007 (the "Amendment Agreement"). In accordance with the Amendment Agreement, the Supplier shall additionally supply Standard Coal for Mundra Phase II Power Project for a period of 15 years from COD of Mundra Phase I Power Project or Mundra Phase II Power Project, whichever is later, on the same terms and conditions as set out in the Agreement.

Pursuant to the Amendment Agreement, the Supplier shall supply 180,000 tonnes of Standard Coal during the Start-Up Period and 4 million tonnes of Standard Coal each year during the Contract Period. Further, at Company's request the Supplier shall sell up to 0.2 million tonnes of Standard Coal each year. Additionally, the Supplier shall use best endeavours to sell a further amount of Standard Coal not exceeding 0.2 million tonnes each year at Company's request. Various clauses relating to definitions, quantities, scheduling and notice were amended.

The Agreement was further amended and restated through amendment agreement dated September 28, 2007 (the "Amendment Agreement No.1"). The restated and amended dated December 8, 2006 as amended by the Amendment Agreement No.1 (the "Restated and Amended Agreement"), amongst other things, provides that:

(i) The contract period shall be 25 years from the date of Restated and Amended Agreement.

(ii) The Supplier shall supply 90,000 tonnes of Standard Coal during the Start-Up Period. The Supplier shall supply firm quantity ("Firm Quantity"), further quantity ("Optional Quantity") at Company's request and use best endeavours to sell a further amount ("Excess Quantity") at Company's request of Standard Coal during the contract period as per the following table:

(In million tonnes)

Contract Year	**Firm Quantity**						**Optional Quantity**	**Excess Quantity**
	Phase I		**Phase II**		**Phase III**			
	Unit I (330 MW)	Unit II (330 MW)	Unit I (330 MW)	Unit II (330 MW)	Unit I (660 MW)	Unit II (660 MW)		
2009	0.3	0	0	0	0	0	0	0.03
2010	1.2	1.2	0.9	0.6	0	0	0	0.39
2011	1.2	1.2	1.2	1.2	0.6	0	0	0.54
2012	1.2	1.2	1.2	1.2	2.4	2.2	0	0.94
2013 to 2033	1.2	1.2	1.2	1.2	2.4	2.4	0	0.96

The Firm Quantity which the Supplier is obliged to supply in terms of the Restated and Amended Agreement shall be subject to adjustments and variations.

The Restated and Amended was, subsequently amended through amendment agreement dated April 15, 2008, whereby the quantity of Standard Coal to be supplied by the Supplier was fixed at 4.76 million tonnes. The start-up tonnage, however, remained 90,000 tonnes. Consequently, clauses 5, 2.8 and 5.2 of the Agreement, the Amendment Agreement and the Restated and Amended Agreement, respectively pertaining to the quantity to be supplied were amended. Further, clauses pertaining to quality of Standard Coal to be supplied and price therefor were also amended.

7. **Purchase Order issued by the Company to Ion Exchange (India) Limited**

The Company has issued a purchase order (P.O. No. APL/120702/VJ/357/07) dated July 4, 2007 (the "Purchase Order") to Ion Exchange (India) Limited ("IEL") for the design, manufacture, erection, testing and commissioning of 7 MLD seawater desalination plant for Mundra Phase I and II Power Project. The price for the Purchase Order is Rs. 206.5 million. The Purchase Order requires IEL to submit a contract performance guarantee for an amount of Rs. 10.32 million, valid till delivery/commissioning of the desalination plant.

The Purchase Order, *inter alia*, provides that:

(i) The desalination plant shall be delivered within 12 months from the date of the Purchase Order. In the event of any delay, IEL shall be liable to pay liquidated damages which shall be calculated in accordance with the Purchase Order and deducted by the Company from outstanding payments due to IEL. However, the liquidated damages shall not absolve IEL from its obligations.

(ii) IEL shall provide training to the Company's engineers to familiarise them with operation and maintenance of the desalination plant. The cost of boarding and lodging shall be borne by the Company, whereas those for training shall be borne by IEL.

8. **Power Purchase Agreement between Gujarat Urja Vikas Nigam Limited and the Company**

The Company and Gujarat Urja Vikas Nigam Limited ("GUVNL") (the "Parties") have entered into a Power Purchase Agreement dated February 6, 2007 (the "PPA") to sell the generation capacity and supply of electricity in bulk to the extent of 1000 MW ("Contracted Capacity") from the Mundra Phase I and II Power Project ("Mundra I") by the Company to GUVNL. The term of the PPA is 25 years from the scheduled commercial operation date of the last unit of the Mundra I. GUVNL may, however, give a notice to the Company at least 180 days prior to the expiry of the PPA, for the extension of the term. On receipt of notice, the Parties shall meet and discuss the extension, which may be extended on mutually agreed terms.

The Company has provided an irrevocable and unconditional bank guarantee ("Bank Guarantee") of an aggregate amount of Rs. 750 million, valid upto six months after the COD, to GUVNL. The COD is 36 months from the date of signing of the PPA. Subsequent to the completion of certain conditions specified in the PPA, the Bank Guarantee shall be substituted by a security deposit in the form of a bank guarantee for Rs. 500 million (the "Security Deposit"). The Security Deposit shall be for the timely completion of the project and commencement of commercial operation within the time specified in the PPA. If the Company fails to commence the supply of electricity as mandated in the PPA, GUVNL shall have the right to encash and appropriate in their favour as liquidated damages an amount equivalent to 0.67% of the security deposit in proportion to the capacity delayed. The Security Deposit shall be released by GUVNL within 15 days from COD if the Company has satisfactorily fulfilled obligations in terms of the PPA.

GUVNL shall have the first right of refusal on any additional/surplus capacity from the power station. However, the first right of refusal shall not be applicable in case the Company:

(a) uses such additional/surplus capacity for its own captive consumption;
(b) contracts to sell such additional/surplus capacity, on a long term basis, to its group companies for captive consumption;
(c) contracts to sell such additional/surplus capacity, on a long term basis, to a government controlled distribution licensee in the state where the power station is located; and

(d) contracts to sell such additional/surplus capacity, on a long term basis, to a government controlled entity responsible for supplying bulk power to distribution licensees in the state where the power station is located.

The available Contracted Capacity shall be for the exclusive benefit of GUVNL. The available Contracted Capacity may be sold to a third party on certain grounds specified in the PPA. However, the Company shall not itself use any of the electricity generated by the power station from the Contracted Capacity during the term of the PPA.

In terms of the PPA, the Company shall be responsible for construction of the project in a timely manner so that the contracted capacity is commissioned no later than COD, owning the power station throughout the term of the PPA and undertaking all activities in relation thereto including obtaining and maintaining all the requisite consents. The Company shall, however be entitled to extension of time to perform its obligations, if the delay has resulted due to any material default of GUVNL, *Force Majeure*, delay in provision of open access or transmission facilities by CTU or if the Company arranges to supply power to GUVNL from alternate sources. The COD may be extended by not more than 12 months and if the COD is delayed by more than 12 months, then the PPA shall terminate as detailed therein. If the Contracted Capacity is not commissioned by COD, the Company shall have to pay liquidated damages for the delay, which shall be the encashment and appropriation of the Security Deposit for a delay upto five months and for any further delay the damages shall be calculated in the manner set forth in the PPA. However, the aggregate liability shall not extend beyond 12 months of the delay for the contracted capacity and if there is any further delay, then GUVNL shall have the option to terminate the PPA for breach by the Company and claim liquidated damages for such breach.

The PPA mandates that the Company shall enter into a fuel supply agreement, the modalities whereof shall be decided with approval from GUVNL in certain specified cases. The Company shall install a set of main and check meters in accordance with the provisions of the PPA and in consultation with the CTU/STU/GUVNL, which shall be subject to inspection and testing requirements.

GUVNL shall pay to the Company, monthly tariff payment on or before the due date, comprising of the quoted tariff by the seller for every year, determined in accordance with the formula provided in the PPA. The monthly tariff payment for shall consist of monthly capacity payment charge, monthly energy charge, monthly incentive payment and monthly penalty payment. The PPA also lays down the mechanism for the delivery, content and payment of monthly bills. In the event of delay in payment of a monthly bill by GUVNL beyond 60 days, a surcharge shall be payable by GUVNL at the rate of SBI PLR + 2% on the outstanding payment, calculated on a day to day basis on p.a. basis, for each day of the delay. For payment of monthly bills within seven days of presentation, a rebate of 2% shall be allowed and for payment after seven days but within one month, a rebate of 1% shall be allowed. GUVNL shall provide for a payment security mechanism in the form of a monthly revolving and irrevocable Letter of Credit ("LC") opened and maintained by GUVNL. The LC may be substituted by a bank guarantee or an equivalent instrument mutually agreed. Additionally, GUVNL and the Company shall enter into a default escrow agreement for the establishment and operation of escrow account in favour of the Company and in case the LC is not operational or sufficient to pay for the pending payments, the revenues from GUVNL's customers shall be deposited in the escrow account. The PPA contains provisions for tariff adjustment payments for change in law.

In terms of the PPA, Company's events of default include:

(i) failure of any unit to be commissioned by the date falling 12 months after COD;
(ii) subsequent to commissioning and during its retest unit's tested capacity is less than 92% of its rated capacity and the tested capacity remaining below 92% even after three months thereafter;
(iii) the Company is unable to make available the full contracted capacity at the delivery point;

(iv) after COD, the Company fails to achieve average availability of 65% for 12 consecutive months;
(v) the Company fails to make any payment due to GUVNL within 3 months;
(vi) any misrepresentation or untrue statement in the representation and warranties;
(vii) assignment by the Company of its assets or rights in violation of the PPA;
(viii) transfer or novation of its rights and/or obligations by the Company under the PPA;
(ix) Company is subject to bankruptcy or insolvency laws or goes into liquidation or dissolution;
(x) Company repudiates the PPA; and
(xi) material breach, by the Company, of any obligation pursuant to the PPA.

On occurrence of any of the Company's events of default, GUVNL shall have the option to terminate the PPA after delivering a preliminary termination notice. On termination of the PPA pursuant to the occurrence of Company's event of default, the Company shall pay compensation to GUVNL equivalent to six months of billing at the quoted tariff and energy corresponding to 80% of the contracted capacity as liquidated damages. Additionally, the Company shall be required to pay any compensation pursuant to transmission regulations. Furthermore, the Company shall not sell power to any third party or to the grid till the termination payment has been made. In the event that GUVNL does not terminate the PPA, the Company shall not be allowed to sell the contracted power to a third party and in breach of the stipulation, the Company shall pay to GUVNL an amount equivalent to the difference between highest price of power in western region and the quoted tariff for the concerned period.

The Parties modified the PPA through a supplemental power purchase agreement dated April 18, 2007 (the "Supplemental PPA") to supplement and modify the PPA. The Supplemental PPA changed the delivery point from 220 KV Nani Khakhar Sub-station to Bus-bar of Mundra Thermal Power Project situated at Mundra, District Kutch, Gujarat. Accordingly, Article 1.1 and Schedule 7 of the PPA were amended through the Supplemental PPA.

9. Port Services and Cargo Handling Agreement

Adani Power Limited (the "Company") and Mundra Port Special Economic Zone Limited (the "MPSEZL") (together referred to as the "Parties") have entered into an agreement for port and cargo handling services dated December 8, 2006 (the "Agreement"), for the following consideration:

Sr. No.	Head	Charge	Unit
1.	Port Dues	0.57	USD per GRT
2.	Berth Hire Charges	0.15	USD per GRT per day
3.	Waterfront royalty	30	INR per MT of Cargo

In the event the Company fails to make the payment for three consecutive invoices on or before their respective dates of the charges or any part thereof beyond 30 days from the date of the invoice, it shall be liable to pay interest on the unpaid amount at a rate of 2% above the SBI PLR, applicable from the payment date till date on which the full payment is made (both days inclusive).

The Agreement, *inter alia,* provides that:

(i) The ownership of the terminal used by the Company shall vest in MPSEZL and the Company shall have no right, title, interest and/or claim in respect thereof.

(ii) MPSEZL shall give priority to vessels carrying coal for the Company for berthing at the delivery port if the Company has intimated MPSEZL of the arrival schedule in accordance with the Agreement.

(iii) On occurrence of a Company's event of default and if such event of default, if curable, has not been rectified by the Company or the lenders within 60 business days from the date of receipt of notice of default, MPSEZL shall be entitled to suspend the services under the Agreement without terminating the Agreement and all amounts outstanding on such date and receivable by MPSEZL shall be forthwith payable by the Company on the delivery of notice of suspension. Further, after suspension of the Agreement by MPSEZL if any vessel arrives at the delivery port or the territorial waters thereof, MPSEZL shall not be liable to allow such vessel to berth at the delivery port and unload the imported coal. The Company's events of default include: (a) Company failing to make payments for three consecutive three invoices on or before their respective payments and such payment remains unpaid for 60 days after the payment date of the last invoice; (b) the Company going into liquidation, voluntary or involuntary, or receiver or liquidator being appointed in respect of any property of the Company or a petition for winding up or insolvency of the Company being admitted by a competent court.

(iv) On occurrence of MPSEZL's event of default the Company shall be entitled to damages calculated in terms of the Agreement. MPSEZL's events of default include: (a) MPSEZL committing any material breach of any provisions of the Agreement, which breach if curable, is not cured within 60 days; (b) MPSEZ going into liquidation, voluntary or involuntary, or receiver or liquidator being appointed in respect of any property of the Company or a petition for winding up or insolvency of the Company being admitted by a competent court; (c) any governmental action, taken or proposed to be taken, debarring MPSEZL from carrying on its business or rendering it impossible to transact the business proposed to be conducted under the Agreement.

(v) After giving a notice for a period of 30 days MPSZL may suspend its services under the agreement if the default continues for a period of 180 days.

The term of the Agreement is 15 years from the COD of the last unit of District Kutch, Gujarat. The Company may terminate the Agreement by 30 days' notice, *inter alia*, on the following grounds:

(i) the suspension of services by MPSEZL continuing for a period of 180 days or more;

(ii) damages payable by MPSEZL to the Company remain unpaid for a period of 180 days;

(iii) continuance of *force majeure* for a continuous period of 12 months preventing either Party from performing its obligations under the Agreement for 12 months, provided such Party has provided prior written notice of at least 30 days to the other Party.

II. Mundra Phase III Power Project – Mundra, Gujarat

1. Agreement between Adani Power Limited, Ahmedabad and SEPCO III Electric Power Construction Corporation Shandong, P.R. China

Adani Power Limited, Ahmedabad (the 'Company') SEPCO III Electric Power Construction Corporation Shandong, P.R. China (the 'Supplier') have entered into a supply contract dated September 6, 2007 (the "Supply Contract") for design, engineering, procurement and supply (CIF) of goods and equipment for 2x 660 mega watt super critical thermal power plant to be set up by the Company at Adani Power SEZ Tunda/ Siracha, Gujarat for a contract price of US$ 949.96 million.

The Supply Contract, *inter alia*, provides that:

(i) The delivery to the site shall commence from May 1, 2008 and the last date of delivery is November 1, 2011.

(ii) Supplier shall furnish an advance payment bank guarantee for an aggregate amount of US$ 92.99 million, which shall be reduced quarterly according to the sequence of the issuing of the bank guarantee. Along with it the Supplier also has to furnish performance guarantee of US$ 61.99 million within 120 days or in instalments as per the schedule.

(iii) The Supplier shall be liable for the payment of liquidated damages to the Company for shortfall in the performance of the contractual plant. The damages shall not exceed US$ 119.39 million except when the gross output of the contractual plant falls below 97.5% of the guaranteed gross output, or if the gross heat rate is more than 2115 kcal/kWh or if the auxiliary power consumption is 5% over the guaranteed auxiliary power consumption. Additionally, Company has the right to reject the contractual plant, subject to the provisions of the Supply Contract, if the gross output of the contractual plant falls below 97.5% of the guaranteed gross output, or if the gross heat rate is more than 2115 kcal/kWh or if the auxiliary power consumption is 5% over the guaranteed auxiliary power consumption.

(iv) On failure on the part of the Company to make the payments within 28 days of the timing of payment then it will be liable to pay the interest on delayed payment, at LIBOR+ 2% p.a.

The Company is entitled to terminate the Supply Contract by giving 14 days' notice, *inter alia,* if the Supplier: (a) abandons the manufacture and supply of goods or demonstrates intention to not perform its obligations under the Supply Contract; (b) without reasonable excuse fails to proceed with manufacture and supply of goods; (c) sub-contracts its obligations or assigns the Supply Contract without the required consent; (d) or its guarantor in relation to the Supply Contract becomes subject of bankruptcy or insolvency proceedings; (e) gives or offers to give bribe in relation to the Supply Contract or if the Supplier's personnel, agents or sub-vendors do so; (f) breaches any of its representations or warranties; (g) breaches any obligations relating to damages for performance shortfall and non-permissible deviation. However, on the occurrence of (d) or (e) above, the Company may by notice terminate the Supply Contract immediately. The Supplier is entitled to terminate the Supply Contract by giving 14 days' notice for various reasons which include: (i) prolonged suspension; (ii) Company substantially fails to perform its obligations; (iii) the company becomes bankrupt or insolvent or goes into liquidation.

2. Service Contract between the Company and Shandong Tiejun Electric Power Engineering Company Limited

The Company and Shandong Tiejun Electric Power Engineering Company Limited (the "Contractor") have entered into a Service Contract dated September 7, 2007 (the "Contract") for the design, engineering, erection, fabrication, testing, commissioning, construction and construction management services for the 2 x 660 MW thermal power project of the Company at Adani Power SEZ ("Power Project") for a consideration of Rs. 7,040.00 million excluding taxes to the extent of 4.22%. In case the Contractor is liable to higher income tax, the entire surplus shall be borne by the Contractor.

The Contract, amongst other things, provides that:

(i) The Contractor shall furnish a performance bank guarantee to the Company for USD 18.52 million based on the conversion rate of Rs. 40 = US$ 1 and shall be enhanced due to foreign exchange variation in the manner provided in the Contract.

(ii) The Contractor shall commence the execution of the work within six months from the date of the signing of the Contract.

(iii) The Contractor shall complete the first 660 MW unit of the Power Project within 40 months from the date of commencement and the second 660 MW unit of the Power Project within 45 months of the date of commencement. In case of any delay the Contractor shall be liable to damages at the rate of Rs 159.19 million per week subject to a maximum of Rs. 2387.88 million. However, the Contractor shall be entitled to extension of time for, *inter alia*, any change to the Company's requirements or the works, any delay, impediment or prevention caused by or attributable to the Company or the Company's suppliers, personnel or other contractors.

(iv) If the works are completed prior to the stipulated time schedule, the Company shall pay a bonus at the rate of Rs. 63.67 million per week subject to a maximum of Rs. 955.15 million.

The Company may terminate the Contract on the certain specified grounds. Additionally, the Company shall be entitled to terminate the Contract by giving notice of termination to the Contractor and the termination shall take effect from 28 days after the Contractor receives the notice. The Contractor shall be entitled to suspend work for non-compliance by the Company with the timing of payments in the manner as specified in the Contract. Further, the Contractor shall be entitled to terminate the contract on certain specified grounds after giving 14 days' notice to the Company.

3. Agreement between the Company and Adani Enterprises Limited

The Company and Adani Enterprises Limited (hereinafter referred to as "AEL") have entered into an agreement March 24, 2008 (the "Agreement") whereby AEL has agreed to supply Standard Coal to the Company for the Mundra Phase III Power Project for a period of 15 years from the COD of the last unit of the plant or such further period as may be mutually agreed by them ("Contract Period"). In terms of the Agreement, AEL shall supply 0.34 MMT of Standard Coal to the Company during the Start-Up Period. During the Contract Period AEL shall supply 4.04 MMT of Standard Coal as firm quantity. Further, AEL shall supply optional quantity which shall be 5% of the contracted capacity. Additionally, AEL shall, if requested by the Company, use best endeavours to sell an amount of Standard Coal not exceeding 5% of the firm quantity each contract year during the contract period.

On the occurrence of an event of default, the non-defaulting Party may give 30 days written notice to the defaulting party requiring it to remedy the default within 30 days of the notice. If the default is not capable of remedy or is not remedied within the cure period, then the non-defaulting Party may terminate the Agreement on giving not less than 30 working days' notice. The events of default include:

(a) any breach by AEL of any of its material obligations under the Agreement or any contract made pursuant thereto including, without limitation (i) failure to deliver Standard Coal in a quantity equal to 90% of the aggregate quantity requested by the Company in any two consecutive shipments or 3 shipments in a year; (ii) failure to deliver Standard Coal conforming to the specification for any two consecutive shipments or for more than 33% of the shipments in any contract year; (iii) failure to perform any material provisions of the Agreement; (iv) breach in any representations or warranties made by AEL;
(b) failure to make payment by the Company or breach of warranties made by the Company;
(c) either Party becoming insolvent or going into liquidation;
(d) either Party ceasing or threatening to cease to carry on business;
(e) any distress, execution or other process being issued levied or enforced upon the business, undertaking, property r assets or any part thereof;
(f) a petition being presented or meeting convened for considering a resolution for making of an administration order, winding-up, bankruptcy or dissolution of either Party;
(g) any act or omission of any party, or its officers which in the opinion of the other may prejudice its interest or bring its name to disrepute;
(h) any event ongoing analogous of the occurring in any jurisdiction;
(i) Company's failure to buy coal from AEL for a period of two months from COD.

The agreement was amended by the parties on April 15, 2008 through amendment no.1 to the coal supply agreement dated March 24, 2008 (the "Amendment Agreement"). In accordance with the Amendment Agreement, the Supplier shall supply 4.33 MMT of Standard Coal for Mundra Phase III Power Project for a period of 25 years from COD of the last unit of the plant, on same terms and conditions as set out in the Agreement.

4. Power Purchase Agreement between Gujarat Urja Vikas Nigam Limited and the Company

The Company and Gujarat Urja Vikas Nigam Limited ("GUVNL") (the "Parties") have entered into a Power Purchase Agreement dated February 2, 2007 (the "PPA") to sell 1000 MW net capacity at the Delivery Point ("Contracted Capacity") from its Adani Thermal Power Station being set up at Korba, Chattisgarh ("Korba"). The Contracted Capacity may be reduced in proportion to the rated capacity as provided for in the PPA. The term of the PPA is 25 years from the COD of the Contracted Capacity. The PPA may, however, be mutually extended by the Parties on mutually agreed terms and conditions at least 180 days prior to the expiry of the PPA.

The Company has provided to GUVNL an irrevocable and unconditional bank guarantee ("Performance Guarantee") of an aggregate amount of Rs. 750 million, valid upto three months after the scheduled commercial operation date (COD). The COD is 60 months from the date of signing of the PPA. Subsequent to the completion of certain conditions specified in the PPA, the Performance Guarantee then existing shall be reduced by an aggregate amount equivalent to Rs. 0.25 million per each MW of the total contracted capacity on the due fulfilment of all the conditions. The Performance Guarantee shall be for the timely completion of the project and commencement of commercial operation within the time specified in the PPA. GUVNL shall have the right to liquidated damages for delay in providing the contracted capacity by the Company. The Performance Guarantee shall be released by GUVNL within 3 months from the actual commercial operation date if the Company has satisfactorily fulfilled obligations in terms of the PPA.

The available Contracted Capacity shall be for the exclusive benefit of GUVNL. The available Contracted Capacity may be sold to a third party, in accordance with the PPA, if there is a part of the available Contracted Capacity not dispatched by GUVNL, which GUVNL is ordinarily entitled to receive. However, the Company shall not itself use any of the electricity generated by the power station from the Contracted Capacity during the term of the PPA.

In terms of the PPA, the Company shall be responsible for construction of the project in a timely manner so that the Contracted Capacity is commissioned no later than COD, owning the power station throughout the term of the PPA and undertaking all activities in relation thereto including obtaining and maintaining all the requisite consents. The Company shall, however be entitled to extension of time to perform its obligations, if the delay has resulted due to any material default of GUVNL, *Force Majeure*, delay in provision of open access or transmission facilities by CTU or if the Company arranges to supply power to GUVNL from alternate sources. In case the Parties have not agreed to the period of extension of the COD, the scheduled connection date or the 25th anniversary of COD (the "Expiry Date") within 30 days after the affected party has ceased to be affected by the relevant circumstance; either party may raise the dispute in accordance with the provisions of the PPA. The COD may be extended by not more than 12 months. If the Contracted Capacity is not commissioned by COD, the Company shall have to pay liquidated damages for the delay, which shall be calculated in the manner set forth in the PPA. However, the aggregate liability shall not extend beyond 12 months of the delay for the Contracted Capacity and if there is any further delay, then GUVNL shall have the option to terminate the PPA for breach by the Company and claim liquidated damages for such breach.

The Company shall install appropriate meters in accordance with the provisions of the PPA and in consultation with the CTU/STU/GUVNL. The meters shall, further, be subject to inspection and testing requirements. The PPA mandates that the Company insurances during the construction period and the entire operating period.

GUVNL shall pay to the Company, monthly tariff payment on or before the due date, comprising of the quoted tariff by the seller for every year, determined in accordance with the formula provided in the PPA. The monthly tariff payment shall consist of monthly capacity payment charge, monthly energy charge, incentive payment and penalty payment. The PPA also lays down the mechanism for the delivery, content and payment of monthly bills. In the event of delay in payment of a monthly bill by GUVNL beyond 30 days from Due Date, a surcharge shall be payable by GUVNL at the rate of 2% in excess of the applicable SBAR p.a. on the outstanding payment, calculated on a day to day basis on p.a. basis, for each day of the delay. For payment of any bill before due date rebate shall be paid by the Company to GUVNL. GUVNL shall provide for a payment security mechanism. Additionally, GUVNL and the Company shall enter into a default escrow agreement for the establishment and operation of escrow account in favour of the Company, through which the revenues of GUVNL shall be routed and used as per the terms of the default escrow agreement. Further, the Parties shall enter into an "agreement to hypothecate cum deed of hypothecation" to hypothecate with effect from 45 days prior to the COD, the amounts to the extent as required by the LC routed through the default escrow account and the receivables in accordance with the terms of the agreement to hypothecate cum deed of hypothecation. The PPA contains provisions for tariff adjustment payments for change in law.

In terms of the PPA, Company's events of default include:

(i) failure of any unit to be commissioned by the date falling 12 months after COD;
(ii) subsequent to commissioning and during its retest unit's tested capacity is less than 92% of its rated capacity and the tested capacity remaining below 92% even after three months thereafter;
(iii) the Company is unable to make available the full contracted capacity at the delivery point;
(iv) after COD, the Company fails to achieve average availability of 65% for 12 consecutive months within any continuous period of 36 months;
(v) the Company fails to make any payment of an amount exceeding Rs. 10 million due to GUVNL within 3 months or an amount upto Rs. 10 million due to GUVNL within 6 months;
(vi) any misrepresentation or untrue statement in the representation and warranties;
(vii) assignment by the Company of its assets or rights in violation of the PPA;
(viii) transfer or novation of its rights and/or obligations by the Company under the PPA;
(ix) Company is subject to bankruptcy or insolvency laws or goes into liquidation or dissolution;
(x) Company repudiates the PPA and does not rectify such breach within a period of 30 days from a notice from GUVNL in this regard; and
(xi) breach, by the Company, of any material obligation pursuant to the PPA and such breach is not rectified by the Company within 30 days of receipt of notice from GUVNL in this regard.

On occurrence of any of the Company's events of default, GUVNL shall have the option to terminate the PPA after delivering a preliminary termination notice. Subsequent to the issuance of the preliminary termination notice, a consultation period of at least 90 days shall apply and during this period the Parties shall continue to perform their obligations. GUVNL may terminate the PPA within seven days of the expiry of the consultation period in the manner provided for in the PPA.

The PPA contains various customary clauses which including those pertaining to indemnity, representations and warranties, dispute resolution and confidentiality.

The Parties amended the PPA through a Supplemental Power Purchase Agreement dated April 18, 2007 (the "Supplemental PPA"), whereby the Company informed GUVNL that it will supply the contracted capacity from its Mundra Thermal Power Project, District Kutch, Gujarat. The Supplemental PPA changed the delivery point from 220 KV Nani Khakhar Sub-station of GETCO to Bus-bar of Mundra Thermal Power Project situated at Mundra, District Kutch, Gujarat. Accordingly, Article 1.1 and Schedule 7 of the PPA were amended through the Supplemental PPA.

5. **Agreement between the Company and Adani Enterprises Limited**

The Company and Adani Enterprises Limited ("AEL") (the "Parties") have entered into an agreement dated March 24, 2008 (the "Agreement") whereby AEL has agreed to purchase power not exceeding 220 MW from the Mundra Phase II Power Project ("Surplus Power") from the Company. The Company shall provide notice of one month prior to the date from which AEL is required to purchase the Surplus Power. AEL shall pay tariff in accordance with the prevailing market rates. In case of default by AEL, it shall pay liquidated damages @ Rs. 0.01 per kwh for the period of default to the Company.

The term of the Agreement is 15 years from the COD of Mundra Phase III Power Project. In terms of the Agreement the Company may terminate the Agreement by giving 30 days' prior written notice to AEL. AEL is, however, not entitled to terminate the Agreement except if the Company fails to comply with or defaults in compliance of the terms of the Agreement. In such case, AEL may terminate the Agreement by 30 days' prior written notice to the Company.

6. **Port Services and Cargo Handling Agreement**

The Company and MPSEZL (the "Parties") have entered into an agreement for port and cargo handling services dated March 24, 2008 (the "Agreement"), for the following consideration:

Sr. No.	Head	Charge	Unit
1.	Port Dues	24	Rs. per GRT
2.	Berth Hire Charges	6	Rs. per GRT per day
3.	Waterfront royalty	30	INR per MT of Cargo
4.	Cargo handling charges*	240	Rs. per MT of coal

**Subject to inflationary change as per WPI linked inflation indexing.*

In the event the Company delays in payment of the charges or any part thereof beyond 30 days from the date of the invoice, it shall be liable to pay interest on the unpaid amount at a rate of 2% above the SBI PLR, applicable from the payment date till date on which the full payment is made (both days inclusive).

The Agreement, *inter alia,* provides that:

(i) The ownership of the terminal used by the Company shall vest in MPSEZL and the Company shall have no right, title, interest and/or claim in respect thereof.

(ii) MPSEZL shall give priority to vessels carrying coal for the Company for berthing at the delivery port if the Company has intimated MPSEZL of the arrival schedule in accordance with the Agreement.

(iii) MPSEZL shall pay the cost for "loss in handing coal" to the Company at the price calculated on shipment to shipment basis. Loss to the extent of 0.5% of quantity of imported coal shall be considered as normal loss and such normal loss shall be excluded for the purpose of "loss in coal handling".

(iv) On occurrence of a Company's event of default and if such event of default, if curable, has not been rectified by the Company or the lenders within 60 business days from the date of receipt of notice of default, MPSEZL shall be entitled to suspend the services under the Agreement without terminating the Agreement and all amounts outstanding on such date and receivable by MPSEZL shall be forthwith payable by the Company on the delivery of notice of suspension. Further, after suspension of the Agreement by MPSEZL if any vessel arrives at the delivery port or the territorial waters thereof, MPSEZL shall not be liable to allow such vessel to berth at the delivery port and unload the imported coal. The Company's events of default include: (a) Company failing to make payments for three consecutive invoices on or before their respective payments and such payment remains unpaid for 60 days after the payment date of the last invoice; (b) the Company going into liquidation, voluntary or involuntary, or receiver or liquidator being appointed in respect of any property of the Company or a petition for winding up or insolvency of the Company being admitted by a competent court.

(v) On occurrence of MPSEZL's event of default and if such breach has not been rectified by the MPSEZL within 60 business days from the date of receipt of notice of default, the Company shall be entitled to damages calculated in terms of the Agreement. MPSEZL's events of default include: (a) MPSEZL committing any material breach of any provisions of the Agreement, which breach if curable, is not cured within 60 days; (b) MPSEZ going into liquidation, voluntary or involuntary, or receiver or liquidator being appointed in respect of any property of the Company or a petition for winding up or insolvency of the Company being admitted by a competent court; (c) any governmental action, taken or proposed to be taken, debarring MPSEZL from carrying on its business or rendering it impossible to transact the business proposed to be conducted under the Agreement.

The term of the Agreement is 15 years from the COD of the last unit of Mundra Phase III Power Project. The Company may terminate the Agreement by 30 days' notice, *inter alia*, on the following grounds:

(i) the suspension of services by MPSEZL continuing for a period of 180 days or more;

(ii) damages payable by MPSEZL to the Company remain unpaid for a period of 180 days;

(iii) continuance of *force majeure* for a continuous period of 12 months preventing either Party from performing its obligations under the Agreement for 12 months, provided such Party has provided prior written notice of at least 30 days to the other Party.

7. Contract between the Company and VA Tech Wabag Limited

The Company and VA Tech Wabag Limited ("VATWL") (the "Parties") have entered into a contract (Contract No. APL/20MLD Desal/Erection/1716) dated January 22, 2008 (the "Contract") for erection and commissioning of 20 MLD sea water desalination plant in three phases of equal capacities by VATWL at Mundra Port for a total consideration of Rs. 389.25 million. The payment and completion schedule is as given below:

Sr. No.	Description	Amount (In Rs. Million)	Indicative Commissioning Date
1.	Phase I	220.00	April 30, 2009
2.	Phase II	84.62	August 31, 2009
3.	Phase III	84.62	December 31, 2009
	Total	**389.25**	

The Contract, *inter alia*, provides that:

(i) VATWL shall commence work after receiving commencement notice from the Company, which shall be issued separately for each phase at least 14 months prior to the scheduled commissioning date of respective phase.

(ii) The entire scope of work for each phase is required to be completed within 14 months from the date of commencement notice issued by the Company for the particular phase. In the event of delay attributable to VATWL, it shall pay liquidated damages to the Company in accordance with the Contract. The Company may extend the time for completion specified in the Contract, if VATWL is delayed for the specified reasons, which include:

a. any change in works/facilities;
b. any occurrence of *force majeure*; and
c. any suspension order given by the Company.

(vi) VATWL shall execute securities in favour of the Company for performance of the contract, advance security and performance of works/facility.

The Company may terminate the Contract, by giving 10 days' notice to VATWL, for any reason or without assigning a reason. The Company shall not be liable to pay any compensation for termination. However, the Company shall pay to VATWL, the contract price attributable to the parts of works/facilities executed by VATWL as of the date of termination. Additionally, the Company is entitled to terminate the contract for VATWL's default, as specified in the Contract, by giving a notice of termination and the reason therefor but without any compensation.

8. Contract between the Company and VA Tech Wabag Limited

The Company and VA Tech Wabag Limited ("VATWL") (the "Parties") have entered into a contract (Contract No. APL/20MLD Desal/Erection/1716) dated February 16, 2008 (the "Contract") for erection and commissioning of 20 MLD sea water desalination plant in three phases of equal capacities by VATWL at Mundra Port for a total consideration of Rs. 15.30 million excluding service taxes which are exempted in accordance with SEZ Rules. The payment and completion schedule is as given below:

Sr. No.	Description	Amount (In Rs. Million)	Indicative Commissioning Date
1.	Phase I	8.5	April 30, 2009
2.	Phase II	3.4	August 31, 2009
3.	Phase III	3.4	December 31, 2009
	Total	**15.30**	

The Contract, *inter alia*, provides that:

(i) VATWL shall commence work after receiving commencement notice from the Company, which shall be issued separately for each phase at least 14 months prior to the scheduled commissioning date of respective phase.

(ii) The entire scope of work for each phase is required to be completed within 14 months from the date of commencement notice issued by the Company for the particular phase. In the event of delay attributable to VATWL, it shall pay liquidated damages to the Company in accordance with the Contract. The Company may extend the time for completion specified in the Contract, if VATWL is delayed for the specified reasons, which include:

a. any change in works/facilities;
b. any occurrence of *force majeure*; and
c. any suspension order given by the Company.

(iii) VATWL shall execute securities in favour of the Company for performance of the contract, advance security and performance of works/facility.

The Company may terminate the Contract, by giving 10 days' notice to VATWL, for any reason or without assigning a reason. The Company shall not be liable to pay any compensation for termination. However, the Company shall pay to VATWL, the contract price attributable to the parts of works/facilities executed by VATWL as of the date of termination. Additionally, the Company is entitled to terminate the contract for VATWL's default, as specified in the Contract, by giving a notice of termination and the reason therefor but without any compensation.

9. Agreement for the supply of tower, tower accessories and conductor accessories, earthwire and its accessories for 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam

The Company and Kalpataru Power Transmission Limited ("KPTL") (the "Parties") have entered into an agreement dated June 4, 2007 (the "Supply Agreement") for the supply of tower and other materials for a portion (AP-1 to AP-54) of 400 KV D/C dedicated transmission system associated with Mundra Power Station – Power Grid Corporation of India Limited sub-station at Dehgam ("Transmission Line") for a consideration of Rs. 545.09 million ("Contract Price").

The Supply Agreement, *inter alia*, provides that:

(i) KPTL shall execute the works before 14 months from the date of Letter of Intent dated May 24, 2007. KPTL shall pay as liquidated damages 0.5%, subject to a maximum of 7.5%, of the Contract Price per week for any delay in executing the works as per the specified completion schedule. The liquidated damages shall, however, be waived if the Transmission Line is completed and commissioned in accordance with the completion schedule specified in the Construction Agreement dated June 4, 2007 between the Parties (i.e. 18 months).

(ii) If any Party commits a material breach of any terms and conditions and fails to remedy such breach within 30 days of receiving the notice of breach from the non-breaching Party, the non-breaching Party shall be entitled to terminate the Supply Agreement by giving 30 days' notice.

10. Agreement for the Construction/Erection of 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam

The Company and Kalpataru Power Transmission Limited ("KPTL") (the "Parties") have entered into an agreement dated June 4, 2007 (the "Construction Agreement") for the construction of a portion (AP-1 to AP-54) of 400 KV D/C dedicated transmission system associated with Mundra Power Station – Power Grid Corporation of India Limited sub-station at Dehgam ("Transmission Line") for a consideration of Rs. 234.35 million ("Contract Price").

The Construction Agreement, *inter alia*, stipulates that:

(i) KPTL shall execute the works before 18 months from the date of Construction Agreement. KPTL shall pay as liquidated damages 0.5%, subject to a maximum of 7.5%, of the Contract Price per week for any delay in completion of testing and commissioning of Transmission Line as per the specified completion schedule.

(ii) The Company will pay KPTL an incentive of up to 2.5% of the Contract Price and the contract of the Supply Agreement dated June 4, 2007 between the Parties, subject to the following:

a. KPTL commences various activities as per the specified schedule;
b. Quality of materials are ensured as per the approved quality plans; and
c. Transmission Line is completed/ commissioned within 11 working months, excluding rainy months.

(iii) If either Party commits a material breach of any terms and conditions and fails to remedy such breach within 30 days of receiving the notice of breach from the non-breaching Party, the non-breaching Party shall be entitled to terminate the Construction Agreement by giving 30 days' notice.

11. **Agreement for the supply of tower, tower accessories and conductor accessories, earthwire and its accessories for 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam**

The Company and Jyoti Structures Limited ("JSL") (the "Parties") have entered into an agreement dated June 4, 2007 (the "Supply Agreement") for the supply of tower and other materials for a portion (AP-54 to AP-118) of 400 KV D/C dedicated transmission system associated with Mundra Power Station – Power Grid Corporation of India Limited sub-station at Dehgam ("Transmission Line") for a consideration of Rs. 598.95 million ("Contract Price").

The Supply Agreement, amongst other things, provides that:

(i) JSL shall execute the works before 14 months from the date of the Construction Agreement. JSL shall pay as liquidated damages 0.5%, subject to a maximum of 7.5%, of the Contract Price per week for any delay in executing the works as per the specified completion schedule. The liquidated damages shall, however, be waived if the Transmission Line is completed and commissioned in accordance with the completion schedule specified in the Construction Agreement dated June 4, 2007 between the Parties (i.e. 18 months).

(ii) If either Party commits a material breach of any terms and conditions and fails to remedy such breach within 30 days of receiving the notice of breach from the non-breaching Party, the non-breaching Party shall be entitled to terminate the Supply Agreement by giving 30 days' notice.

12. **Agreement for the Construction/Erection of 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam**

The Company and Jyoti Structures Limited ("JSL") (the "Parties") have entered into an agreement dated June 4, 2007 (the "Construction Agreement") for the construction of a portion (AP-54 to AP-118) of 400 KV D/C dedicated transmission system associated with Mundra Power Station – Power Grid Corporation of India Limited sub-station at Dehgam ("Transmission Line") for a consideration of Rs. 277.45 million.

The Construction Agreement, *inter alia*, stipulates that:

(i) JSL shall execute the works before 18 months from the date of Construction Agreement. JSL shall pay as liquidated damages 0.5%, subject to a maximum of 7.5%, of the Contract Price per week for any delay in completion of testing and commissioning of Transmission Line as per the specified completion schedule. The Company shall pay an incentive of up to 2.5% of the Contract Price and the contract of the Supply Agreement dated June 4, 2007 between the Parties, subject to the following:

    a. JSL commences various activities as per the specified schedule;
    b. Quality of materials are ensured as per the approved quality plans; and
    c. Transmission Line is completed/ commissioned within 11 working months, excluding rainy months.

(ii) If either Party commits a material breach of any terms and conditions and fails to remedy such breach within 30 days of receiving the notice of breach from the non-breaching Party, the non-breaching Party shall be entitled to terminate the Construction Agreement by giving 30 days' notice.

III. Mundra Phase IV Power Project – Mundra, Gujarat

1. Agreement between the Company and SEPCOIII Electric Power Construction Corporation Shandong, PR China

The Company and SEPCOIII Electric Power Construction Corporation Shandong, PR China**,** ("SEPCO") (the "Parties") entered into a Supply Contract dated January 30, 2008 (the "Supply Contract") for designing, engineering, procurement and supply of goods and services of 3x660 thermal power plant for the Mundra Phase IV Power Project ("Supply") for a lump sum consideration of US$ 1,450.64 million.

The Supply Contract, *inter alia*, provides that:

(i) The delivery to the site shall commence on September 1, 2008 and the last date of delivery is March 1, 2011.

(ii) SEPCO shall furnish a performance guarantee for an amount equivalent to US$ 95.56 million to the Company.

(iii) SEPCO is required to pay to the Company liquidated damages for delay or shortfall in performance, subject to a maximum of United State Dollars 183.54 million, except when the gross output of the contractual plant falls below 97.5% of the guaranteed gross output, or if the gross heat rate is more than 2115 kcal/ kWh or if the auxiliary power consumption is 5% over the guaranteed auxiliary power consumption.

The Company is entitled to terminate the Supply Contract by giving 14 days' notice, *inter alia,* if SEPCO: (a) fails to comply with provisions regarding performance bank guarantee; (b) abandons the manufacture and supply of goods or demonstrates intention to not perform its obligations under the Supply Contract; (c) fails to proceed with manufacture and supply of goods; (d) sub-contracts its obligations or assigns the Supply Contract without the required consent; (e) or its guarantor in relation to the Supply Contract becomes subject of bankruptcy or insolvency proceedings; (f) gives or offers to give bribe in relation to the Supply Contract or if SEPCO's personnel, agents or sub-vendors do so; (g) breaches any of its representations or warranties. However, on the occurrence of (e) or (f) above, the Company may by notice terminate the Supply Contract immediately. SEPCO is entitled to terminate the Supply Contract by giving 14 days' notice for various reasons which include: (i) prolonged suspension; (ii) the Company substantially fails to perform its obligations; (iii) the company becomes bankrupt or insolvent or goes into liquidation.

2. Agreement between the Company and Shandong Tiejun Electric Power Engineering Company Limited

The Company and Shandong Tiejun Electric Power Engineering Company Limited ("Shandong") have entered into an agreement dated January 31, 2008 (the "Agreement") for design, engineering, erection, fabrication, testing, commissioning, construction and construction management services for the Mundra Phase IV Power Project at a contract price of Rs. 10,586.00 million. In case the Company delays in making payments in accordance with the schedule provided in the Agreement, the Company shall be liable to pay to Shandong financing charges on such delayed payments at LIBOR + 2%.

The Agreement, inter alia, provides that:

(i) Shandong shall commence execution of the work within six months from the date of the signing of the Agreement (the "Commencement Date").

(ii) Shandong shall furnish a performance bank guarantee to the Company for US$ 26.80 million based on the conversion rate of Rs. 39.5 = US$ 1, which may be enhanced only once due to foreign exchange variation in the manner provided in the Agreement.

(iii) Shandong shall complete the first 660 MW unit of the project within 40 months from the Commencement Date, the second 660 MW unit of the project within 44 months from the Commencement Date and the third 660 MW unit of the project within 48 months of the Commencement Date. In case of delay, Shandong shall be liable to damages at the rate of Rs 241.66 million, subject to a maximum of Rs. 3,625.03 million. However, Shandong shall be entitled to extension of time for, *inter alia*, any change to the Company's requirements or the works, any delay, impediment or prevention caused by or attributable to the Company or the Company's suppliers, personnel or other contractors.

(iv) If the works are completed prior to the stipulated time schedule, the Company shall pay a bonus at the rate of Rs. 96.66 million per week subject to a maximum of Rs. 1,450.01 million.

The Company is entitled to terminate the Agreement by giving 14 days' notice, *inter alia,* if Shandong: (a) fails to comply with provisions regarding performance bank guarantee; (b) abandons the work or demonstrates intention to not perform its obligations under the Agreement; (c) fails to proceed with the work; (d) sub-contracts its obligations or assigns the Agreement without the required consent; (e) or its guarantor in relation to the Agreement becomes subject of bankruptcy or insolvency proceedings; (f) gives or offers to give bribe in relation to the Agreement or if Shandong's personnel, agents or sub-vendors do so; (g) breaches any of its representations or warranties. However, on the occurrence of (e) or (f) above, the Company may by notice terminate the Agreement immediately. Shandong is entitled to terminate the Agreement by giving 14 days' notice for various reasons which include: (i) prolonged suspension; (ii) the Company substantially fails to perform its obligations; (iii) the company becomes bankrupt or insolvent or goes into liquidation; (iv) the Company fails to comply with the timing of payment as specified in the Agreement; (v) the Company fails to comply with requirements in relation to assignment of the Agreement as provided therein.

3. Agreement between the Company and Adani Enterprises Limited

The Company and Adani Enterprises Limited ("AEL") have entered into an agreement dated April 15, 2008 (the "Agreement") whereby AEL has agreed to supply Standard Coal to the Company for the Mundra Phase IV Power Project for a period of 25 years from the COD of the last unit of the plant ("Contract Period"). In terms of the Agreement, AEL shall supply 0.54 MMT of Standard Coal to APDPL during the Start-Up Period. During the Contract Period AEL shall supply 6.5 million tons of Standard Coal as firm quantity. Further, AEL shall supply optional quantity which shall be 5% of the contracted capacity. Additionally, AEL shall, if requested by APDPL, use best endeavours to sell an amount of Standard Coal not exceeding 5% of the firm quantity each contract year during the contract period.

On the occurrence of an event of default, the non-defaulting Party may give 30 days written notice to the defaulting party requiring it to remedy the default within 30 days of the notice. If the default is not capable of remedy or is not remedied within the cure period, then the non-defaulting Party may terminate the Agreement on giving not less than 30 working days' notice. The events of default include:

(a) any breach by AEL of any of its material obligations under the Agreement or any contract made pursuant thereto including (i) failure to deliver Standard Coal in a quantity equal to 90% of the aggregate quantity requested by the Company in any two consecutive shipments or 3 shipments in a year; (ii) failure by AEL to deliver Standard Coal conforming to the specification for any two consecutive shipments or for more than 33% of the shipments in any contract year;
(b) breach of any representations and warranties made by AEL;
(c) failure to make payment by the Company or breach of warranties made by the Company;
(d) either Party becoming insolvent or going into liquidation;
(e) either Party ceasing or threatening to cease to carry on business;

(f) a petition being presented or meeting convened for considering a resolution for making of an administration order, winding-up, bankruptcy or dissolution of either Party;

(g) Company's failure to buy coal from AEL for a period of two months from COD.

IV. 1,980 MW Tiroda Power Project – Tiroda, Maharashtra

1. Agreement to lease between Adani Power Maharashtra Private Limited and Maharashtra Industrial Development Corporation

Adani Power Maharashtra Private Limited ("APMPL") and the Maharashtra Industrial Development Corporation ("MIDC") entered in to an agreement to lease dated February 1, 2008 (the "Agreement") for the lease of land known as Plot No. A-1, Industrial Zone of Tiroda Growth Centre, village Mendipur, Tiroda, District Gondia, Maharashtra, ad measuring 2,042,800 square meters (the "Licensed Land").

The Agreement, amongst other things, provides that:

(i) MIDC grants APMPL license and authority for a period of four years from the date of the Agreement to enter upon the Licensed Land for the purpose of building and executing works thereon. APMPL has paid an aggregate amount of Rs. 85.29 million as premium and development charges.

(ii) APMPL shall within a period of 4 years from February 1, 2008 commence and within a period of two years thereof build and complete, at their own expenses, a building to be used as 2,000 MW Power Plant.

(iii) MIDC shall have the right to enter the premises to view the state and progress of the work and for all reasonable purposes.

(iv) MIDC has the right to resume the possession of the land on various grounds which include:

  a. failure to complete the building within the stipulated time;
  b. default in payment of recurring fees in the nature service or other charges to MIDC; and
  c. failure to observe any stipulation by the licensee.

  Consequent to the resumption of the land, the Agreement shall stand terminated.

(v) The Chief Executive Officer may grant an extension of time for the completion at his discretion.

(vi) On the completion of the building in accordance with the Agreement and consequent upon certification thereof by the Executive Engineer, MIDC will grant lease to APMPL for the term of ninety-nine / ninety-five years from the date hereof.

2. Agreement between Adani Power Maharashtra Private Limited and Sichuan Machinery & Equipment Import & Export Company Limited

Adani Power Maharashtra Private Limited ("APMPL") and Sichuan Machinery & Equipment Import & Export Company Limited **(**the "Supplier"**)** have entered into a Supply Contract dated February 28, 2008 (the "Supply Contract") for design, engineering, procurement and supply of goods and services for the 3x660 super critical thermal power plant to be set up by APMPL at Tiroda, Maharashtra for a consideration of US$ 999.99 million.

The Supply Contract, *inter alia*, provides that:

(i) The delivery to the site shall commence from September 1, 2008 and the last date of delivery is March 1, 2011.

(ii) The Supplier shall furnish an advance payment bank guarantee for an aggregate amount of US$ 50.00 million, which shall be reduced quarterly in accordance with the payment schedule.

(iii) The Supplier shall be liable for the payment of liquidated damages to the Company for shortfall in the performance of the contractual plant. The damages shall not exceed US$ 86.25 million, except when the gross output of the contractual plant falls below 97.5% of the guaranteed gross output, or if the gross heat rate is more than 2160 kcal/kWh or if the auxiliary power consumption is 5% over the guaranteed auxiliary power consumption. Additionally, APMPL has the right to reject the contractual plant, subject to the provisions of the Supply Contract, if the gross output of the contractual plant falls below 97.5% of the guaranteed gross output, or if the gross heat rate is more than 2160 kcal/kWh or if the auxiliary power consumption is 5% over the guaranteed auxiliary power consumption

The Company is entitled to terminate the Supply Contract by giving 14 days' notice, *inter alia,* if the Supplier: (a) abandons the manufacture and supply of goods or demonstrates intention to not perform its obligations under the Supply Contract; (b) without reasonable excuse fails to proceed with manufacture and supply of goods; (c) sub-contracts its obligations or assigns the Supply Contract without the required consent; (d) or its guarantor in relation to the Supply Contract becomes subject of bankruptcy or insolvency proceedings; (e) gives or offers to give bribe in relation to the Supply Contract or if the Supplier's personnel, agents or sub-vendors do so; (f) breaches any of its representations or warranties; (g) breaches any obligations relating to damages for performance shortfall and non-permissible deviation. However, on the occurrence of (d) or (e) above, the Company may by notice terminate the Supply Contract immediately. The Supplier is entitled to terminate the Supply Contract by giving 14 days' notice for various reasons which include: (i) prolonged suspension; (ii) APMPL substantially fails to perform its obligations; (iii) the company becomes bankrupt or insolvent or goes into liquidation.

V. 1,980 MW Dahej Power Project – Dahej, Gujarat

1. Agreement between Adani Power Dahej Private Limited and Adani Enterprises Limited

Adani Power Dahej Private Limited ("APDPL") and Adani Enterprises Limited ("AEL") have entered into an agreement dated April 15, 2008 (the "Agreement") whereby AEL has agreed to supply Standard Coal to APDPL for the Dahej Power Project for a period of 25 years from the COD ("Contract Period"). In terms of the Agreement, AEL shall supply 0.54 MMT of Standard Coal to APDPL during the Start-Up Period. During the Contract Period AEL shall supply 6.5 million tons of Standard Coal as firm quantity. Further, AEL shall supply optional quantity which shall be 5% of the contracted capacity. Additionally, AEL shall, if requested by APDPL, use best endeavours to sell an amount of Standard Coal not exceeding 5% of the firm quantity each contract year during the contract period.

On the occurrence of an event of default, the non-defaulting Party may give 30 days written notice to the defaulting party requiring it to remedy the default within 30 days of the notice. If the default is not capable of remedy or is not remedied within the cure period, then the non-defaulting Party may terminate the Agreement on giving not less than 30 working days' notice. The events of default include:

(a) any breach by AEL of any of its material obligations under the Agreement or any contract made pursuant thereto including (i) failure to deliver Standard Coal in a quantity equal to 90% of the aggregate quantity requested by APDPL in any two consecutive shipments or 3 shipments in a year; (ii) failure by AEL to deliver Standard Coal conforming to the specification for any two consecutive shipments or for more than 33% of the shipments in any contract year;

(b) failure to make payment by APDPL or breach of warranties made by APDPL;

(c) either Party becoming insolvent or going into liquidation;

(d) either Party ceasing or threatening to cease to carry on business;

(e) a petition being presented or meeting convened for considering a resolution for making of an administration order, winding-up, bankruptcy or dissolution of either Party;

(f) APDPL's failure to buy coal from AEL for a period of two months from COD.

REGULATIONS AND POLICIES

The following are the material regulations pertaining to the power sector.

Power Generation

Background

The development of electricity industry in India was fashioned by two pieces of legislations namely the Indian Electricity Act, 1910 ("Electricity Act") and the Electricity (Supply) Act, 1948 (the "Supply Act"). The Electricity Act introduced a licensing system for the electricity industry and the Supply Act was responsible for introducing greater state involvement in the industry, facilitating regional co-ordination.

The Supply Act promoted state-owned, vertically integrated units through the creation of the State Electricity Boards ("SEBs"), to develop "Grid System". Under this legislation, the SEBs were made responsible for generation, transmission and distribution of electricity within the geographical limits of each State of the Indian Union. A government department was responsible for the electricity supply in states where SEBs were not set up. Under the Constitution of India, both the State and Central Governments have the power to regulate the electricity industry.

In the early 1990s, the power sector was liberalized and private participation in the generation sector was permitted by way of amendments in 1991 and 1998 to the Supply Act to open generation to private sector and establishment of RLDCs and to provide for private sector participation in transmission.

In 1998, the Electricity Regulatory Commissions Act, 1998 ("ERC Act") was enacted by the Central Government. The ERC Act provided for the establishment of independent electricity regulatory commission both at the Central and State levels. These regulatory commissions were set up with the objective of rationalizing the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country.

On the other hand, in view of the growing interest of the foreign investors government has allowed 100% FDI in Generation, Transmission and Distribution.

Salient features of the Electricity Act, 2003

The Electricity Act, 2003 ("EA 2003") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Licensing

The EA stipulates that no person can transmit; or distribute or undertake trading in electricity, unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13 of the Act. Act provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Generation

Currently, under Indian law, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with grid. Approvals from the Central Government, State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers.

In addition, no restriction is placed on setting up of captive power plant by any consumer or group of consumers for their own consumption. Under EA 2003, no surcharge is required to be paid on wheeling of power from the captive plant to the destination of the use by the consumer. This provides financial incentive to large consumers to set up their own captive plants. Through an amendment in 2007, Section 9 was amended to state that no separate license is required for supply of electricity generated from the captive power plant to any licensee or the consumer.

The respective regulatory commissions determine the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The CERC has the jurisdiction over generating companies owned or controlled by Central Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one state. The SERCs have jurisdiction over generating stations within the state boundaries, except those under the CERC's jurisdiction.

Transmission

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. EA 2003 vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government of India and empowers it to make region-wise demarcations of the country for the same. In addition, Central Government will facilitate voluntary inter-connections and coordination of facilities for the inter-state, regional and inter-regional generation and transmission of electricity.

CEA is required to prescribe certain grid standards under the Electricity Act and every Transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every Transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be.

EA 2003 requires the Central Government to designate one government company as the central transmission utility ("CTU"), which would be deemed as a transmission licensee. Similarly, each state government is required to designate one government company as state transmission utility ("STU"), which would also be deemed as a transmission licensee. The CTU and STUs are responsible for transmission of electricity, planning and co-ordination of transmission system, providing non-discriminatory open-access to any users and developing a co-ordinated, efficient and integrated inter-state and intra-state transmission system respectively. EA 2003 prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the EA 2003, the Government of India was empowered to establish the NLDC and RLDCs for optimum scheduling and despatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; (b) monitoring grid operations; (c) keeping accounts of the quantity of electricity transmitted through the regional grid; (d) exercising supervision and control over the inter-state transmission system; and (e) carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code.

The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, building maintaining and operating an efficient transmission system, providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges and surcharge in accordance with EA 2003.

The Act allows IPPs open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central / State Transmission Utility.

The Act also lays down provisions for Intra State Transmission, where state commission facilitate and promote transmission, wheeling and inter-connection arrangements within its territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity.

Trading

The EA 2003 specifies trading in electricity as a licensed activity. Trading has been defined as purchase of electricity for resale. This may involve wholesale supply (i.e. purchasing power from generators and selling to the distribution licensees) or retail supply (i.e. purchasing from generators or distribution licensees for sale to end consumers).

The license to engage in electricity trading is required to be obtained from the relevant electricity regulatory commission. The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the National and Regional Load Despatch Centres, Central and State Transmission Utilities and other transmission licensees are not allowed to trade in power, to prevent unfair competition. The relevant electricity regulatory commissions also have the right to fix a ceiling on trading margins in intra-state trading.

Distribution and Retail Supply

The EA 2003 does not make any distinction between distribution and retail supply of electricity. Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under EA 2003, no license is required for the purposes of supply of electricity. Thus, a distribution licensee can undertake three activities: trading, distribution and supply through one license. The distribution licensee with prior permission of the Appropriate Commission, may engage itself in any other activities for optimal utilisation of its assets.

Unregulated Rural Markets

The licensing requirement does not apply in cases where a person intends to generate and distribute electricity in rural areas as notified by the state government. However, the supplier is required to comply with the requirements specified by the CEA such as protecting the public from dangers involved, eliminating/reducing the risks of injury, notify accidents and failures of transmission and supplies of electricity. It shall also be required to comply with system specifications for supply and transmission of electricity. EA 2003 mandates formulation of national policies governing rural electrification and local distribution and rural off-grid supply including those based on renewable and other non-conventional energy sources. This policy initiative is expected to give impetus to rural electrification and also conceptualize rural power as a business opportunity.

Tariff Principles

EA 2003 has introduced significant changes in terms of tariff principles applicable to the electricity industry. Earlier, the rate of return regulation as prescribed in the Sixth Schedule of the Supply Act, which envisaged a two-part tariff, was the basis of tariff determination. Even in the case of state reform acts, this Sixth Schedule was retained as the basis. EA 2003 has done away with this provision and the two-part tariff mechanism.

Under EA 2003, the appropriate electricity regulatory commissions are empowered to determine the tariff for:

- supply of electricity by a generating company to a distribution licensee: Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

- transmission of electricity ;
- wheeling of electricity;
- retail sale of electricity. Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

The appropriate Electricity Regulatory Commission is required to be guided by the following while determining tariff:

- the principles and methodologies specified by the CERC for determination of the tariff applicable to generating companies and licensees;
- generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- safeguarding consumers interest and also ensure recovery of the cost of electricity in a reasonable manner;
- incorporate principles which reward efficiency in performance;
- multi year tariff principles;
- tariff progressively reflects the cost of supply of electricity, at an adequate and improving level of efficiency;
- that the tariff progressively reduces and eliminates cross subsidies in the manner to be specified by the CERC;
- the promotion of co-generation and generation of electricity from renewable sources of energy; and
- the National Electricity Policy and Tariff Policy.

It is to be noted that unlike the ERC Act, the respective electricity regulatory commissions have not been expressly permitted to depart from the tariff determining factors set out above.

However, EA 2003 provides that the electricity regulatory commission shall have to adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. The Ministry of Power has issued detailed guidelines for competitive bidding as well as draft documentation (PPAs) for competitively bid projects.

The determination of tariff for a particular power project would depend on the mode of participation in the project. Broadly, the tariffs can be determined in two ways: (i) based on the tariff principles prescribed by the CERC (cost-plus basis consisting of a capacity charge, an energy charge, an unscheduled interchange charge and incentive payments); or (ii) competitive bidding route where the tariff is purely market based.

Modes of participation in power projects

GoI announced major policy reforms in October 1991 widening the scope of private sector participation in power generation. The two modes of participating in power projects are either through the MoU route or the Bidding route.

The initial batch of private sector power projects were therefore awarded generally on the basis of negotiation between the SEB and a single developer ("MoU route").

MoU Route

The cost determination under the MoU route usually involves:

- determination of receivables of capital cost. The capital costs are required to be approved by a CEA, Government of India;
- approval of interest rates and local and foreign debt;
- finalizing the term of loans and/or or other debt;
- finalizing the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying Deemed Generation provisions;
- evaluating the extent of despatchability;
- evaluating the level of incentive payments;
- identifying change in law in terms of tax or any other matter;
- identifying the extent of working capital permissible;
- evaluating the premium on fuel prices for assured supply;
- identifying fuel supply and transportation risk and issues;
- evaluating escalations in operation and maintenance and insurance expenses permissible;
- evaluating the extent of maintenance of spares permissible; and
- rebates in respect of prompt payment.

The MoU route with a cost plus approach was initially adapted to attract investment. However, there were several complexities in calculating the above costs despite the capital cost of the project being frozen by the CEA. Under EA 2003, the CEA does not have the power to determine capital cost for the projects anymore and the requisite filings for approval of capital cost and tariff are with the regulatory commissions.

This cost plus tariff mechanism is not ideally suited for competitive bidding as this would require bidding on every element of cost of generation which becomes difficult to verify and monitor over the life of the PPA. Further, the nature of costs for IPPs is very different from public sector power project costs and in the absence of complete knowledge of cost profile, it would be impossible to design a competitive bidding process based on cost plus approach that is fair to both sides thereby eliciting good investor response. In light of the same, the competitive bid route was envisaged.

Bid Route

Bidding essentially is based on bulk power tariff structure. As noted, under EA 2003, the regulatory commission is required to adopt a bid- based tariff, although the Bidding Guidelines permit the bidding authority to reject all price bids received. The Bidding Guidelines recommend bid evaluation on the basis of levelised tariff. The Bidding Guidelines envisages two types of bids: Case I bids, where the location, technology and fuel is not specified by the procurers, i.e. the generating company has the freedom to choose the site and the technology for the power plant; and Case II bids, where the projects are location specific and fuel specific.

Tariff rates for procurement of electricity by distribution licensees (Procurer), to be decided, can be for:

- long-term procurement of electricity for a period of 7 years and above;

- Medium term procurement for a period of upto 7 years but exceeding 1 year.

For long-term procurement under tariff bidding guidelines, a two-stage process featuring separate RFQ and RFP stages shall be adopted for the bid process. The procurer may, at his option, adopt a single stage tender process for medium term procurement, combining the RFP and RFQ processes

Under the bid route, typically the IPPs can bid at two parameters:

- The fixed or capacity charge; and

- The variable or energy charge, which comprises the fuel cost for the electricity generated. Bidders are usually permitted to quote a base price and an acceptable escalation formula.

The Bidding Guidelines envisages a two-step process – pre-qualification and final bid. Bidders are required to submit a technical and financial bid at the RFP stage.

Increasingly, the trend is to have all purchase of power and distribution licenses through competitive bids. The Tariff Policy 2006 requires that all procurement of power after January 6, 2006 (except for PPAs approved or submitted for approval before January 6, 2006 or projects whose financing has been tied up prior to January 6, 2006) by distribution licensees has to be through competitive bidding. Some state regulators have, however, continued to purchase power under the MoU route, stating that the Tariff Policy is merely indicative and not binding.

Policy for setting up of Mega Power Projects

The Mega Power Policy was introduced by Ministry of Power on November 10, 1995, wherein projects with capacity of 1000 MW and more and catering power to more than one state were classified as mega power projects.

The following conditions are required to be fulfilled by the developer of power projects for grant of Mega Power Project status:

- an inter-state thermal power plant with a capacity of 700 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or

- an inter-state thermal power plant of a capacity of 1,000 MW or more, located in States other than those specified in clause (a) above; or

- an inter-state hydro electricity power plant of a capacity of 350 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or

- an inter-state hydro electricity power plant of a capacity of 500 MW or more, located in States other than those specified in clause Rs. above".

Fiscal concessions/benefits available to the Mega Power Projects:

- Zero Customs Duty: The import of capital equipment would be free of customs duty for these projects.

- Deemed Export Benefits: deemed export benefits are available to domestic bidders for projects both under public and private sector on meeting certain requirements.

- Pre-conditions for availing the benefits: Goods required for setting up of any mega power project, qualify for the above fiscal benefits after the project is certified that:

  (i) the power purchasing States have granted to the Regulatory Commissions full powers to fix tariffs;

  (ii) the power purchasing States undertakes, in principle, to privatize distribution in all cities, in that State, each of which has a population of more than one million, within a period to be fixed by the Ministry of Power.

- Income Tax benefits: In addition, the income-tax holiday regime as per Section 80-IA of the Income Tax Act 1961 is also available.

Roles of key organisations and players

The roles and functions of certain key organisations and players that operate in the power sector have been set out below:

Central and State Governments

The EA 2003 reserves a significant involvement of the central government in the functioning of the power sector. It has been assigned a number of duties, including planning and policy formulation, rule making, appointing, establishing, designating authority, prescribing duties and other tasks, funding, and issuing directions.

The central government designates a CTU and establishes the NLDC, RLDC, the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. It has the power to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It also prescribes the duties and functions of the CEA, NLDC and RLDC.

The Central Government is also responsible for the following: a) specifying additional requirements for granting more than one distribution licensee; b) providing no-objection certificates for granting license if the service area includes central government installations such as cantonment, aerodrome, defence area, etc; c) demarcating the country into transmission regions for the purpose of inter-state transmission; d) issuing guidelines for transparent bidding process; e) approving the salary and benefits of the employees of the CEA, CERC and Appellate Tribunal; f) referring cases to the Appellate Tribunal for removal of members of the CERC on the ground of misbehaviour; and g) prescribing the procedures for inquiry into misbehaviour by members.

The state government exercises appointing, designating powers, provides funds and makes rules notifications, etc. It has the powers to appoint or remove members of the SERC including the chairman, to approve the terms and conditions of appointment of the secretary to the SERC and other staff. It is also responsible for constituting the selection committee for appointing members of SERC. It establishes the state load despatch centre (SLDC), notifies the STU, vests property of STU in companies, draws up reorganisation of the SEB through acquiring its assets and re-vests it through a transfer scheme. It is empowered to constitute special courts, and state coordination forum. The state government creates the SERC fund and can provide loan or grants for running the SERC. It also decides how the SERC should utilize the fund and how it should maintain accounts. The state government can also provide subsidy to consumers, but EA 2003 requires it to compensate the licensee in advance by the amount of loss expected to be suffered by the licensee in implementing the subsidy. The state government notifies rural areas where exemption of license conditions would apply and issues directions to the SERC on public interest issues.

Central Electricity Authority

The CEA was created under the Supply Act and EA 2003 retains the agency by relegating it mostly to a consultative role. There was some overlap of duties and power between the CERC and the CEA earlier, which EA 2003 has now removed. The technical clearance required for power projects under the provisions of the Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Electricity Regulatory Commissions

EA 2003 retains the two-level regulatory system for the power sector. At the central level, the CERC is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states, and regulating inter-state transmission of electricity. The SERCs on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, Tariff Policy and the National Electricity Plan while discharging their functions under EA 2003. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

Appellate Tribunal

Under the earlier electricity legislations, the High Court was the appellate authority against orders that are passed by the SERC. Under EA 2003, the Appellate Tribunal has been set up as an appellate body against orders of the relevant electricity regulatory commissions or adjudicating officers in settling disputes. The Appellate Tribunal has the power to summon, enforce attendance, require discovery and production of documents, receive evidence and review decisions. The orders of the Appellate Tribunal are executable as decrees of a civil court. The orders of the Appellate Tribunal can be challenged in the Supreme Court by the aggrieved party.

Enforcement Agencies

The roles and functions of certain key enforcement agencies that operate in the power sector have been set out below:

Investigating Authority

The Electricity Regulatory Commissions have the powers to direct any person to investigate the affairs of and undertake inspection of the generating company if there is any failure by the generating company/licensee to comply with the provisions of the EA 2003 or the license, licensee. The Electricity Regulatory Commissions may direct the generating company/licensee to take such action as may be necessary upon receipt of report from such Investigation Authority.

Electrical Inspector

If the relevant government receives a complaint that there has been an accident in connection with the generation, transmission, distribution or supply of electricity or that in case of use of electrical lines or electrical plant, there is a likelihood of injury to human being or animal, it may require an Electrical Inspector to inquire and report as to the cause of the accident and the manner and extent to which the provisions of EA 2003 have been complied with. The Electrical Inspector is vested with the powers of a civil court under the Civil Procedure Code, 1908 for enforcing the attendance of witnesses and compelling the production of documents and material objects.

Foreign Investment Regulation

The industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. The procedure for investment in the power sector has been simplified for facilitating FDI. FDI is allowed under the automatic route for 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

Indian Energy Exchange for Online Trading in Electricity

Indian Energy Exchange ("IEX") is India's first nationwide, automated, and online electricity trading platform. The exchange is planned to be operational in 2008. Approved by CERC on August 31, 2007, the exchange would enable efficient price discovery and price risk management in the electricity market besides providing benefits like transparency and cost efficiency to its members. In February 2007, the CERC issued guidelines for grant of permission to set up power exchanges in India. The exchange is conceived to catalyse modernisation of electricity trade in the country by ushering in a transparent and neutral market through technology-enabled electronic trading platform.

Environmental Regulations

The Company has to comply with the provisions of the Environmental Protection Act, 1986, relevant Forest Conservation Acts, Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989.

The Company is required to obtain and maintain statutory clearances relating to Pollution Control and Environment in relation to its power projects.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases (GHG) that cause climate change. The Kyoto Protocol was agreed on December 11, 1997 at the third conference of the parties to the treaty when they met in Kyoto, and entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.

The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol.

Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes "flexible mechanisms" which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.

Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- VER.

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation ("JI") for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfil the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

HISTORY AND CERTAIN CORPORATE MATTERS

We were incorporated as Adani Power Limited on August 22, 1996 and received a certificate of commencement of business on September 4, 1996. We became a private limited company on June 3, 2002 and the name of the Company was subsequently changed to Adani Power Private Limited. The ROC issued a fresh certificate of incorporation on June 3, 2002.

The Company was, thereafter, converted into a public limited company on April 12, 2007 and the name of the Company was changed to Adani Power Limited. Further, upon ceasing to be a private limited company, the word private was deleted through a special resolution at the EGM of the Company held on March 28, 2007. The fresh certificate of incorporation consequent to change of our name was granted by the ROC to our Company on April 12, 2007.

The Company was originally incorporated by Mr. Gautam S. Adani and Mr. Rajesh S. Adani, together with their relatives. In 2004, pursuant to internal restructuring amongst the Promoters, the entire shareholding of the Company was transferred to Mundra Special Economic Zone Limited. Subsequently, on May 29, 2006, Mundra Special Economic Zone Limited transferred its entire shareholding in the Company to Adani Enterprises Limited.

Main Objects of our Company

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

1) *To carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity.*

2) *To explore, develop, generate, accumulate, supply and distribute or to deal in other forms of energy from any source whatsoever.*

3) *To establish, operate and maintain generating stations, accumulation, tie lines, sub stations, workshops, transmission lines and to lay down cables, wires.*

4) *To manufacture, deal in, let on hire, install, repair and maintain plant, machinery, equipment, appliances, components and apparatus of any nature whatsoever used in connection with generation storage, supply, distributors, application of electrical energy.*

5) *To carry on in India or elsewhere the business of mining, quarries and prospect for search for, find, get, work, process, crush, smelt, manufacture, refine, blend, clean, convert, store, transport, buy, sell, import, export, distribute, market and deal in mineral oil of all kinds, mineral gases of all kinds, mineral of all kinds, fuel of all kinds, their by-products, derivatives, mixtures, semi finished products and ores.*

6) *To establish and develop Special Economic Zones and to carry on the business of properties developers, builders, creators, operators, owners, contractors of all and any kind of Infrastructure facilities and services including roads, railways, , cargo movement and cargo handling including mechanized handling system and equipment, land development, water desalination plant, water treatment & recycling facilities, water supply & distribution system, solid waste management, effluent treatment facilities, power generation, transmission, distribution, power trading, generation and supply of gas or any other form of energy, environmental protection and pollution control, public utilities, security services, municipal services, and of like infrastructure facilities and services viz., telecommunication, cell services, cable and satellite communication networking, data transmission network, information technology network, factory buildings, warehouses, internal container depots, container freight station, clearing houses, research centre, trading centers, school and educational institutions, hospitals, community centre, training centres, hostels, places of worship, courts, markets, canteen, restaurants, residential complexes, commercial complexes and other social infrastructures and equip the same with all or any amenities, other facilities and infrastructure required by the various industries and people, entertainment centers, amusement park, green park, recreational zone, to purchase, acquire, take on lease or in exchange or in any other lawful manner land, building, structures to promote industrial,*

commercial activity for inland and foreign trade, and to do government liaison work and other work.

Key Milestones

The table below sets forth some of the key events and milestones in the history of our Company:

Date	Details
August 22, 1996	The Company was incorporated
June 30, 2006	Execution of Supply contract for 2x330 MW signed with Sichuan Machinery and Equipment Import and Export Co Limited for Mundra Phase I
September 20, 2006	Execution of Loan agreement (financial closure) with Lenders of Mundra Phase I
February 2, 2007	Execution of PPA with GUVNL for 1,000 MW
February 6, 2007	Execution of PPA with GUVNL for 1,000 MW
March 1, 2007	Execution of Supply contract for 2x330 MW signed with Kowa Company Limited for Mundra Phase II
July 25, 2007	Execution of Loan agreement (financial closure) with Lenders of Mundra Phase II
September 6, 2007	Execution of Supply contract for 2x660 MW signed with SEPCO III Electric Power Construction Corporation Shandong, P.R. China for Phase III
September 7, 2007	Execution of service contract for 2x660 MW signed with Shandong Tiejun Electric Power Engineering Company Limited for Phase III
September 28, 2007	Execution of Investment Agreement with 3*i* Power Investment A1 Limited
November 6, 2007	Allocation of Lohara West and Lohara Extension (E) Coal mining blocks for Tiroda Power Project
January 15, 2008	Execution of Shareholder Agreement with Millennium Developers Private Limited for investment in Tiroda Project
January 30, 2008	Execution of Supply contract for 3x660 MW signed with SEPCO III Electric Power Construction Corporation Shandong, P.R. China for Mundra Phase IV
January 31, 2008	Execution of service contract for 3x660 MW signed with Shandong Tiejun Electric Power Engineering Co Ltd. for Mundra Phase IV
February 1, 2008	Agreement to Lease for 204.28 ha signed with Maharashtra Industrial Development Corporation for Tiroda Project
February 28, 2008	Execution of Supply contract for 3x660 MW signed with Sichuan Machinery and Equipment Import and Export Co Ltd. for Tiroda Project
March 4, 2008	Sanction of underwriting of term loan of Rs. 16,300 Mn for Tiroda Power Project
March 19, 2008	In principle underwriting of Term Loan of Rs. 53,250 Mn. For Dahej Power Project
March 27-28, 2008	Execution of Loan agreement (financial closure) with Lenders of Mundra Phase III
April 15, 2008	Sanction of underwriting of term loan of Rs. 35,400 Mn for Rajasthan Power Project
April 29, 2008	Sanction of underwriting of term loan of Rs. 53,800 Mn for Mundra Phase IV Power Project
January 15, 2008 – April 28, 2008	Sanction of term loan of Rs. 28,000 Mn for Tiroda Power Project

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of shareholder resolution	Nature of amendment
April 25, 2002	Conversion from a public to a private limited company.
August 1, 2006	The authorised capital was increased from Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each to Rs. 11,000,000 divided into 1,.100,000 equity shares of Rs. 10 each
September 1, 2006	The authorised capital was increased from Rs. 11,000,000 divided into 1,.100,000 equity shares of Rs. 10 each to Rs. 15,000,000,000 divided into 1,500,000,000 equity shares of Rs. 10 each
March 28, 2007	The Company was converted from Private Limited to Public Limited The authorised capital was increased from Rs. 15,000,000,000 divided into 1,500,000,000 equity shares of Rs. 10 each to Rs. 25,000,000,000 divided into 2,500,000,000 equity shares of Rs. 10 each. Commencement of New line of business under other object clause of Memorandum of Association of the Company.
May 15, 2007	The main objects of our Company were amended to include the business of establishing and developing Special Economic Zones and to carry on the business of properties developers, builders, creators, operators, owners, contractors of all and any kind of Infrastructure facilities and services etc.
July 30, 2007	The authorised capital was increased from Rs. 25,000,000,000 divided into 2,500,000,000 equity shares of Rs. 10 each to Rs. 30,000,000,000 divided into 2,500,000,000 equity shares of Rs. 10 each and 500,000,000 cumulative Convertible Preference Shares of Rs. 10 each. .
September 21, 2007	The authorised capital was reorganized as follows: (i) Rs. 25,000 Mn (Rupees Twenty Five Thousand Million only) divided into 2,500 Mn (Two Thousand Five Hundred Million) Equity Shares of Rs. 10 each ranking pari passu with the existing Equity Shares; and (ii) Rs. 5,000 Mn (Rupees Five Hundred Million only) divided into 500 Mn (Five Hundred Million) Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- each.

Promoters and Subsidiaries

For details regarding our Promoters, please see “Our Promoters” on page 158 of the Draft Red Herring Prospectus. We have three subsidiaries. For details regarding our subsidiary companies, please see “Our Subsidiaries” on page 140 of the Draft Red Herring Prospectus.

Other Agreements

All our material Agreements are outlined in “Description of Certain Key Contracts” on page 103 of this Draft Red Herring Prospectus.

OUR SUBSIDIARIES

We have three Subsidiaries. None of the Subsidiaries has made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up.

1. Adani Power Maharashtra Private Limited

Corporate Information

Adani Power Maharashtra Private Limited ("APMPL") was incorporated under the Companies Act on April 11, 2007 in Ahmedabad. The business of the company is to carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity.

Registered Office

The registered office of APMPL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

As of March 31, 2008, the board of directors of APMPL consisted of:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani
3. Mr. R. K. Gupta

Shareholding Pattern

The shareholding pattern of APMPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Adani Power Limited*	10,000	100.00
Total		**10,000**	**100.00**

** This includes 50 equity shares of APMPL held by nominees of APL*

The Company and Millennium Developers Private limited ("Millennium") have entered into an agreement dated January 15, 2008 in terms of which Millennium has agreed to acquire equity shares of APMPL representing 26% of the issued and paid-up equity share capital of APMPL. Millennium has deposited Rs. 100 million with APMPL as share application money in terms of the said agreement. For further details of this agreement, see "Description of Certain Key Contracts – Shareholders' Agreement between the Company and Millennium Developers Private Limited" on page 103 of this Draft Red Herring Prospectus.

Financial Performance

The audited financial statements of APMPL are not available as it is in the first year of its incorporation.

2. Adani Power Rajasthan Limited

Corporate Information

Adani Power Rajasthan Limited ("APRL") was incorporated under the Companies Act on January 25, 2008 in Ahmedabad. The business of the company is to carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity.

Registered Office

The registered office of APRL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

As of March 31, 2008, the board of directors of APRL consisted of:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani

Shareholding Pattern

The shareholding pattern of APRL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Adani Power Limited*	10,000	100
Total		**10,000**	**100.00**

**This includes 50 equity shares of APRL held by nominees of APL*

Financial Performance

The audited financial statements of APRL are not available as it is in the first year of its incorporation.

3. Adani Power Dahej Private Limited

Corporate Information

Adani Power Dahej Private Limited ("APDPL") was incorporated as Dahej Power Private Limited under the Companies Act on February 6, 2006. Its name was subsequently changed to Adani Power Dahej Private Limited on April 1, 2008. APDPL is engaged in the generation, accumulation, distribution and supply of electricity.

Registered Office

The registered office of APDPL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

As of March 31, 2008, the board of directors of APDPL consisted of:

1. Gautam S. Adani
2. Rajesh S. Adani

Shareholding Pattern

The shareholding pattern of APDPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Power Limited*	10,000	100
	TOTAL	**10,000**	**100.00**

**This includes 50 equity shares of APDPL held by nominees of Adani Power Limited.*

Financial Performance

The summary audited stand-alone financial statements of APDPL for Fiscal 2007 is as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	0.10
Reserves and surplus	(0.01)
Income	0.00
Profit After Tax	0.00
Earning Per Share (face value Rs. 10) (in Rs.)	0.00
Net Asset value per share (in Rs.)	9.00

Miscellaneous expenses to the extent written off as of December 31, 2008 was Rs. 3.12 million.

OUR MANAGEMENT

Board of Directors

The Articles of Association of the Company require that there shall be a minimum of three and a maximum of 12 Directors. We currently have eight Directors.

The details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus are set forth below:

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships/Partnerships
Mr. Gautam S. Adani (S/o Mr. Shantilal B. Adani) *Chairman* *Non-Independent and Non-Executive Director* Address: Shantivan Farm House B/h Karnavati Club Mohemadpura Village Ahmedabad 380 057 Profession: Industrialist Term: Liable to retire by rotation DIN: 00006273	Indian	45	• Adani Energy Limited • Adani Enterprises Limited • Adani Logistics Limited • Adani Petronet (Dahej) Port Private Limited • Adani Power Dahej Private Limited • Adani Power Maharashtra Private Limited • Adani Power Rajasthan Limited • Adani Shipyard Private Limited • Adani Welspun Exploration Limited • Adani Wilmar Limited • Dholera Port And Special Economic Zone Limited • Jain International Trade Organisation • Mundra Port And Special Economic Zone Limited **Partnerships** • Adani Investments
Mr. Rajesh S. Adani (S/o Mr. Shantilal B. Adani) *Managing Director* Address: 14, Suryaja Bungalow Behind Sarathi Restaurant Vastrapur Ahmedabad 380 054 Profession: Industrialist Term: 5 years w.e.f. April 1, 2008 DIN: 00006322	Indian	43	• Adani Agri Fresh Limited • Adani Developers Private Limited • Adani Energy (U.P.) Limited • Adani Energy Limited • Adani Enterprises Limited • Adani Mining Private Limited • Adani Power Dahej Private Limited • Adani Power Maharashtra Private Limited • Adani Power Rajasthan Limited • Adani Shipyard Private Limited • Adani Wilmar Limited • Columbia Chrome (India) Private Limited

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships/Partnerships
			• Dholera Infrastructure Private Limited • Inland Conware (Ludhiana) Private Limited • Mundra Port And Special Economic Zone Limited • Swayam Realtors and Traders Limited **Partnerships** • Adani Investment
Mr. R K Gupta (S/ o Mr. Ram Sarup Gupta) *Executive Whole-time Director* Address: 102, Ratnam Residency B/h. Fun Republic Satellite, Ahmedabad Profession: Service Term: two years w.e.f. March 16, 2008 DIN: 0088783	Indian	63	• Adani Power Maharashtra Private Limited
Mr. Ameet H. Desai (S/o Mr. Hiranyakumar Desai) *Non-Independent and Non-Executive Director* Address: A/403, Pratishtha Apartment Bodakdev Ahmedabad 380 054 Profession: Service Term: Liable to retire by rotation Din: 00007116	Indian	44	• Adani Logistics Limited • Inland Conware (Ludhiana) Private Limited • Inland Conware Private Limited • MPSEZ Utilities Private Limited • Mundra Port And Special Economic Zone Limited • Mundra SEZ Textile and Apparel Park Private Limited • Rajasthan SEZ Private Limited • RFCL Limited
Mr. Vijay Ranchan (S/o Mr. Pyarelal Sharma) *Independent Director* Address: Plot No. 131 Sector 8 – C Gandhinagar – 382 008	Indian	65	• Adani Energy Limited • Shah Papers and Pulp Limited • Usher Agro Limited

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships/Partnerships
Profession: Retired Indian Administrative Service Official Term: Appointed as Additional Director to hold office upto the date of the ensuing Annual General Meeting DIN: 01602023			
Mr. Surendra Kumar Tuteja (S/o Mr. Lekh Raj Tuteja) *Independent Director* Address: S-307, 2nd Floor Panchsheel Park New Delhi 110 001 Profession: Retired Indian Administrative Service Official Term: Appointed as Additional Director to hold office upto the date of the ensuing Annual General Meeting DIN: 00594076	Indian	62	• Abhishek Global Ventures Limited • Abhishek Industries Limited • Adani Logistics Limited • Ambience Limited • HMT Limited • Mundra Port and Special Economic Zone Limited • Neelkanth Cold Chain Private Limited • Pegasus Asset Reconstruction Private Limited • Precision Pipes and Profiles Limited • Shri Renuka Infraprojects Limited • Shri Renuka Sugar Limited • Small Industries Development Bank of India • SVIL Mines Limited • Swaraj Mazda Limited
Mr. B. B. Tandon (S/o Late Mr. Chand Behari Tandon) *Independent Director* Address: J – 238, First Floor Saket New Delhi – 110017 Profession: Retired Indian Administrative Service Official Term: Liable to retire by rotation DIN: 00740511	Indian	66	• Ambuja Cement Foundation • Abhishek Global Ventures Limited • Birla Corporation Limited • Canara Bank • Cosmo Ferrites Limited • Jaiprakash Hydro Power Limited • Nagarjuna Fertilizers and Chemicals Limited • Orient Carbon and Chemicals Limited • Precision Pipes and Profiles Company Limited • Sagar Sugar and Allied Products Limited • Smart Digivision Private Limited • The Dhampur Sugar Mills Limited • Filatex India Limited

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships/Partnerships
Mr. Chinubhai R. Shah (S/o Mr. Ramanlal Shah) *Independent Director* Address: 402, Heritage Cresent B/h Prahaladnagar Garden Near Jain Drasar S.G. Highway Ahmedabad 380 051 Profession: Service Term: Liable to retire by rotation DIN: 00558310	Indian	71	• Apollo Hospitals international Limited • Arman Lease & Finance Limited • Cadila Pharmaceuticals (Ethiopia) PLC • Cadila Pharmaceuticals Limited • Doshion Limited • G.S.E.C Limited • Gujarat NRE Coke Limited • Gulmohor Greens Golf & Country Club Limited • H.K. Finersherm Limited • India Renal Foundation • Meghmani Organics Limited • Nirma Limited • Saline Area Vitalization Enterprise Limited • The Tinplate Co. of India Limited • C. R. Shah and Associates

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

Brief Biographies of our Directors

Mr. Gautam S. Adani, is the Chairman and founder of the Adani Group. 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.

Mr. Rajesh S. Adani is the Managing Director of our Company. He holds a bachelor's degree in commerce from the Gujarat University. Mr. Rajesh S. Adani is the brother of Mr. Gautam S. Adani and is responsible for overall development, control and monitoring the implementation of the power projects, raising of financial resources for the projects and negotiation with suppliers. He is also involved in the management of Adani Enterprises Limited. He has been associated with Adani Enterprises Limited since its incorporation in 1988. He handles the marketing and finance aspects of Adani Enterprises Limited and has been responsible for developing the business relationships of Adani Enterprises Limited.

Mr. R.K. Gupta is a whole-time Director of our Company. He holds a bachelors degree in electrical engineering and has over 40 years of experience in setting up and operation of hydro, diesel, coal and gas based power plants. He has earlier worked as Director (Technical) of Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Chairman and Managing Director of Rajasthan Rajya Vidyut Utpadan Nigam Limited. During his career, he has commissioned several power units successfully.

Mr. Ameet H. Desai is a Director of our Company. He holds a bachelor's degree in business administration. Mr. Desai also has a MBA (Finance) from the B.K. School of Management, Ahmedabad. He has more than 20 years of experience in the field of corporate finance, projects and mergers and acquisitions. He is also an executive director of Mundra Port and Special Economic Zone Limited. Earlier he was Vice-President (Mergers & Acquisitions and Business Planning) for Ranbaxy Laboratories Limited, where he was instrumental in establishing the merger and acquisition team and facilitating four cross-border acquisitions. He was a team member for a global licensing transaction and also led the divestment of allied business of Ranbaxy Laboratories Limited. He also had the responsibility for business planning function at Ranbaxy Laboratories Limited, besides being a member of various committees including the executive committee. Mr. Desai has also worked at Core Healthcare Limited where he was involved in corporate finance, restructuring and operations.

Mr. Vijay Ranchan is an independent director of our Company. He holds master's degree in arts (English Literature) from Punjab University. He is a retired Indian Administrative Service. He has previously worked for Gujarat Agro Industries Corporation, Gujarat Industrial Investment Corporation, Gujarat Fisheries Central Co-operation Association, Gujarat Industries Power Company Limited, Gujarat State Power Corporation, Gujarat Fisheries Development Corporation, Gujarat Mineral Development Corporation and Gujarat Industrial Development Corporation.

Mr. Surendra Kumar Tuteja is an independent director of our Company. He holds a master's degree in commerce from the Shriram College of Commerce, Delhi and is a qualified company secretary. He is a retired Indian Administrative Service official belonging to the Punjab cadre and has served the Government of India and the Government of Punjab in various capacities. He was the Principal Secretary, Industries and Commerce and Principal Secretary, Finance with the Government of Punjab. He retired as Secretary, Department of Food and Public Distribution, Government of India in 2005. Mr. Tuteja is presently the Chairman of Central Warehousing Corporation, Swaraj Mazda Limited and Abhishek Industries Limited. He was awarded the Dayanand Munjal award in 1992 as "Manager of the Year" by the Ludhiana Management Association.

Mr. B. B. Tandon is an independent director of our Company. He holds a master's degree in arts and LLB degree from Delhi University and is a certified associate of the Indian Institute of Bankers. He has over 45 years of experience in various departments of Government of India, State Government of Himachal Pradesh and State Electricity Board of Himachal Pradesh. As Principal Secretary (Power) and Chairman, H P State Electricity Board, he initiated the policy of Private Sector participation in execution of hydel projects in Himachal Pradesh and various projects in the state.

Mr. Chinubhai R. Shah is an independent director of our Company. He has obtained a master's degree in arts from the Gujarat University. He has also acquired a master degree in law with a gold medal from the Gujarat University. He is a fellow member of the Institute of Company Secretaries of India and has been conferred life fellowship of the All India Management Association. He has over 40 years of experience in the industry. He has been the president of the Gujarat Chamber of Commerce and Industry, the All India Management Association and the Institute of Company Secretaries of India.

Remuneration of Directors

The remuneration of the following executive Directors is as per the terms of appointment contained below:

1. Mr. R. K. Gupta

Mr. R. K. Gupta was appointed as a Whole Time Director of the Company with effect from March 16, 2008 for a period of two years at remuneration of Rs. 0.35 million per month (excluding contribution to provident fund and gratuity), as approved by the shareholders at the EGM of the Company held on April 25, 2008.

2. Mr. Rajesh S. Adani

Mr. Rajesh S. Adani was appointed as a Managing Director of the Company with effect from April 1, 2008 for a period of five years as approved by the shareholders at the EGM of the Company held on April 25, 2008. He shall not be paid any remuneration.

Shareholding of the Directors

The Articles of Association do not require our Directors to hold any qualification Shares. None of the Directors of the Company hold any Equity Shares in the Company as of the date of filing of this Draft Red Herring Prospectus.

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any under our Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Except as stated in the section titled "Related Party Transactions" beginning on page 220 of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Changes in our Board of Directors in the last three years

The changes in our Board of Directors during the last three years are as follows:

Name	Date of Change	Reason
Mr. R.K. Gupta	March 16, 2006	Appointed
Mr. Gautam S. Adani	December 26, 2005	Appointed
Mr. Sanjay Gupta	December 26, 2005	Appointed
Mr. Ameet H. Desai	December 26, 2005	Appointed
Mr. Pradeep Mittal	December 26, 2005	Appointed
Mr. R.K. Madan	December 26, 2005	Appointed
Mr. Bhavik Shah	December 28, 2005	Resigned
Mr. Samir Vora	December 28, 2005	Resigned
Mr. Devang Desai	December 28, 2005	Resigned
Mr. B. B. Tandon	January 4, 2007	Appointed
Mr. Ravjibhai Patel	April 19, 2007	Resigned
Mr. Rajesh Adani	June 12, 2007	Appointed
Mr. Anil Ahuja	October 1, 2007	Appointed
Mr. Sanjay Gupta	December 12, 2007	Resigned
Mr. S. K Tuteja	September 17, 2007	Appointed
Mr. Vijay Ranchan	December 12, 2007	Appointed
Mr. Pradeep Mittal	March 31, 2008	Resigned
Mr. R.K. Madan	March 31, 2008	Resigned
Mr. Chinubhai R. Shah	April 25, 2008	Appointed
Mr. Anil Ahuja	April 30, 2008	Resigned

Corporate Governance

We have complied with the requirements of the applicable regulations, including the listing agreement to be entered in to with the Stock Exchanges and the SEBI Guidelines, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and listing agreement to be entered in to with the Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our board has eight Directors, of which the Chairman of the Board is a non-executive director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two executive Directors and five non-executive directors, including three independent directors, on our Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Mr. S. K. Tuteja, Chairman
2. Mr. B. B. Tandon
3. Mr. Ameet H. Desai

The Audit Committee was constituted by a meeting of the Board of Directors held on March 15, 2006. The Audit Committee was, subsequently reconstituted by a meeting of the Board of Directors on March 31, 2008 and its terms of reference were expanded to include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information.
2. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.
3. Approval of payments to the statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions; and
    vii. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing.
13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.

14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee shall include the power:

1. to investigate activity within its terms of reference;
2. to seek information from any employees;
3. to obtain outside legal or other professional advice; and
4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions;
3. Internal Audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the Chief Internal Auditor; and
5. review of the financial statements of the unlisted subsidiary Company(ies), in particular, the investments made by them, if any.

The scope and function of the Audit Committee are in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement.

Remuneration/Compensation Committee

The Remuneration/Compensation Committee was constituted by a meeting of the Board of Directors held on March 15, 2006. The Remuneration/Compensation Committee was, subsequently reconstituted by a meeting of the Board of Directors on March 31, 2008. The members of the Remuneration/Compensation Committee are:

1. Mr. B. B. Tandon, Chairman
2. Mr. Gautam S. Adani
3. Mr. S.K. Tuteja
4. Mr. Vijay Ranchan

The terms of reference of the Compensation and Remuneration Committee are as follows:

1. Framing suitable policies and systems to ensure that there is no violation, by an Employee or the Company of any applicable laws in India or overseas, including:

   a. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
   b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.

2. Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.

3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Shareholders'/Investors' Grievances and Share Transfer Committee

The Shareholders/ Investors' Grievance Committee was constituted by a meeting of the Board of Directors held on December 12, 2007. The Shareholders/ Investors' Grievance Committee was, subsequently reconstituted by a meeting of the Board of Directors on March 31, 2008. The members of the Shareholders'/Investors' Share Transfer Grievance Committee are:

1. Mr. Vijay Ranchan, Chairman
2. Mr. Rajesh Adani
3. Mr. Ameet H. Desai

This Committee was constituted to carry out such functions for the redressal of shareholders' and investors' complaints, including but not limited to, transfer of shares, non-receipt of balance sheet, non-receipt of dividends, and any other grievance that a shareholder or investor of the Company may have against the Company.

The terms of reference of the Investor Grievance Committee are as follows:

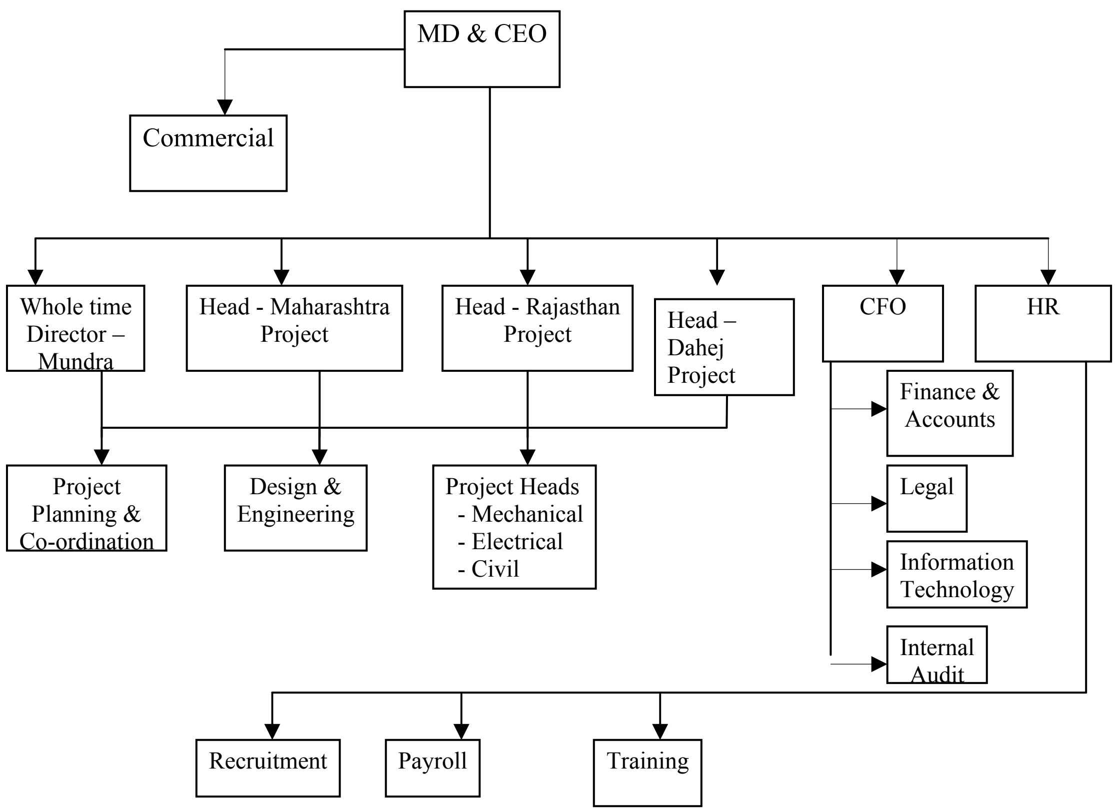
1. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to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

Borrowing Powers of our Board

In terms of our Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board is required to obtain the consent of the Company in general meeting prior to undertaking such borrowing.

Pursuant to an Extra-Ordinary General Meeting Resolution dated April 25, 2008 by the shareholders of the Company in accordance with the provisions of the Companies Act, 1956, the Board has been authorized to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs etc., from time to time, for the purpose of Company's business upto an aggregate amount of Rs. 200,000 million.

Organisation chart of the Company



Key Management Personnel

In addition to our executive Directors, provided below are the key managerial employees of the Company. For details relating to the profiles of Mr. Rajesh S. Adani and Mr. R.K. Gupta, please see the section titled "Our Management - Brief Biographies" beginning on page 144 of this Draft Red Herring Prospectus.

Mr. Subrato Trivedi, aged 58 years, is President (Projects). He holds a bachelor's degree in engineering (mechanical) from the Ravishankar University. He joined the Company on August 13, 2007. He has more than has 36 years of experience in the setting up and operation of large power projects. Prior to joining the Company us, he has worked as Executive Director - ER with NTPC. He has been involved in power projects implementation of the Company. During fiscal 2008, Mr. Trivedi was paid a gross compensation of Rs. 1.73 million.

Mr. Keshav Saran, aged 66 years, is President. He holds a bachelor's degree in science (engineering) degree from the Aligarh Muslim University and MBA (Marketing) and LLB from Delhi University. He joined the Company on July 2, 2007. He has more than has 44 years of experience in the setting up and operation of large power projects. Prior to joining the Company, Mr. Saran has worked with Power Finance Corporation Limited, Engineers India Limited, NTPC, Bharat Heavy Engineering Limited, Nagaland State Electricity Department and Central Electricity Authority. He has been involved in power projects implementation of the Company. During fiscal 2008, Mr. Saran was paid a gross compensation of Rs. 3.96 million.

Mr. Om Prakash Kalia, aged 59 years, is Senior Vice-President (Engineering). He holds a master's degree (Mechanical) from P. F. University, Moscow. Mr. Kalia joined the Company on August 25, 2007. He has over 33 years of experience in power plant engineering, tender evaluation, award recommendation and review engineering in coal, oil and gas based power plants. Prior to joining the Company, Mr. Kalia has worked with Reliance Energy Limited, NTPC and Bharat Heavy Engineering Limited. He has been involved in implementation of power projects of the Company. During fiscal 2008, Mr. Kalia was paid a gross compensation of Rs. 2.21 million.

Mr. K. C. Panigrahy, aged 61 years, is Vice-President (Project). He holds a bachelor's degree in science (engineering – mechanical) from Sambalpur University. Mr. Panigrahy joined the Company on November 1, 2007. He has over 37 years of experience in the setting up and operation of large power projects. Prior to joining the Company, he has worked with Bharat Heavy Electricals Limited. He has been involved in implementation of power projects of the Company. During fiscal 2008, Mr. Panigrahy was paid a gross compensation of Rs. 1.25 million.

Mr. Dev Prakash Joshi, aged 51 years, is Vice-President (Project). He holds a bachelor's degree in engineering (electrical) from the Bhopal University. Mr. Joshi joined the Company on August 14, 2007. He has over 30 years of experience in the project execution, planning, technical services and project monitoring. Prior to joining the Company, he has worked with NTPC. He has been involved in implementation of power projects of the Company. During fiscal 2008, Mr. Joshi was paid a gross compensation of Rs. 1.46 million.

Mr. Vineet Jain, aged 32 years, is Vice-President (Techno Commercial & Business Development). He holds a bachelor's degree in engineering (mechanical) from Government College, Haryana. Mr. Jain joined the Company on December 4, 2006. He has over 14 years of experience in planning and execution of power projects including business development, project planning, monitoring, cost control measures, finalisation of EPC contracts and preparation of techno-economic feasibility report of power projects. Prior to joining the Company, he has worked with Jindal Steel & Power Limited. During fiscal 2008, Mr. Jain was paid a gross compensation of Rs. 1.83 million.

Mr. Harji Lal Saini, aged 55 years, is Vice-President (Projects). He holds a bachelor's degree in science (engineering-mechanical) from Punjab Engineering College, Chandigarh. Mr. Saini joined the Company on February 1, 2008. He has over 31 years of experience in the setting up and operation of large power projects. Prior to joining the Company, he has worked with NTPC and Bharat Heavy Electricals Limited. He has been involved in implementation of power projects of the Company. During fiscal 2008, Mr. Saini was paid a gross compensation of Rs. 0.41 million.

Mr. Laxmi Narayan Agrawal, aged 47 years, is Vice-President. He holds a bachelors degree in engineering (electrical) from Jabalpur University and master's degree in technology (heavy electrical equipment) from Bhopal University. Mr Agrawal joined the Company on October 1, 2007. He has over 25 years of experience in project management, process analysis, equipment selection, construction, testing and commissioning of transmission and electrical equipments. Prior to joining the Company, he has worked with Reliance Energy Limited, Northern Regional Load Dispatch Centre, Power Grid Corporation of India Limited and National Hydro Electric Power Company Limited. During fiscal 2008, Mr. Agrawal was paid a gross compensation of Rs. 0.97 million.

Mr. R. Natrajan, aged 61 years, is Financial Controller. He is a Chartered Accountant. Mr. Natrajan joined the Company on January 20, 2006. He has over 36 years of experience in the areas of corporate finance, management, taxation and accounts. Prior to joining the Company, he has worked with Gujarat Industrial Power Corporation Limited, Vijay Tanks & Vessels Limited, Reliance Industries Limited, Essar Gujarat Limited, Yogi Polyester Limited, Petrofils Co. Op. Limited, IFFCO and Madras Fertilizers Limited. He has been involved in ERP implementation in the Company. During fiscal 2008, Mr. Natrajan was paid a gross compensation of Rs. 1.63 million.

Mr. K. Venugopal, aged 42 years, is the Vice President (Finance). He holds a bachelor's degree in commerce from the A.P. Residential College, Nagarjuna Sagar and a master's of business administration (finance) degree from the Department of Commercial and Management Studies, Andhra University. Mr. Venugopal joined the Company on April 1, 2008. He has more than 18 years of experience in the field of audit, accounting and finance. Prior to joining the Company, he has worked with Mundra Port and Special Economic Zone Limited, Adani Enterprises Limited, Sanghi Group, Shriram Industrial Enterprises Limited and Unicorn Organics Limited. He has been involved in various functions such as finance & accounts, strategic planning, mergers, business hive-offs, corporate finance, GDRs, ECA / ECBs, Bonds and Securitization of receivables. He was not paid any compensation for fiscal 2008 as he joined in fiscal 2009.

Mr. Avtar Singh, aged 65 years, is Assistant Vice-President. He holds a bachelor's degree in engineering (mechanical and electrical) from Institute of Engineers, Kolkata. Mr. Singh joined the Company on October 1, 2007. He has over 43 years of experience of engineering, co-ordination activities of boiler, turbine, piping and ash handling units of power plant. Prior to joining the Company, he has worked with Reliance Energy Limited, NTPC, Chemithon Engineers and Central Electricity Authority. During fiscal 2008, Mr. Singh was paid a gross compensation of Rs. 0.79 million.

Mr. Banshi Dhar De, aged 60 years, is Assistant Vice-President. He holds a bachelor's degree in engineering (mechanical) from Kolkata University. Mr. De joined the Company on October 19, 2007. He has over 34 years of experience in overall co-ordination, planning, scheduling and monitoring of power plant. Prior to joining the Company, he has worked with NTPC and Bhilai Steel Plant. During fiscal 2008, Mr. De was paid a gross compensation of Rs. 1.12 million.

Mr. Jatinder Bhatnagar, aged 52 years, is Assistant Vice-President (Project). He holds a bachelor's degree in technology (mechanical) from Indian Institute of Technology, Delhi. Mr. Bhatnagar joined the Company on August 23, 2007. He has over 29 years of experience of project planning, scheduling, monitoring and control of power plant. Prior to joining the Company, he has worked with NTPC. During fiscal 2008, Mr. Bhatnagar was paid a gross compensation of Rs. 1.45 million.

Mr. Dinesh Kumar Singh, aged 54 years, is Assistant Vice-President. He holds a bachelors' degree in technology (civil) from the Indian Institute of Technology, Kanpur. Mr. Singh joined the Company on October 20, 2007. He has over 32 years of experience in project execution, design and engineering of civil and turnkey packages of power project. Prior to joining the Company, he has worked with NTPC and Maharashtra State Electric Board. During fiscal 2008, Mr. Singh was paid a gross compensation of Rs. 1.06 million.

Mr. Rajinder Paul Mittal, aged 57 year, is Assistant Vice-President. He holds a master's degree in science from Delhi University, AMIE from Institute of Chemical Engineering and bachelor's degree in law from Delhi University. Mr. Mittal joined the Company on October 18, 2007. He has over 36 years of experience of project engineering, preparation and review of design documents for power plants. Prior to joining the Company, he has worked with various organisations such as Reliance Energy

Limited, NTPC, J K Industries Limited and Shri Ram Institute for Industrial Research. During fiscal 2008, Mr. Mittal was paid a gross compensation of Rs. 0.93 million.

Mr. Bhagwan Kodwani, aged 41 years, is General Manager. He holds a bachelor's degree in science from the Rajasthan University and PGDCA from BRC Institute. Mr. Kodwani joined the Company on October 22, 2007. He has over 17 years of experience in information technology and ERP implementation. Prior to joining the Company, he has worked with various organisations such as Shree Pipes Limited, Jindal Organisation, Jindal Power Limited, Ranjan Polyesters, Vikram Cement, LML Limited and Mahindra Hinoday. During fiscal 2008, Mr. Kodwani was paid a gross compensation of Rs. 0.70 million.

Mr. Dwarka Lal Gupta, aged 59 years, is General Manager. He holds a bachelor's degree in engineering (electrical) from the Rajasthan University and a diploma in management from the Kota Open University. Mr. Gupta joined the Company on August 8, 2007. He has over 36 years of experience in design and engineering of new projects and operation and maintenance of thermal power plants. Prior to joining the Company, he has worked with various organisations such as Rajasthan State Electricity Board and Rajasthan Rajya Vidyut Utpadan Nigam Limited. During fiscal 2008, Mr. Gupta was paid a gross compensation of Rs. 1.22 million.

Mr. Devendra Swaroop Sinha, aged 62 years, is General Manager. He holds a bachelor's degree in engineering (electrical) from MBM Engineering College, Jodhpur. Mr. Sinha joined the Company on July 12, 2006. He has over 42 years of experience in planning, co-ordination and development power plants. Prior to joining the Company, he has worked with various organisations such as Rajasthan Rajya Vidyut Utpadan Nigam Limited, Rajasthan Chambal Hydro Project, Meutex Synergy Private Limited and Technical Directorate, Rajasthan. During fiscal 2008, Mr. Sinha was paid a gross compensation of Rs. 0.90 million.

Mr. Devendra Prasad Sinha, aged 61 years, is General Manager. He holds a bachelor's degree in science (Engineer) from RIT, Jamshedpur. Mr. Sinha joined the Company on August 14, 2007. He has over 38 years of experience in finalisation of quality plan, inspection and audit of various equipments for power projects and assessment of suppliers. Prior to joining the Company, he has worked with various organisations such as National Thermal Power Corporation Limited, Jaiprakash Associates Limited, Bokaro Steel Plant, and Bihar State Agro Industries. During fiscal 2008, Mr. Sinha was paid a gross compensation of Rs. 0.89 million.

Mr. P. Parvata Gouda, aged 51 years, is General Manager. He holds a bachelor's degree in technology (civil) from Mysore University. Mr. Gouda joined the Company on November27, 2007. He has over 27 years of experience in civil construction of boiler power house, ESP, Chimney, DM & PT plants fuel oil system, cooling towers etc. of power plants. Prior to joining the Company, he has worked with various organisations such as NTPC, NPCC Limited, HCC Limited and CWPRS, Pune. During fiscal 2008, Mr. Gouda was paid a gross compensation of Rs. 0.67 million.

Mr. Govind Ram Modi, aged 63 year, is General Manager. He holds a bachelor's degree in engineering (mechanical) from the Indian Institute of Technology, Kharagpur and MIE (mechanical) from the Institute of Engineering. Mr. Modi joined the Company on May 13, 2006. He has over 35 years of experience in construction, erection and operational and maintenance work of thermal power plants. Prior to joining the Company, he has worked with various organisations such as Rajasthan Rajya Vidyut Utpadan Nigam Limited, Rajasthan State Electricity Board and Tecmeco. During fiscal 2008, Mr. Modi was paid a gross compensation of Rs. 1.69 million.

Mr. Kush Singh, aged 43 years, is General Manager. He holds a bachelor's degree in engineering mechanical from the Birla Institute of Technology. Mr. Singh joined the Company on October 30, 2007. He has over 21 years of experience in erection, commissioning, engineering, operation and maintenance of large power plants. Prior to joining the Company, he worked with NTPC. He has been involved in implementation of power projects of the Company. During fiscal 2008, Mr. Singh was paid a gross compensation of Rs. 0.82 million.

Mr. Vinod K. Bhatnagar, aged 51 years, is General Manager. He holds bachelor's degree in engineering (electrical) from Punjab University. Mr. Bhatnagar joined the Company on March 11, 2008, He has over 29 years of experience in handling a diverse range of operations like infrastructure development, planning, scheduling, closed monitoring, controlling, reviewing of green field power projects and also for green field coal mining projects. Prior to joining the Company, he worked with NTPC and Coal India Limited. The gross compensation paid to him during fiscal 2008 was Rs. 0.12 million.

Mr. Saurabh Mashruwala, aged 42 years, is General Manager (Finance). He holds a bachelor's degree in commerce from Gujarat University and is also a Chartered Accountant. Mr. Mashruwala joined the Company on September 24, 2007. He has over 20 years of experience in corporate finance, treasury, audit and accounting. Prior to joining the Company, he has worked with various organisations such as the Arvind Mills Limited, Anagram Finance Limited, Cadila Laboratories Limited and C. C. Chokshi & Company. He has been involved in various functions such as raising of finance for projects, working capital debt, cash-flow management, debt restructuring and accounting. During fiscal 2008, Mr. Mashruwala was paid a gross compensation of Rs. 0.83 million.

Mr. Vijaya Simha Kasi, aged 47 years, is General Manager. He holds a bachelor's degree in engineering (electrical) from Mysore University. Mr. Kasi joined the Company on September 27, 2007. He has over 24 years of experience in project planning, scheduling, monitoring and co-ordination of thermal and gas based power plants. Prior to joining the Company, he has worked with NTPC. He is involved in implementation of ERP system and design, development and implementation of computer aided project management system. During fiscal 2008, Mr. Kasi was paid a gross compensation of Rs. 1.00 million.

Mr. Subimal Shome, aged 53 years, is General Manager. He holds a bachelor's degree in engineering (mechanical) from Government Engineering College, Jabalpur. Mr. Shome joined the Company on January 15, 2008. He has over 29 years of experience in project execution, engineering, implementation, co-ordination and environment impact assessment of power plants. Prior to joining the Company, he has worked with NTPC and M. P. Electricity Board. During fiscal 2008, Mr. Shome was paid a gross compensation of Rs. 0.46 million.

Mr. Bishnu P. Nanda, aged 48 years, is General Manager. He holds a bachelor's degree in science (electrical) from NIT, Rourkela. Mr. Nanda joined the Company on January 21, 2008. He has over 27 years of experience in electrical maintenance, testing and commissioning of equipment of thermal power plants. Prior to joining the Company, he has worked with NTPC. During fiscal 2008, Mr. Nanda was paid a gross compensation of Rs. 0.45 million.

Mr. Sunil Jain, aged 45 year, is General Manager. He holds a bachelor's degree in engineering (mechanical) from the Government Engineering College, Ujjain. Mr. Jain joined the Company on October 22, 2007. He has over 23 years of experience in purchases, vendor development, logistics and inventory control. Prior to joining the Company, he has worked with various organisations such as SKS Ispat Limited, Maharashtra Seamless Limited, Hydril Jindal Private Limited, Man Industries Limited, Apex Electrical Limited and Mepco Metal Powder Limited. During fiscal 2008, Mr. Jain was paid a gross compensation of Rs. 0.63 million.

Mr. Asharam Sharma, aged 56 years, is General Manager. He holds a bachelor's degree in engineering (civil) from MBM Engineering College, Jodhpur. Mr. Sharma joined the Company on November 17, 2006. He has over 30 years of experience in civil works of power plants. Prior to joining the Company, he has worked with Rajasthan Rajya Vidyut Utpadan Nigam Limited. During fiscal 2008, Mr. Sharma was paid a gross compensation of Rs. 1.77 million.

Mr. Rajendra Bansal, aged 52 years, is General Manager. He holds a bachelor's degree in engineering (mechanical) and master's in business administration degree from Gujarat University. Mr. Bansal joined the Company on February 1, 2008. He has over 29 years of experience in project management, finalization of specification along with consultants, engineering co-ordination, technical / commercial analysis of bids & placement of orders, monitoring of project activities. Prior to joining the Company, he has worked with Torrent Power Limited, Nirma Limited, GE, Biral Cellulosic Limited, and Gujarat Industrial Power Company Limited. During fiscal 2008, Mr. Bansal was paid a gross compensation of Rs. 0.21 million.

Mr. Bajrang Lal Jangir, aged 47 years, is General Manager. He holds a bachelor's degree in engineering (mechanical) from Malavia Regional Engineering College, Jaipur. Mr. Jangir joined the

Company on February 26, 2008. He has over 23 years of project planning and monitoring from inception to commissioning of power project. He is also involved in power project implementation and maintenance. Prior to joining the Company, he has worked with National Thermal Power Corporation Limited. During fiscal 2008, Mr. Jangir was paid a gross compensation of Rs. 0.17 million.

Mr. Ahmed Vahora, aged 62 years, is Advisor. He holds a diploma in electrical engineering and a diploma in mechanical engineering. Mr. Vahora joined the Company on August 1, 2006. He has over 30 years of experience in project planning, scheduling, controlling and co-ordination work of thermal power plants. Prior to joining the Company, he has worked with various organisations such as Sandro Power, Larsen & Tubro Limited and U B Engineering. During fiscal 2008, Mr. Vahora was paid a gross compensation of Rs. 0.71 million.

Mr. Pyralal Maurya, aged 61 years, is Advisor. He holds a bachelor's degree in engineering (metallurgy) from M. S. University, Baroda. Mr. Maurya joined the Company on August 20, 2007. He has over 34 years of experience of project quality assurance and process control of power plants. Prior to joining the Company, he has worked with various organisations such as NTPC, Bharat Pumps & Compressor Limited and Testeels Limited. During fiscal 2008, Mr. Maurya was paid a gross compensation of Rs. 0.81 million.

Mr. Kantilal S. Taunk, aged 64 years, is Advisor. He holds bachelor's degree in science (engineering and electrical) from Agra University. Mr. Taunk joined the Company on August 1, 2007. He has over 40 years of experience in electrical design, installation, commissioning and testing of electrical equipments. Prior to joining the Company, he has worked with various organisations such as Genus Overseas Electricity Limited, Secure Meters Private Limited and Rajasthan Rajya Vidyut Utpadan Nigam Limited. During fiscal 2008, Mr. Taunk was paid a gross compensation of Rs. 0.95 million.

All key managerial personnel are permanent employees of the Company.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel of the Company hold any Equity Shares of the Company as of the date of filing this Draft Red Herring Prospectus.

Bonus or profit sharing plan of the Key Management Personnel

Our Company does not have a performance linked bonus or a profit sharing plan for the Key Management Personnel.

Interests of Key Management Personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in the key management personnel in the last three years are as follows:

Name of the Key Management Person	Date	Reason for Change
Mr. R. Natarajan	January 20, 2006	Appointed
Mr. Govind Ram Modi	May 13, 2006	Appointed
Mr. Devendra Swaroop Sinha	July 12, 2006	Appointed
Mr. Ahmad Vahora	August 1, 2006	Appointed
Mr. Asha Ram Sharma	November 17, 2006	Appointed
Mr. Vineet Jain	December 4, 2006	Appointed
Mr. Keshav Saran	July 2, 2007	Appointed
Mr. Kantilal Taunk	August 1, 2007	Appointed

Name of the Key Management Person	Date	Reason for Change
Mr. Dwarka Lal Gupta	August 8, 2007	Appointed
Mr. Subrato Trivedi	August 13, 2007	Appointed
Mr. Devendra Sinha	August 14, 2007	Appointed
Mr. Dev Prakash Joshi	August 14, 2007	Appointed
Mr. Pyarelal Maurya	August 20, 2007	Appointed
Mr. Jatinder Bhatnagar	August 23, 2007	Appointed
Mr. Omprakash Kalia	August 25, 2007	Appointed
Mr. Sanjib Kumar Sarkar	September 7, 2007	Resigned
Mr. Saurabh Mashruwala	September 24, 2007	Appointed
Mr. Vijayasimha Kasi	September 27, 2007	Appointed
Mr. Avtar Singh	October 1, 2007	Appointed
Mr. Laxmi Narayan Agrawal	October 1, 2007	Appointed
Mr. Rajinder Paul Mittal	October 18, 2007	Appointed
Mr. Banshi Dhar De	October 19, 2007	Appointed
Mr. Dinesh Kumar Singh	October 20, 2007	Appointed
Mr. Sunil Jain	October 22, 2007	Appointed
Mr. Bhagwan Kodwani	October 22, 2007	Appointed
Mr. Kush Singh	October 30, 2007	Appointed
Mr. K. C. Panigrahi	November 1, 2007	Appointed
Mr. P. Paravata Gouda	November 27, 2007	Appointed
Mr. Subimal P. Shome	January 15, 2008	Appointed
Mr. Bishnu P. Nanda	January 21, 2008	Appointed
Mr. Harji Lal Saini	February 1, 2008	Appointed
Mr. K. Venugopal	April 1, 2008	Appointed
Mr. Vinod K. Bhatnagar	March 11, 2008	Appointed
Mr. Rajendra Bansal	February 1, 2008	Appointed
Mr. Bajrang Lal Jangir	February 26, 2008	Appointed

OUR PROMOTERS

Our Promoters are as follows:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani
3. Adani Enterprises Limited

Our Individual Promoters

	**Mr. Gautam S. Adani** is the non-executive Chairman of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 143 of this Draft Red Herring Prospectus. His driving license number is GJ01/805843/01and his voter identification number LPZ4089314.
	**Mr. Rajesh S. Adani** is the Managing Director of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 143 of this Draft Red Herring Prospectus. His driving license number is 01-404400-00 and his voter identification number is LBR6827703.

Our Company undertakes that the details of the PAN, Bank Account Numbers, and Passport Numbers of our Promoter will be submitted to the stock exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

For more details of Mr. Gautam S. Adani and Mr. Rajesh S. Adani, please see the section titled "Our Management – Board of Directors" on page 143 of this Draft Red Herring Prospectus.

Our Corporate Promoters

Adani Enterprises Limited

Corporate Information

Adani Enterprises Limited ("AEL") was incorporated under the Companies Act on March 2, 1993 as Adani Exports Limited. Its name was subsequently changed to Adani Enterprises Limited on August 10, 2006.

AEL is engaged in the business of trading in and import and export of goods, carrying out mining activities and acquisition of land and other property and real estate for developmental activities.

Registered Office

The registered office of AEL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The Board of Directors of AEL comprises of:

1. Mr. Gautam S. Adani

2. Mr. Rajesh S. Adani
3. Mr. Pradeep Mittal
4. Mr. Vasant S. Adani
5. Mr. Jay H. Shah
6. Dr. A.C. Shah
7. Dr. Pravin P. Shah
8. Mr. Chinubhai R. Shah

Shareholding Pattern

The shareholding pattern of AEL as on March 31, 2008 is as follows:

Name of the shareholders	**Number of equity shares held**	**%**
Promoters and Promoter Group		
Mr. Rajesh S. Adani/Ms. Shilin R. Adani (on behalf Rajesh S. Adani Family Trust)	3,771,000*	1.53
Mr. Vasant S. Adani/Ms. Pushpa V. Adani (on behalf Vasant S. Adani Family Trust)	7,275,000	2.95
Ms. Pushpa V. Adani/Mr. Vasant S. Adani (on behalf Vasant S. Adani Family Trust)	3,350,000	1.36
Mr. Gautam S. Adani/Ms. Priti G. Adani (on behalf Gautam S. Adani Family Trust)	5,000,000	2.03
Mr. Mahasukh S. Adani/Ms. Suvarna M. Adani (on behalf Mahasukh S. Adani Family Trust)	3,216,000	1.30
Ms. Suvarna M. Adani/Mr. Mahasukh S. Adani (on behalf Mahasukh S. Adani Family Trust)	1,074,000	0.44
Ms. Shilin R. Adani/Mr. Rajesh S. Adani (on behalf Rajesh S. Adani Family Trust)	3,500,000*	1.42
Mr. Vinod S. Adani/Ms. Ranjan V. Adani (on behalf Vinod S. Adani Family Trust)	15,395,000*	6.25
Ms. Ranjan V. Adani/Mr. Vinod S. Adani (on behalf Vinod S. Adani Family Trust)	2,480,000	1.01
Mr. Gautam S. Adani/Mr. Rajesh S. Adani (on behalf S. B. Adani Family Trust)	95,190,500	38.62
Mr. Pranav V. Adani (On behalf of Inter Continental (India))	3,250,000	1.32
Mr. Pranav V. Adani (On behalf of Advance Investment)	4,580,000	1.86
Ms. Priti G. Adani (on behalf of Adani Investment)	1,844,000	0.75
Adani Agro Private Limited	14,513,500	5.89
Adani Infrastructure Services Private Limited	19,972,691	8.10
Mr. Bhavik B. Shah	16,000	0.01
Mr. Rakesh R. Shah	305,540	0.12
Ms. Surekha B. Shah	16,000	0.01
Ms. Priti R. Shah	98,000	0.04
Mr. Vinod N. Sanghvi	8,000	0.00
Sub Total (A)	**184,855,231**	**75.00**
Institutional Investors		
Mutual Funds	3,951,379	1.60
Banks, Financial Institutions, Insurance Companies	6,943	0.00
Foreign Institutional Investors	34,326,342	13.93
Sub Total (B)	**38,284,664**	**15.53**
Others		
Private Corporate Bodies	3,485,073	1.42
Indian Public	13,591,571	5.51
NRIs/OCBs	5,983,680	2.43
Foreign National	5,000	0.0
Shares in Transit	**278,756**	**0.11**
Sub Total (C)	**233,470,080**	**25.00**
Total (A+B+C)	**246,486,975**	**100.0**

**Includes 4,000,000 and 3,400,000 shares pledged with State Bank of India and Bank of India, respectively.*

There has been no change of management or control of AEL. For details of AEL, Gautam S. Adani and Rajesh S. Adani, please see section titled “Our Promoters” on page 158 and “Our Management” on page 143, of this Draft Red herring Prospectus.

Financial Performance

Summary audited stand-alone financial statements of AEL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Capital	246.5	226.2	225.5
Reserves (excluding revaluation reserves) and surplus	10,195.3	7,478.1	6,518.80
Income (including other income)	101,556.5	93,392.80	135,188.7
Profit After Tax	1,506.90	1,183.4	1,082.9
Earning Per Share (face value Rs. 1 each) (in Rs.)	5.35	4.89	4.71
Net asset value per share (in Rs.)	42.4	34.10	29.90

*** The face value of the equity shares of AEL was sub-divided from Rs. 10 each to Re. 1 with effect from August 5, 2004. Accordingly, the Earning per Share and the Net Asset Value per Share has been calculated for equity shares having a face value of Rs. 1 per equity share.*

AEL has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

Share Price Information

The equity shares of Adani Enterprises Limited are listed on BSE, NSE and the Ahmedabad Stock Exchange.

The monthly high and low of the market price of the equity shares of AEL having a face value of Re. 1 each on NSE for the last six months are as follows:

Month	High (Rs.)	Low (Rs.)
October 2007	869.85	565
November 2007	884.65	761.3
December 2007	1149.35	770
January 2008	1330.6	845.85
February 2008	910.0	650.65
March 2008	728.00	495.00

Source: www.nseindia.com

The monthly high and low of the market price of the equity shares of AEL having a face value of Re. 1 each on BSE for the last six months are as follows:

Month	High (Rs.)	Low (Rs.)
October 2007	870	562.5
November 2007	885.8	761
December 2007	1148.9	774
January 2008	1335	856.25
February 2008	905.0	653.4
March 2008	707.00	490.00

Source: www.bseindia.com

The market capitalisation of AEL based on the closing price of Rs. 608.00 per equity share on the BSE as on March 31, 2008 was Rs. 149,864.00 million.

The market capitalisation of AEL based on the closing price of Rs. 608.30 per equity share on the NSE as on March 31, 2008 was Rs. 149,938.00 million.

The equity shares of AEL were delisted from the Ahmedabad Stock Exchange w.e.f. December 20, 2007.

Other details relating to AEL

PAN	AABCA2804L
Bank Account Details	Axis Bank Limited “Trishul” Opposite Samarteshwar Temple Law Garden Branch Ellisbrige Ahmedabad 380 006 Phone: (91 79) 6630 6102 Fax: (91 79) 6630 6109 Account Number: 003010200000380
Registration Number (Company Identification Number)	L51100GJ1993PLC019067
Address of RoC	ROC Bhavan CGO Complex, Opposite Rupal Park Society Near Ankur Bus Stand Navrangpura Ahmedabad 380 013 Tel: (91 79) 2743 8531 Fax: (91 79) 2743 8371

We confirm that the permanent account number, bank account number, company registration number and the address of the Registrar of Companies where AEL is registered shall be submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them. Further, AEL has confirmed that it has not been detained as wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or are pending against it, except as disclosed in the section titled “Outstanding Litigation and Material Developments” on page 294 of this Draft Red Herring Prospectus.

Details of past public/ rights issues

The initial public offering of equity shares of AEL having a face value of Rs. 10 each took place in November 1994. A total of 1,261,900 equity shares were issued as part of the initial public offering and the issue price was Rs. 150 per equity share.

The objects of the issue were as follows:

- To augment the long term working capital requirements;
- To get the equity shares listed on the stock exchanges; and
- To meet the expenses of the issue.

AEL has utilized the net proceeds arising out of the Issue for the stated objects.

Mechanism for redressal of investor grievance

The Board of Directors of AEL has constituted a shareholder/investor grievance committee to deal with various matters relating to redressal of investors grievances. AEL has also entered into an agreement with the Pinnacle Shares Registry Private Limited to handle all investor grievances under the overall supervision of the investor grievance committee of AEL.

Investor grievances are usually resolved within an average period of 15 days from the date of its receipt.

During the period ended March 31, 2008, AEL has no outstanding complaints from the shareholders regarding change of address, non receipt of dividend warrants, non receipts of balance sheet, etc.

Interests of Promoters and Common Pursuits

The aforementioned Promoters of our Company are interested to the extent of their shareholding in us. Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Further, our individual Promoters are also directors on the boards of or members of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For further details, please refer to the section titled "Our Promoter Group" on page 163 of this Draft Red Herring Prospectus. For the payments that are made by our Company to certain Promoter Group entities, please refer to the section titled "Related Party Transactions" on page 220 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed in the sections titled "Our Promoter Group" on page 163 of this Draft Red Herring Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Payment of benefits to our Promoters

Except as stated in the section titled "Related Party Transactions" on page 220 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Prospectus.

Confirmations

Further, none of our Promoters has been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material Developments" beginning on page 294 of this Draft Red Herring Prospectus.

Companies with which the Promoters have disassociated in the last three years

AEL has disassociated from Advantage Retail Limited as it was sold off to Reliance Retail Limited.

OUR PROMOTER GROUP

Apart from our Promoters, the following companies and individuals constitute our Promoter Group:

Relatives of Promoters

The natural persons who are part of our Promoter group (due to their relationship with our Promoters), other than the Promoters named above are as follows:

Name of the Person	Relationship
Ms. Priti G. Adani	Wife of Mr. Gautam S. Adani
Ms. Shilin R. Adani	Wife of Mr. Rajesh S. Adani
Mr. Shantilal B. Adani	Father of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Ms. Shantaben S. Adani	Mother of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Mr. Mahasukh S. Adani	Brother of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Mr. Vasant S. Adani	Brother of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Mr. Vinod S. Adani	Brother of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Ms. Surekha Shah	Sister of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Ms. Priti Shah	Sister of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Ms. Sharmishta Sanghavi	Sister of Mr. Gautam S. Adani and Mr. Rajesh S. Adani
Mr. Karan G. Adani	Son of Mr. Gautam S. Adani
Mr. Jeet G. Adani	Son of Mr. Gautam S. Adani
Mr. Sagar R. Adani	Son of Mr. Rajesh S. Adani
Ms. Rahi R. Adani	Daughter of Mr. Rajesh S. Adani
Ms. Vanshi R. Adani	Daughter of Mr. Rajesh S. Adani

Entities forming part of the Promoters Group

Sr. No.	Name of the company
1.	Adani Agri Fresh Limited
2.	Adani Agri Logistics Limited
3.	Adani Agro Private Limited
4.	Adani Developers Private Limited
5.	Adani Energy Limited
6.	Adani Estate Private Limited
7.	Adani Global Limited
8.	Adani Global FZE
9.	Adani Global PTE Limited
10.	Adani Habitats Private Limited
11.	Adani Infrastructure and Developers Private Limited
12.	Adani Infrastructure Services Private Limited
13.	Adani Land Developers Private Limited
14.	Adani Landscaps Limited
15.	Adani Logistics Limited
16.	Adani Mining Private Limited
17.	Adani Mundra SEZ Infrastructure Private Limited
18.	Adani Petronet (Dahej) Port Private Limited
19.	Adani Port Infrastructure Private Limited
20.	Adani Properties Private Limited
21.	Adani Retails Limited
22.	Adani Shipping PTE Limited
23.	Adani Shipyard Private Limited
24.	Adani Virginia, Inc.
25.	Adani Welspun Exploration Limited
26.	Adani Wilmar Limited
27.	B2B India Private Limited
28.	Columbia Chrome (India) Private Limited
29.	Gujarat Adani Aviation Private Limited

Sr. No.	Name of the company
30.	Inland Conware Private Limited
31.	Inland Conware (Ludhiana) Private Limited
32.	Libra Shipping PTE Limited
33.	Miraj Impex Private Limited
34.	MPSEZ Utilities Private Limited
35.	Mundra Aviation Limited
36.	Mundra Port and Special Economic Zone Limited
37.	Mundra SEZ Textile and Apparel Park Limited
38.	Parsa Kente Collieries Limited
39.	Pride Trade and Investment Private Limited
40.	PT Adani Global
41.	Radiant Trade and Investment Private Limited
42.	Rajasthan SEZ Private Limited
43.	Shantigram Estate Management Private Limited
44.	Shantikrupa Services Private Limited
45.	Shantikrupa Estates Private Limited
46.	Swayam Realtors and Traders Private Limited
47.	Trident Trade and Investment Private Limited
48.	Ventura Trade and Investment Private Limited
49.	Vishakha Polyfab Private Limited
50.	Vyom Tradelinks Private Limited

Sr. No.	Name of the Partnership/Sole Proprietorship Firm
1.	Adani Investment
2.	Adani Textiles Industries
3.	Ezy Global
4.	Shanti Builders

Sr. No.	Name of the Trust
1.	Shantilal Bhudarmal Adani Family Trust
2.	Gautambhai S. Adani Family Trust
3.	Rajeshbhai S. Adani Family Trust
4.	Vasant S. Adani Family Trust
5.	Vinod S. Adani Family Trust
6.	Mahasukh S. Adani Family Trust

Sr. No.	Name of the HUF
1.	Gautambhai S. Adani HUF
2.	Rajeshbhai S. Adani HUF
3.	Vasant S. Adani HUF
4.	Vinod S. Adani HUF
5.	Mahasukh S. Adani HUF

1. Adani Agri Fresh Limited

Corporate Information

Adani Agri Fresh Limited ("AAFL") was incorporated under the Companies Act on December 14, 2004. As per the Memorandum of Association of AAFL, its main objects are to establish, construct, build, equip, own and maintain and to carry on the business as keepers of cold storages, strong chambers, ice plants, godowns, warehouse, refrigerators, freezing house and room coolers etc.

Registered Office

The registered office of AAFL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat.

Board of Directors

The board of directors of AAFL comprises of:

1. Mr. Rajesh S. Adani
2. Mr. Pranav V. Adani
3. Mr. Atul Chaturvedi

Shareholding Pattern

The shareholding pattern of AAFL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	45,610,000	100.00
	Total	**45,610,000**	**100.00**

**This includes 60 equity shares of AAFL held by the nominees of AEL.*

Financial Performance

The summary audited stand-alone financial statements of AAFL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Equity Capital	456.1	315.6	0.50
Reserves (excluding revaluation reserves) and surplus	(3.14)	(3.12)	(2.31)
Income	0.00	0.00	0.00
Profit and Loss - Debit Balance	0.00	0.00	0.00
Profit After Tax	0.00	0.00	0.00
Earning Per Share (face value Rs. 10)	0.00	0.00	0.00
Net Asset Value per share (in Rs.)*	9.93	9.9	(36.28)

**It has been adjusted for miscellaneous expenses of Rs. 3.14 million and Rs. 3.12 million for FY07 and FY06, respectively.*

AAFL is an unlisted company. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

2. Adani Agri Logistics Limited

Corporate Information

Adani Agri Logistics Limited ("AALL") was incorporated under the Companies Act on January 25, 2005 as Adani Logistics Limited. Its name was subsequently changed to Adani Agri Logistics Limited on June 28, 2005. AALL is a subsidiary of Adani Enterprises Limited. AALL is engaged in the business of transportation.

Registered Office

The registered office of AALL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat.

Board of Directors

The board of directors of AALL comprises of:

1. Mr. Pranav V. Adani;
2. Mr. Atul Chaturvedi; and
3. Mr. Yogendra Sharma.

Shareholding Pattern

The shareholding pattern of AALL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited	99,828,000*#	100.00
	TOTAL	**99,828,000**	**100.00**

* 30,000,000 equity shares are partly paid up and Rs. 224,357,500 is paid up on the same.
\# This includes 252,500 equity shares of AALL held by nominees of Adani Enterprises Limited.

Financial Performance

The summary audited stand-alone financial statements of AALL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	534.54	115.23
Reserves (excluding revaluation reserves) and surplus	(53.86)	(74.07)
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10)	0.00	0.00
Net asset value per share*	4.82	0.41

**NAV per share is calculated using the formula: (equity share capital - miscellaneous expenses – debit balance in P & L account) / no. of equity shares outstanding. Further, it has been adjusted for miscellaneous pre-operative expenses of Rs. 53.86 million and Rs. 74.07 million for FY07 and FY06, respectively.*

AALL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

3. Adani Agro Private Limited

Corporate Information

Adani Agro Private Limited ("AAPL") was incorporated under the Companies Act as Adani Agro Limited on February 14, 1995. It was subsequently converted into a private limited company and consequently the name of the company has been changed from Adani Agro Limited to Adani Agro Private Limited.

AAPL is engaged in the business as agriculturists, dry farming, floriculture, tissue culture, floriculture, horticulturists, farms, planters, gardeners, vegetable growers, cultivators, fillers, nurserymen, husbandmen and producers of all varieties and kind of agricultural products, vegetable, seeds and with a view thereto raise vegetable plants, etc. Also to carry on the business of cultivation, planters, growers in cold chambers or otherwise, manufacturers or sellers or exporters and dealers in mushrooms, animal fodder corn, cocoa, rice, oil deeds, copra, coconuts, sugarcane, plantations grain, paddy, cereals, vegetables, agricultural, sericulture and horticultural products and to manufacturing, or tinning or canning or processing or dispose of by and in the said products and other derivatives or soil. Also to acquire, takeover, promote, establish and carry on all or any of the business of seed crushers and manufacturers of and dealers in groundnut, ginger, castor, cotton, mowra linseed, rape and mustard cakes, oil extractors by crushing chemical or any other process, cake scrap boilers, manufacturers of floors and floors covering of every description, makers and manufacturers of cattle food and feeding and fattening preparations of every description, makers and manufacturers of artificial manures and fertilizers of every description, mean manufacturers, grain and seed merchants, oil merchants, flax cotton, ground nut, gingelly, mowera and castor merchants.

Registered Office

The registered office of AAPL is located at 8th Floor, Shikhar, near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of AAPL comprises of:

1. Mr. Samir Vora
2. Mr. Shyamal Joshi

Shareholding Pattern

The shareholding pattern of AAPL on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity Shares held	Percentage
1.	SBAFT (Priti G Adani)	2,042,799	39.18
2.	SBAFT (Shilin R Adani)	42,799	00.82
3.	SBAFT (Vinod S Adani)	42,800	00.82
4.	SBAFT (Ranjan Vinod Adani)	42,798	00.82
5.	SBAFT (Pranav Adani)	42,800	00.82
6.	Adani Investment (Priti G. Adani)	1,000,000	19.18
7.	Adani Investment (Shilin R. Adani)	1,000,000	19.18
8.	Adani Investment (Vinod S. Adani)	500,000	9.59
9.	Adani Investment (Ranjan V. Adani)	500,000	9.59
10.	Others	4	0.00
	Total	**5,214,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of AAPL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Equity Capital	52.14	52.14	52.14
Reserves (excluding revaluation Reserves) and surplus*	710.74	499.74	606.84
Income including other income	1,478.45	1,857.48	134.42
Profit After Tax	210.97	(107.13)	(36.52)
Earning Per Share (face value Rs. 10)** (in Rs.)	40.46	(20.55)	(7.00)
Net asset value per share (in Rs.) #	146.31	105.85	126.39

**Adjusted for miscellaneous expenses of Rs. 0.08 million, Rs. 0.11 million and Rs. 0.14 million for FY07, FY06 and FY05, respectively.*
***Annualised.*
#NAV per share is calculated using the formula: (equity share capital +reserves - miscellaneous expenses – debit balance in P & L account/ no. of equity shares outstanding.

AAPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

4. Adani Developers Private Limited

Corporate Information

Adani Developers Private Limited ("ADPL") was incorporated under the Companies Act on May 13, 2005 as Adani Realty Private Limited. Its name was subsequently changed to Adani Developers Private Limited on February 10, 2006. ADPL is engaged in the business of developing Real Estate.

Registered Office

The registered office of ADPL is located at Adani House, near Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of ADPL comprises of:

1. Mr. Rajesh S. Adani
2. Mr. Tarwinder Singh
3. Mr. Devang Desai

Shareholding Pattern

The shareholding pattern of ADPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Infrastructure and Developers Private Limited*	801,000	89.00
2.	Mayfair Housing Private Limited	99,000	11.00
	TOTAL	**900,000**	**100.00**

**This includes 5,000 equity shares of ADPL held by nominees of Adani Infrastructure and Developers Private Limited*

Financial Performance

The summary audited stand-alone financial statements of ADPL for fiscal years 2006 and 2007are as follows:

(In Rs. million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.50	0.10
Reserves (excluding revaluation reserves) and surplus	(1.63)	(0.28)
Income (Loss)	0.00	0.00
Profit (Loss) After Tax	(1.35)	(0.28)
Earning Per Share (face value Rs. 10)*	(133.35)	(27.80)
Net asset value per share	(2.25)	(17.80)

** Basic and diluted.*
NAV per share is calculated using the formula: (equity share capital +reserves - miscellaneous expenses – debit balance in P & L account/ no. of equity shares outstanding.

ADPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding.

5. Adani Energy Limited

Corporate Information

Adani Energy Limited ("Adani Energy") was incorporated under the Companies Act as Gujarat Adani Energy Limited on October 31, 2001. Its name was subsequently changed to Adani Energy (Gujarat) Limited on November 8, 2005 and to Adani Energy Limited on March 7, 2006. Adani Energy is a subsidiary of Adani Habitats Private Limited. Adani Energy is engaged in the business of production, supply, transportation and distribution of all forms of conventional and non conventional energy.

Registered Office

The registered office of Adani Energy is located at is located at Adani House, near Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of Adani Energy comprises of:

1. Mr. Gautam S. Adani
2. Mr. Rajeev Sharma
3. Mr. Rajesh S. Adani
4. Mr. Vijay Ranchan

Shareholding Pattern

The shareholding pattern of Adani Energy on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Habitats Private Limited*	106,040,480	65.00
2.	Opal Travels Private Limited	57,098,720	35.00
	TOTAL	**163,139,200**	**100.00**

** This includes 600 equity shares of Adani Energy held by nominees of Adani Habitats Private Limited*

Financial Performance

The summary audited stand-alone financial statements of Adani Energy for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		For the period from September 27, 2004 to March 31, 2005
	March 31, 2007	March 31, 2006	
Equity Capital	1,631.39	900.0	400.0
Reserves and surplus (excluding revaluation reserves)**	(29.91)	(48.54)	(51.37)
Income	1,774.76	790.61	70.74
Profit After Tax	95.57	17.42	(7.86)
Earning Per Share (face value Rs. 10)* (in Rs.)	0.86	0.38	(0.60)
Net asset value per share (in Rs.)	9.82	9.46	8.72

** Annualised and diluted.*

** *Adjusted for miscellaneous pre-operative expenses of Rs. 135.05 million and Rs. 58.10 million and 51.37 million for FY07, FY06 and FY05, respectively.*

Adani Energy is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

6. Adani Estates Private Limited

Corporate Information

Adani Estates Private Limited ("AEPL") was incorporated under the Companies Act on October 20, 2005 as Adani Realty (Mumbai) Private Limited. Its name was subsequently changed to Adani Townships & Real Estate Company (Mumbai) Private Limited on March 6, 2006. Its name was subsequently changed to Adani Estate Private Limited on August 23, 2006. AEPL is engaged in the business of developing real estate

Registered Office

Its registered office is located at Adani House, near Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of AEPL comprises of:

1. Mr. Tarvinder Singh
2. Mr. Bhavik B. Shah
3. Mr. Shyamal Joshi

Shareholding Pattern

The shareholding pattern of AEPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Infrastructure and Developers Private Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

** This includes 100 equity shares of AEPL held by nominees of Adani Infrastructure and Developers Private Limited*

Financial Performance

The summary audited stand-alone financial statements of AEPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.50	0.10
Reserves (excluding revaluation reserves) and surplus	1.70	1.21
Income	118.34	3.23
Profit After Tax	0.49	1.21
Earning Per Share (face value Rs. 10)*	48.40	120.68
Net asset value per share	43.92	130.68

** Basic and diluted.*

AEPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

7. Adani Global Limited

Corporate Information

Adani Global Limited ("AGL") was incorporated in Republic of Mauritius on January 22, 1997. The objects for which the Company is established are to engage in any offshore business or businesses whatsoever, which are not prohibited under laws for the time being in force in the Republic of Mauritius and to do all such other things as are incidental to, or the Company may think conducive to the conduct, promotion or attainment of the objects of the Company.

Registered Office

The registered office of AGL is located at C/o Trustlink International Limited, Suite 501, St. James Court, St. Denis Street, Port Louis, Mauritius.

Board of Directors

The board of directors of AGL comprises of:

1. Mr. Vinod S. Shah
2. Mr. Samir Vora
3. Mr. Chang Chung Ling
4. Mr. Giandeo Reemul
5. Mr. Theyvarajen Ronumbalum

Shareholding Pattern

The shareholding pattern of AGL on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (US$ 100 Per Shares)	Percentage
1.	Adani Enterprises Limited	64,000	100,00
	TOTAL	**64,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of AGL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year period from January 1, 2006 to March 31, 2007	For the period from January 1, 2005 to December 31, 2005
Equity Capital	308.90	308.90
Reserves (excluding revaluation reserves) and surplus	(11.60)	5.90
Income	4.40	4.30
Profit After Tax	3.00	4.00
Earning Per Share (face value US$ 100)* (in Rs.)	37.77	62.42
Net asset value per share (in Rs.)	4645.31	4918.75

** Annualised.*

8. Adani Global FZE

Corporate Information

Adani Global FZE ("AG FZE") was incorporated in pursuant to Law No. 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority and Registered in the FZE Register on November 22, 1997. The objects for which the Company is established is general trading.

Registered Office

The registered office of AG FZE is located at 4th Floor, Standard Chartered Bank Building, next to Ramada Hotel, Bur Dubai, Dubai, U.A.E.

Board of Directors

The board of directors of AG FZE comprises of:

1. Mr. Vinod S. Shah
2. Mr. Rakesh Shah

Shareholding Pattern

The shareholding pattern of AG FZE on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (AED* 1,000,000 Per Shares)	Percentage
1.	Adani Global Limited	18	100,00
	TOTAL	**18**	**100.00**

** AED – United Arab Emirates Dirhams*

Financial Performance

The summary audited stand-alone financial statements of AG FZE for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the period from January 1, 2006 to March 31, 2007	For the period from January 1, 2005 to December 31, 2005
Equity Capital	230.20	230.20
Reserves (excluding revaluation reserves) and surplus	844.80	734.00
Income	15,905.90	13,289.60
Profit After Tax	146.60	147.90
Earning Per Share (face value AED* 1,000,000) ** (in Rs.)	6,513,459.51	8,218,193.18
Net asset value per share (in Rs.)	59,722,222.22	53,566,666.67

**AED – United Arab Emirates Dirhams*
***Annualised*

9. Adani Global PTE Limited

Corporate Information

Adani Global PTE Limited ("AGPL") was incorporated in Republic of Singapore on April 8, 2000. The objects for which the Company is established are: to carry on business as general merchants, importers and exporters, commission agents and manufacturers' representative and to carry on business as stevedores, merchants, carriers by land, water and air, freight contractors, managers of shipping property, ship owners, aircraft owners, warehousemen, wharfingers, etc..

Registered Office

The registered office of AGPL is located at 3, Shenton Way, # 09-09 A Shenton House, Singapore 068 805.

Board of Directors

The board of directors of AGPL comprises of:

1. Mr. Vinod S. Shah
2. Mr. Atul Chaturvedi

Shareholding Pattern

The shareholding pattern of AGPL on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (SG$ 1 Per Shares)	Percentage
1.	Adani Global Limited	43,117,530	100,00
	TOTAL	**43,117,530**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of AGPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the period from January 1, 2006 to March 31, 2007	For the period from January 1, 2005 to December 31, 2005
Equity Capital	240.70	240.70
Reserves (excluding revaluation reserves) and surplus	132.20	68.10
Income	54,570.50	30,324.10
Profit After Tax	46.40	29.30
Earning Per Share* (face value SG$** 1) (in Rs.)	4.19	3.31
Net asset value per share (in Rs.)	42.14	34.89

**Annualised.*
*** SG$ - Singapore Dollar*

10. Adani Habitats Private Limited

Corporate Information

Adani Habitats Private Limited ("AHPL") was incorporated under the Companies Act on October 11, 2006. AHPL is engaged in the business of carrying on either alone or jointly with one or more person, government, local or other bodies, the business to construct, Real Estate, construction, infrastructure development, township development, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, 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, financer, agent, broker, supervisor, administrate, contractor, sub-contractor, turn-key contractor and manager of all types of electrical, mechanical, 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, houses, flats, apartments, housing towers, offices, shops, buildings, sheds, properties, godowns, structures, drainage and sewage works, land development, water distribution and filtration systems, docks, marine, ship breaking, harbours, port development, piers, irrigations works foundation works, flyovers, airports, runways, rock drilling etc.

Registered Office

Its registered office is located at 10th Floor, Shikhar, near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of AHPL comprises of:

1. Mr. Shyamal Joshi
2. Mr. Pranav V. Adani
3. Mr. Bhavik Shah

Shareholding Pattern

The shareholding pattern of AHPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

* *This includes 60 equity shares of AHPL held by nominees of Adani Enterprises Limited*

Financial Performance

The summary audited stand-alone financial statements of AHPL for fiscal year 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital*	0.50
Reserves (excluding revaluation reserves) and surplus	0.05
Income (Loss)	0.00
Profit (Loss) After Tax	(0.05)
Earning Per Share (face value Rs. 10) *	(4.70)
Net asset value per share	10.96

**Basic and diluted.*

AHPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

11. Adani Infrastructure and Developers Private Limited

Corporate Information

Adani Infrastructure and Developers Private Limited ("AIDPL") was incorporated under the Companies Act on July 12, 2006. AIDPL is engaged in the business of development of real estate.

Registered Office

Its registered office is located at 121, 12th Floor, Maker Chambers III, Nariman Point, Mumbai 400 021.

Board of Directors

The board of directors of AIDPL comprises of:

1. Mr. Devang Desai
2. Mr. Bhavik B. Shah

3. Mr. Pranav V. Adani

Shareholding Pattern

The shareholding pattern of AIDPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

** This includes 5,000 equity shares of AIDPL held by nominees of Adani Enterprises Limited.*

Financial Performance

The summary audited stand-alone financial statements of AIDPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	0.50
Reserves (excluding revaluation reserves) and surplus	0.56
Income	299.99
Profit After Tax	0.56
Earning Per Share (face value Rs. 10)*	55.48
Net asset value per share	21.26

**Basic and diluted.*

AIDPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

12. Adani Infrastructure Services Private Limited

Corporate Information

Adani Infrastructure Services Private Limited ("AISPL") was incorporated under the Companies Act on October 27, 1999 as Adani Infrastructure Services Limited. It was converted into private limited company and the name was changed to Adani Infrastructure Services Private Limited on March 7, 2006. As per the memorandum of association of APIPL, its main objects are the business of developing, maintaining and operating infrastructure facilities and making investments in such enterprises.

Registered Office

The registered office of AISPL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of AISPL comprises of:

1 Ms. Priti G. Adani
2 Mr. Shyamal Joshi
3 Mr. Bhavik B. Shah

Shareholding Pattern

The shareholding pattern of AISPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Shilin R. Adani)	44,859,402	37.32
2.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Gautam S. Adani /Rajesh S. Adani)	48,100,264	40.01
3.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Vinod S. Adani)	13,597,402	11.31
4.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Ranjan Vinod Adani)	13,549,402	11.27
5.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Priti G. Adani)	101,000	0.08
6.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Pranav V. Adani)	1,500	0.00
7.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Namrata P. Adani)	1,000	0.00
	Total	**120,209,970**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of AISPL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Capital	1,202.10	1,202.10	1,202.10
Reserves (excluding revaluation reserves) and surplus**	5,062.58	4,776.05	(217.39)
Income	311.29	1.02	1.02
Profit After Tax	286.12	0.53	0.09
Earning Per Share (face value Rs. 10)* (in Rs.)	2.38	0.0	0.0
Net Asset value per share (in Rs.)**	52.11	49.73	8.19

* *Computed on the basis of earnings including extraordinary items*
***Adjusted for miscellaneous expenditure of Rs. 1.24 million, Rs. 1.65 million and Rs. 2.06 million for FY07, FY06 and FY05, respectively.*

AISPL is an unlisted company. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

13. Adani Land Developers Private Limited

Corporate Information

Adani Land Developers Limited ("ALDPL") was incorporated under the Companies Act, 1956 on September 7, 2006. ALDPL is engaged in the business of developing real estate.

Registered Office

Its registered office is located at 8th Floor, Shikhar, near Adani House, Mithakhali Circle, Navrangpura, Ahmedabad 380009.

Board of Directors

The board of directors of ALDPL comprises of:

1. Mr. Devang Desai
2. Mr. Tarwinder Singh

3. Mr. Shyamal S. Joshi

Shareholding Pattern

The shareholding pattern of ALDPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Infrastructure and Developers Private Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

**This includes 5,000 equity shares of ALDPL held by nominees of Adani Infrastructure and Developers Private Limited.*

Financial Performance

The summary audited stand-alone financial statements of ALDPL for fiscal year 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	0.50
Reserves (excluding revaluation reserves) and surplus	(0.03)
Income (Loss)	0.00
Profit (Loss) After Tax	(0.03)
Earning Per Share (face value Rs. 10)* (in Rs.)	(2.76)
Net asset value per share (in Rs.)	9.44

**Basic and diluted.*

ALDPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

14. Adani Landscaps Private Limited

Corporate Information

Adani Landscaps Private Limited ("Adani Landscaps") was incorporated under the Companies Act on September 27, 2007. Adani Landscaps is engaged in the business of developing real estate.

Registered Office

Its registered office is located at Adani House, Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of Adani Landscaps comprises of:

1. Mr. Pranav V. Adani
2. Mr. Devang Desai
3. Mr. Tarwinder Singh

Shareholding Pattern

The shareholding pattern of Adani Landscaps as of January 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Infrastructure and Developers Private Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

** This includes 6 equity shares of Adani Landscaps held by nominees of Adani Infrastructure and Developers Private Limited.*

Financial Performance

The financial statements of AMPL are not available as it is in the first year of its incorporation.

Adani Landscaps is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

15. Adani Logistics Limited

Corporate Information

Adani Logistics Limited ("ALL") was incorporated under the Companies act on July 28, 2005. ALL is a subsidiary of Mundra Port and Special Economic Zone Limited. The business of ALL is the business to make arrangements and to establish, develop, handle, own, operate, organise, manage, run, charter, conduct, and to act as transporters including storage, handling and transportation of foodgrain and other agri commodities in bulk, bagged, in containerised formon land, air and water, arranging transportation of goods, passengers, articles on things on all routes and lines on national and international level through all sorts of carriers, store in bulk silos or bulk or baggaged storage in water..

Registered Office

The registered office of ALL is located at Adani House, Near Mithakali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of directors

The board of directors of ALL comprises of:

1. Mr. Gautam S. Adani
2. Mr. Ameet H. Desai
3. Mr. Rajeev Ranjan Sinha
4. Mr. Yogendra Sharma
5. Mr. S. K. Tuteja

Shareholding Pattern

The shareholding pattern of ALL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Mundra Port and Special Economic Zone Limited	51,050,000*	100
	Total	**51,050,000**	**100**

** This includes 600 equity shares of ALL held by nominees of Mundra Port and Special Economic Zone Limited.*

Financial Performance

The summary audited stand-alone financial statements of ALL for fiscal years 2006 and 2007 are as follows:

(In Rs. million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	510.50	510.50
Reserves (excluding revaluation reserves) and surplus*	0.39	(4.37)
Income (Loss)	21.94	0.00
Profit (Loss) After Tax	0.39	0.00
Earning Per Share (face value Rs. 10)** (in Rs.)	0.01	0.00

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Net asset value per share (in Rs.)	10.00	9.91

**Adjusted for miscellaneous expenditure of Rs. 4.37 million for FY06.*
***Diluted.*

ALL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

16. Adani Mining Private Limited

Corporate Information

Adani Mining Private Limited ("AMPL") was incorporated under the Companies Act on August 31, 2007.

AMPL is engaged in the business of carrying on in India or elsewhere in the world the business to prospect for, explore, mine quarry, beneficiate, develop, derive, discover, excavate, dredge for, open, work on mine, win, purchase, crush, polish, smelt, manufacture, process, generate, release, dig, break, blast, grade, manipulate, acquire, operate, organize, commercialize, promote, exercise, turn to account, producer, prepare, remove, undertake, convert, finish, load, unload, handle, transport, buy, sell, import, export, supply or otherwise obtain and to act as agent, broker, intermediary, advisor, stockiest, distributor, consultant, contractors, manager, mine owner, quarry owner, operator, or otherwise to deal in all sorts of coal, ore, minerals, metals, stones etc.

Registered Office

Its registered office is located at 10th Floor, Shikhar, near Adani House, Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of AMPL comprises of:

1. Mr. Rajesh S. Adani
2. Mr. Devang Desai
3. Mr. Mahesh Thaper

Shareholding Pattern

The shareholding pattern of AMPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

* *This includes 30,000 equity shares of AMPL held by nominees of AEL.*

Financial Performance

The financial statements of AMPL are not available as it is in the first year of its incorporation.

AMPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

17. Adani Mundra SEZ Infrastructure Private Limited

Corporate Information

Adani Mundra SEZ Infrastructure Private Limited ("AMSPL") was incorporated under the Companies Act on June 22, 2006 as Adicorp Mundra SEZ Private Limited. Its name was subsequently changed to Adani Mundra SEZ Infrastructure Private Limited on February 2, 2008. AMSPL is a subsidiary of Adani Infrastructure and Development Private Limited. AMSPL is engaged in the business of developing townships, land, roads, residential and business complex and other construction projects at Mundra.

Registered Office

The registered office of AMSPL is located at Ashima House, Kavi Nanalal Marg, B/h M. J. Library, Ellisbridge, Ahmedabad 380 006.

Board of Directors

The board of directors of AMSPL comprises of:

1. Mr. Pranav V. Adani
2. Mr. Devang Desai
3. Mr. Tarwinder Singh

Shareholding Pattern

The shareholding pattern of AMSPL as of March 31, 2008 as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Infrastructure and Developers Private Limited	50,000*	100.00
	TOTAL	**50,000**	**100.00**

******This includes 6 equity shares of AMSPL held by nominees of Adani Infrastructure and Developers Private Limited.*

Financial Performance

The summary audited stand-alone financial statements of ALDPL for fiscal year 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	0.20
Reserves (excluding revaluation reserves) and surplus	0.34
Income	32.51
Profit After Tax	0.34
Earning Per Share (face value Rs. 10) (in Rs.)	22.00
Net asset value per share (in Rs.)	27.15

AMSPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

18. Adani Petronet (Dahej) Port Private Limited

Corporate Information

Adani Petronet (Dahej) Port Private Limited ("APPPL") was incorporated under the Companies Act on January 28, 2003. APPPL is engaged in promoting, financing, establishing and upgrading the port at Dahej for all types of cargo (excluding liquefied natural gas).

Registered Office

Its registered office is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of APPPL comprises of:

1. Mr. Gautam S. Adani
2. Mr. J. K. Shah
3. Mr. P. Dasgupta
4. Mr. A. Sengupta

Shareholding Pattern

The shareholding pattern of APPPL as of March 31, 2008 as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	MPSEZL	21,195,000	50.00
2	Petronet LNG Limited	21,195,000	50.00
	TOTAL	**42,390,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of APPPL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Equity Capital	0.20	0.10	0.10
Reserves and surplus (excluding revaluation reserves)**	(86.52)	(53.92)	(16.38)
Income	0.00	0.00	0.00
Profit After Tax	0.00	0.00	0.00
Earning Per Share (face value Rs. 10) (in Rs.)*	0.00	0.00	0.00
Net asset value per share (in Rs.)	(4,316.24)	(5,381.67)	(1,627.92)

** Basic and diluted.*
***Adjusted for miscellaneous and pre-operative expenditure of Rs. 86.52 million, Rs. 53.92 million and Rs. 16.38 million for FY07, FY06 and FY05, respectively.*

APPPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

19. Adani Port Infrastructure Private Limited

Corporate Information

Adani Port Infrastructure Private Limited ("Adani Port") was incorporated under the Companies Act on October 27, 1999 as Adani Port Infrastructure Limited. It was converted into private limited company and the name was changed to Adani Port Infrastructure Private Limited on May 3, 2006. As per the Memorandum of Association of APIPL, its main objects are the business of developing, maintaining and operating infrastructure facilities and making investments in such enterprises.

Registered Office

The registered office of Adani Port is located at 8th Floor, Shikhar, near Adani House, Mithakhali, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of Adani Port comprises of:

1. Mr. Pranav V. Adani
2. Mr. Shyamal Joshi
3. Mr. Sevantilal Vora

Shareholding Pattern

The shareholding pattern of APIPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Shilin R. Adani)	40,942,314	40.85
2.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Gautam S. Adani /Rajesh S. Adani)	18,180,922	18.14
3.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Vinod S. Adani)	18,179,922	18.14
4.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Pranav V. Adani)	18,178,922	18.14
5.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Priti G. Adani)	4,734,875	4.72
6.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Ranjan Vinod Adani)	7,000	0.01
7.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Namrata P. Adani)	1,000	0.00
8.	Others	5	0.00
	Total	**100,224,960**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of Adani Port for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Equity Capital	1,002.2	1,002.2	1,002.3
Reserves (excluding revaluation reserves) and surplus*	376.29	239.51	247.38
Income	168.08	0.81	0.81
Profit After Tax	136.35	(8.30)	0.37
Earning Per Share (face value Rs. 10) (in Rs.)	1.36	(0.08)	0.0
Net asset value per share (in Rs.)**	13.80	12.40	12.5

**Adjusted for miscellaneous and pre-opertive expenditure of Rs. 1.29 million, Rs. 1.72 million and Rs. 2.15 million for FY07, FY06 and FY05, respectively.*

APIPL is an unlisted company. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

20. Adani Properties Private Limited

Corporate Information

Adani Properties Private Limited ("APPL") was incorporated under the Companies Act on May 25, 1995.

APPL is engaged in the business for the purpose of investment to acquire by purchase, lease, exchange, rent, auction or otherwise lands, buildings and hereditaments of any size, tenure or description and any estate or interest therein and any rights connected with lands so situated and to turn the same to account as may be deemed expedient and in particulars by laying out, developing or assisting in developing and preparing land by construction, decorating furnishing and maintaining office flats, service flats, houses, hotels, restaurants, guest houses, bungalows, chawls, factories, warehouses, shops, cinema houses, buildings, works and conveniences and by consolidating or connecting or subdividing properties for leasing, letting or renting, selling outright or by instalments on ownerships, hire purchase basis or otherwise and / or disposing of the same on any other terms and conditions. Also to let out on rent, on hire, lease, licence or otherwise dispose off any property, rights, ways, works, privileges, titles, licenses, hereditaments, plants, machineries, trademarks etc. or the company absolutely or conditionally on daily, weekly, monthly, yearly or on perpetual period basis in India or elsewhere and to receive rent, charges, royalties fees, discounted value, lump sum deposits, commuted value or other consideration there against as may be agree by the Board of Directors o the Company from time to time.

Registered Office

The registered office of APPL is located at Shikhar, near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of APPL comprises of:

1. Mr. Samir Vora
2. Mr. Shyamal Joshi

Shareholding Pattern

The shareholding pattern of APPL on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Priti G. Adani)	398,000	39.80
2.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Shilin R Adani)	49,995	5.00
3.	Shantilal Bhudarmal Adani Family Trust (representing the beneficial interest of Ranjan Vinod Adani)	552,000	55.20
4.	Others	5	0.00
	Total	**1,000,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of APPL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Equity Capital	10.00	10.00	10.00
Reserves (excluding revaluation reserves) and surplus	905.51	907.97	671.27
Income including other income	7.50	7.39	16.41
Profit After Tax	(2.50)	(3.35)	0.58
Earning Per Share (face value Rs. 10) (in Rs.)	(2.5)	(3.35)	0.58
Net asset value per share (in Rs.)	915.50	9.17.97	681.27

* *Computed on the basis of earnings including extraordinary items*
** *Increase in Net Asset Value per share in fiscal 2006 is a result of the increase in Revaluation Reserves.*

APPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

21. Adani Retail Limited (ARL)

Corporate Information

Adani Retail Limited ("ARL") was incorporated under the Companies Act as B2C India Limited on July 7, 2000. Its name was subsequently changed to Adani Retails Limited on October 21, 2005. ARL is engaged in the business of operation of retail departmental stores.

Registered Office

The registered office of ARL is located at Adani House, near Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of ARL comprises of:

1. Mr. Shyamal Joshi
2. Mr. Pranav V. Adani
3. Mr. Samir Vora

Shareholding Pattern

The shareholding pattern of ARL on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Agro Private Limited	3,479,000	49.00
2.	Mr. Gautam S. Adani	100	0.00
3.	Mr. Rajesh S. Adani	905,250	12.75
4.	Mr. Pushpa V. Adani	905,250	12.75
5.	Mr. Mahasukh S. Adani	100	0.00
6.	Mrs. Shilin R. Adani	905,250	12.75
7.	Mrs. Priti G. Adani	905,050	12.75
	TOTAL	**7,100,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of ARL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	**March 31, 2006**	**March 31, 2005**
Equity Capital	71.00	71.00	71.00
Reserves (excluding revaluation reserves) and surplus*	(77.26)	165.35	(59.78)
Income	1,665.03	1,475.86	627.82
Profit After Tax	(192.10)	(1.03)	(11.94)
Earning Per Share (face value Rs. 10) (in Rs.)	(27.12)	(0.15)	(1.68)
Net asset value per share (in Rs.)	(0.88)	33.29	1.58

**Adjusted for miscellaneous expenditure of Rs. 100.77 million, Rs. 63.23 million and Rs. 41.55 million for FY07, FY06 and FY05, respectively.*

ARL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

22. Adani Shipping PTE Limited

Corporate Information

Adani Shipping PTE Limited ("ASPL") was incorporated in Republic of Singapore on September 27, 2006. The principal activities for which the Company is established are is to carry on the business to own / charter ships and other vessels to transport cargo for Adani Group Companies and others..

Registered Office

The registered office of ASPL is located at 3, Shenton Way, # 09-09 A Shenton House, Singapore 068 805.

Board of Directors

The board of directors of ASPL comprises of:

1. Mr. Vinod S. Shah
2. Mr. Pranav Vora
3. Mr. Sunil M. Shah

Shareholding Pattern

The shareholding pattern of ASPL on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (SG$ 1 Per Shares)	Percentage
1	Adani Global Limited, Mauritius	1,000	100,00
	TOTAL	**1,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of ASPL for fiscal year 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	0.00
Reserves (excluding revaluation reserves) and surplus*	(0.80)
Income	0.00
Profit After Tax	0.00
Earning Per Share (face value SG$ 1) (in Rs.)	0.00

Particulars	For the year ended March 31, 2007
Net asset value per share (in Rs.)	(800.00)

**Adjusted for miscellaneous expenditure of Rs. 0.8 million.*
SG$ = Singapore Dollar

23. Adani Shipyard Private Limited

Corporate Information

Adani Shipyard Private Limited ("Adani Shipyard") was incorporated under the Companies Act as Mundra Shipyard Private Limited on July 21, 2005. The name of the company was subsequently changed to Adani Shipyard Private Limited on March 31, 2006. ASPL is primarily engaged in the business of shipbuilding, naval and marine architecture and repair, alteration and servicing of ships and other vessels.

Registered Office

The registered office of Adani Shipyard is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of Adani Shipyard comprises of:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani

Shareholding Pattern

The shareholding pattern of Adani Shipyard as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Mr. Gautam S. Adani	4,000	40.00
2.	Mr. Rajesh S. Adani	3,000	30.00
3.	Mr. Pranav V. Adani	3,000	30.00
	TOTAL	**10,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of Adani Shipyard for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.10	0.10
Reserves (excluding revaluation reserves) and surplus*	(0.49)	(0.05)
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10) (in Rs.)	0.00	0.00
Net asset value per share (in Rs.)	(39.20)	4.81

**Adjusted for miscellaneous expenditure of Rs. 0.5 million and 0.10 million for FY07 and FY06, respectively.*

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

24. Adani Virginia, Inc.

Corporate Information

Adani Virginia, Inc. ("AV") was incorporated in Commonwealth of Virginia on March 17, 2005. The objects for which the Company is established are to disassemble aging ships and convert them to scrap metal.

Registered Office

The registered office of AV is located at 12913, Mill Meadow Court, Midlothian, VA 23122.

Board of Directors

The board of directors of AV comprises of:

1. Mr. Harsh Mishra
2. Mr. Shailesh Vyas

Shareholding Pattern

The shareholding pattern of AV on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of common shares held (US$ 1 Per Shares)	Percentage
1.	Adani Global FZE., Dubai	50	100.00
	TOTAL	**50**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of AV for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the period from January 1, 2006 to March 31, 2007	For the year ended December 31, 2005
Equity Capital	0.00	0.00
Reserves (excluding revaluation reserves) and surplus*	44.40	(3.40)
Income	454.20	101.10
Profit After Tax	49.80	(2.90)
Earning Per Share (face value US$ 1) (in Rs.)	796,885.00	(57,059.00)
Net asset value per share (in Rs.)	888,000.00	(68,000.00)

**Adjusted for miscellaneous expenditure of Rs. 0.4 million and Rs. 0.5 million for FY07 and FY06, respectively.*

25. Adani Welspun Exploration Limited

Corporate Information

Adani Welspun Exploration Limited ("AWEL") was incorporated under the Companies Act on August 5, 2005 as Adani Energy (Haryana) Limited. Its name was subsequently changed to Adani Welspun Exploration Limited on April 13, 2007. AWEL is engaged in the business of manufacturing, producing, to acquire, concessions, licences or orders from any authority for supply, transportation and distributions of all forms of conventional and / or non-conventional types of energy and also to explore, manufacture, refine, treat, reduce, distil, blend, purify and pump, store, hold transport, use, experiment with market, distribute, exchange, supply sell and other wise dispose of, import, export and trade and generally deal in any and all kinds of petroleum and petroleum products, oil gas and other volatile substances etc.

Registered Office

Its registered office is located at Adani House, near Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of AWEL comprises of:

1. Mr. Gautam S. Adani
2. Mr. Sanjay Gupta
3. Mr. Devang Desai
4. Mr. Balkrishna Goenka
5. Mr. Akhil Jindal

Shareholding Pattern

The shareholding pattern of AWEL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	550,000	65.00
2.	Welspun Gujarat Stahi Rohren Limited	296,150	35.00
	TOTAL	**846,150**	**100.00**

* *This includes 700 equity shares of AWEL held by nominees of Adani Enterprises Limited.*

Financial Performance

The summary audited stand-alone financial statements of AWEL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.50	0.50
Reserves (excluding revaluation reserves) and surplus*	(0.03)	(0.03)
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10) (in Rs.)	0.00	0.00
Net asset value per share (in Rs.)	9.48	9.48

**Adjusted for miscellaneous expenditure of Rs. 0.03 million in FY07 and FY06.*

AWEL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

26. Adani Wilmar Limited

Corporate Information

Adani Wilmar Limited ("AWL") was incorporated under the Companies Act on January 22, 1999. AWL is engaged in the business of manufacturing and trading of edible oil and vanaspati.

Registered Office

Its registered office is located at Fortune House, near Navrangpura Railway Station, Ahmedabad 380 009.

Board of Directors

The board of directors of AWL comprises of:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani
3. Mr. Kuok Khoon Hong
4. Mr. Martua Sitorus

Shareholding Pattern

The shareholding pattern of AWL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited	29,859,108	50.00
2.	Wilmar Investments (Mauritius) Limited	29,859,108	50.00
	TOTAL	**59,718,216**	**100.00**

* *This includes 6,000 equity shares of AWL held by nominees of Adani Enterprises Limited.*

Financial Performance

The summary audited stand-alone financial statements of AWL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	597.18	597.18	597.18
Reserves (excluding revaluation reserves) and surplus*	529.89	486.53	412.78
Income	26,418.36	26,804.65	20,431.24
Profit After Tax	39.44	14.23	12.28
Earning Per Share (face value Rs. 10) (in Rs.)	0.66	0.11	0.11
Net asset value per share (in Rs.)	18.87	18.15	16.91

**Adjusted for miscellaneous expenditure of Rs. 3.92 million and Rs. 63.44 million for FY06 and FY05, respectively.*

AWL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

27. B2B India Private Limited (B2B)

Corporate Information

B2B India Private Limited ("B2B") was incorporated under the Companies Act as B2B India Limited on July 21, 2000. It was subsequently converted into a private limited company and consequently its name was changed to B2B India Private Limited on June 3, 2002.

B2B is engaged in the business of purchase, sale, supply, import, export, distribute and to deal as trader, agent, broker, representative or otherwise to deal in any kind of product online or otherwise. Also to carry on the business of manufacturer's representatives, agents, traders, dealers, exporters, importers of factors, consignors and consignees of all kinds, types and sizes of articles, goods, merchandise and commodities whether for domestic, commercial, industrial agriculture and defiance purpose / use in India or elsewhere. Also to do all or any of the above things with the held of internet technology and conduct online transactions, thereby facilitate e-commerce and e-business by acting as portal.

Registered Office

The registered office of B2B is located at Adani House, near Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of B2B comprises of:

1. Mr. Samir Vora
2. Mr. Shyamal Joshi

Shareholding Pattern

The shareholding pattern of B2B on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Priti G Adani (On behalf of SBAFT)	4,500	45.00
2.	Ranjan Vinod Adani (On behalf of SBAFT)	2,750	27.50
3.	Shilin R Adani (On behalf of SBAFT)	2,750	27.50
	Total	**10,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of B2B for the last three fiscal years are as follows:

(In Rs. million, except share data)

Particulars	March 31, 2007	March 31, 2006	March 31, 2005
Equity Capital	0.1	0.1	0.1
Reserves (excluding revaluation reserves) and surplus*	(0.04)	(0.04)	(3.74)
Income including other income	0.02	0.00	0.00
Profit and Loss – Debit balance	(0.01)	0.00	0.00
Profit After Tax	(0.01)	0.00	0.00
Earning Per Share (face value Rs. 10) (in Rs.)	(1.23)	0.00	0.00
Net asset value per share (in Rs.)	5.6	6.1	363.86

**Adjusted for miscellaneous and pre-operative expenditure of Rs. 0.03 million, Rs. 0.04 million and Rs. 3.74 million for FY07, FY06 and FY05, respectively.*

B2B is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

28. Columbia Chrome (India) Private Limited

Corporate Information

Columbia Chrome (India) Private Limited ("CCIPL") was incorporated under the Companies Act on March 6, 1995. CCIPL is engaged in the business of developing of carrying on business of engineers, designers, fabricators, manufacturers, repairers, importers, exporters of and dealers in all types of machinery and equipment and in particular hydraulic and pneumatic machinery, equipment, components and accessories including cylinders, pumps, motors, valves and accessories and to provide services an facilities for erection, supervision, training, hard chroming, honing, grinding, machining, welding, reconditioning, and testing machinery and equipment..

Registered Office

Its registered office is located at Oriental Building, Office No. 2, 1st Floor, 51-57 MG Road, 12/30 Nagindas Master Road. Mumbai 400 051.

Board of Directors

The board of directors of CCIPL comprises of:

1. Mr. Rajesh S. Adani
2. Mr. Devang Desai
3. Mr. Chetan R. Shah
4. Mr. Mayur R. Shah

Shareholding Pattern

The shareholding pattern of CCIPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Estate Private Limited*	7,812	60.00
2.	Marathon Nextgen Reality & Textiles Limited**	5,208	40.00
	TOTAL	**13,020**	**100.00**

** This includes 300 equity shares of CCIPL held by nominees of Adani Estate Private Limited.*
*** This includes 1,020 equity shares of CCIPL held by nominees of Adani Estate Private Limited.*

Financial Performance

The summary audited stand-alone financial statements of CCIPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	1.30	1.30
Reserves (excluding revaluation reserves) and surplus	0.67	0.72
Income	0.03	1.39
Profit After Tax (Loss)	(0.05)	0.66
Earning Per Share (face value Rs. 10) (in Rs.)	(4.00)	50.00
Net asset value per share (in Rs.)	151.70	155.39

CCIPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

29. Gujarat Adani Aviation Private Limited

Corporate Information

Gujarat Adani Aviation Private Limited ("GAAPL") was incorporated under the Companies Act, 1956 on July 11, 2007. GAAPL is engaged in the business of planning, promoting, developing, organizing, operating and carrying on the business of air charter, air taxi and air transport services scheduled and non scheduled, for the carriage of passengers and to import, export, own, buy or sell, let or hire or hire purchase or lease or charter aircrafts, component parts, tools, equipment and to deal in aerial conveyance.

Registered Office

Its registered office is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of GAAPL comprises of:

1. Mr. Satwinder Singh Bhatti
2. Mr. K. Venugopal

Shareholding Pattern

The shareholding pattern of GAAPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares held	Percentage
1.	Mundra Port and Special Economic Zone Limited*	1,000,000	100.00
	Total	**1,000,000**	**100.00**

* *This includes 100 equity shares of GAAPL held by nominees of Mundra Port and Special Economic Zone Limited.*

Financial Performance

Since Gujarat Adani Aviation Private Limited was incorporated on July 11, 2007, the audited financial statements of the company have not been prepared yet.

30. Inland Conware Private Limited

Corporate Information

Inland Conware Private Limited ("ICPL") was incorporated under the Companies Act on July 13, 2005. ICPL is engaged in the business of multimodal transport operation within India and abroad, establishing and managing Inland Containers Depots and Container Freight Stations, providing warehousing facilities and acting as clearing and forwarding agents.

Registered Office

Its registered office is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of ICPL comprises of:

1. Mr. Yogendra Sharma
2. Mr. Ameet H. Desai
3. Mr. Rajeeva Ranjan Sinha

Shareholding Pattern

The shareholding pattern of ICPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	MPSEZL*	123,960,000	100.00
	TOTAL	**123,960,000**	**100.00**

**This includes 3,300 equity shares of ICPL held by nominees of MPSEZL.*

Financial Performance

The summary audited stand-alone financial statements of ICPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.10	0.10
Reserves (excluding revaluation reserves) and surplus*	0.00	0.00
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10) (in Rs.)	0.00	0.00
Net asset value per share (in Rs.)	10.00	10.00

ICPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

31. Inland Conware (Ludhiana) Private Limited

Corporate Information

Inland Conware (Ludhiana) Private Limited ("ICLPL") was incorporated under the Companies Act on September 5, 2005. ICLPL is a subsidiary of MPSEZL. ICLPL is engaged in the business of multimodal transport operators, general carrier of international and domestic cargo within India and abroad by all modes.

Registered Office

Its registered office is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of ICLPL comprises of:

1. Mr. Rajesh S. Adani
2. Mr. Ameet H. Desai
3. Mr. Yogendra Sharma

Shareholding Pattern

The shareholding pattern of ICLPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Inland Conware Private Limited*	10,000	100.00
	TOTAL	**10,000**	**100.00**

**This includes 200 equity shares of ICLPL held by nominees of ICPL*

Financial Performance

The summary audited stand-alone financial statements of ICLPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.10	0.10
Reserves (excluding revaluation reserves) and surplus*	0.00	0.00
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10) (in Rs.)	0.00	0.00
Net asset value per share (in Rs.)	10.00	10.00

ICPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

32. Libra Shipping PTE Limited

Corporate Information

Libra Shipping PTE Limited ("Libra") was incorporated in Republic of Singapore on March 24, 2006. The principal activities of the Company are to carry on the business of charterers, shipping operations, ship management and ship owners.

Registered Office

The registered office of Libra is located at 100, Jalan Sultan, # 09-06, Sultan Plazza, Singapore 199 001.

Board of Directors

The board of directors of Libra comprises of:

1. Mr. Joseph Selvamalar
2. Mr. Pranav Vora
3. Mr. Kaliyaperumal

Shareholding Pattern

The shareholding pattern of Libra on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (SG$ 1 Per Shares)	Percentage
1.	Adani Global Limited, Mauritius	155,000	100,00
	TOTAL	**155,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of Libra for fiscal year 2006 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	4.40
Reserves (excluding revaluation reserves) and surplus*	(0.10)
Income	0.00
Profit After Tax	0.00
Earning Per Share (face value Rs. 10) ** (in Rs.)	0.00
Net asset value per share (in Rs.)	27.74

** Adjusted for miscellaneous expenditure of Rs. 0.1 million.*

33. Miraj Impex Private Limited

Corporate Information

Miraj Impex Private Limited ("Miraj") was incorporated under the Companies Act on April 10, 1997. Miraj is engaged in the business of carrying on the business of manufacturer's representatives, agents, traders, dealers, exporters, importers, factors, consignees of all kinds, types and sizes of articles, goods, metal, gift articles, merchandise and commodities whether for domestic, commercial, industrial, agricultural and defence purpose / use in India and also to act as export house.

Registered Office

Its registered office is located at Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of Miraj comprises of:

1. Mr. Pranav V. Adani
2. Mr. Shyamal Joshi
3. Mr. Tarvinder Singh

Shareholding Pattern

The shareholding pattern of Miraj as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

* *This includes 60 equity shares of Miraj held by nominees of Adani Enterprises Limited.*

Financial Performance

The summary audited stand-alone financial statements of Miraj for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus	(0.06)	(0.06)	(0.05)
Income	0.00	0.00	0.00
Profit After Tax	0.00	(0.01)	(0.04)
Earning Per Share (face value Rs. 10) * (in Rs.)	(0.35)	(0.88)	(4.01)
Net asset value per share (in Rs.)	3.67	3.96	4.77

* *Computed on the basis of earnings including extraordinary items*

Miraj is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

34. MPSEZ Utilities Private Limited

Corporate Information

MSPEZ Utilities Private Limited ("MPSEZ Utilities") was incorporated under the Companies Act, 1956 on July 13, 2007. MPSEZ Utilities is engaged in the business of planning, execution, operating and maintaining and carrying on business of utility services of water supply, waste water management, electrical power distribution, natural gas distribution, telecom services, bus transportation services, transportation infrastructure, rail transportation and other utility services to be provided to incumbents in the procession as well as non-processing area of the SEZ.

Registered Office

Its registered office is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of MPSEZ Utilities comprises of:

1. Mr. Ameet H. Desai
2. Mr. Malay Mahadevia

Shareholding Pattern

The shareholding pattern of MPSEZ Utilities as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares held	Percentage
1.	MPSEZL	10,000	100.00
	Total	**10,000**	**100.00**

* *This includes 100 equity shares of MPSEZ Utilities held by nominees of MPSEZL.*

Financial Performance

Since MPSEZ Utilities Private Limited was incorporated on July 13, 2007, the audited financial statements of the company have not been prepared yet.

35. Mundra Aviation Limited

Corporate Information

Mundra Aviation Limited ("MAL") was incorporated as per the laws of the Cayman Islands on May 15, 2007 in Cayman Islands. The object for which MAL is established are unrestricted and the company shall have full power and authority to carry out any object not prohibited by the Companies Law (2004 revision) or as the case may be revised from time to time, or any other law of the Cayman Islands. The company currently carries on the business of Civil Aviation.

Registered Office

The registered office of the company is located at PO Box 309GT, Ugland House, South Church Street George Town, Grand Cayman, Cayman Islands.

Board of Directors

The board of directors of MAL Utilities comprises of:

1. Mr. Pranav Vora

Shareholding Pattern

The shareholding pattern of MAL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares held (US$ 100 Per Shares)	Percentage
1.	Mundra Port and Special Economic Zone Limited	10	100.00
	Total	**10**	**100.00**

Financial Performance

Since Mundra Aviation Limited was incorporated on May 15, 2007, the audited financial statements of the company have not been prepared yet.

36. Mundra Port and Special Economic Zone Limited

Corporate Information

Mundra Port and Special Economic Zone Limited ("MPSEZL") was incorporated under the Companies Act on May 26, 1996 as Gujarat Adani Port Limited ("GAPL"). Pursuant to an order of the High Court of Gujarat, Adani Port Limited merged with GAPL with effect from April 1, 2003. Further, MSEZ and ACL were merged with GAPL with effect from April 1, 2006. Its name was subsequently changed to Mundra Port and Special Economic Zone Limited on July 7, 2006. MPSEZL is engaged in the business of port operation and SEZ development.

Registered Office

The registered office of MPSEZL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of MPSEZL comprises of:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani
3. Mr. H. K. Dash
4. Mr. S. Venkiteswaran
5. Mr. K. N. Venkatasubramanian
6. Mr. Surendra Kumar Tuteja
7. Mr. Arun Duggal
8. Mr. D. T. Joseph
9. Mr. Ameet H. Desai
10. Mr. Rajeev Ranjan Sinha

Shareholding Pattern

The shareholding pattern of MPSEZL on March 31, 2008 is as follows:

Category of Shareholder	Total No of Shares	% shareholding
Shareholding of Promoter and Promoter Group		
Indian		
Individuals/Hindu Undivided Family	1,029,415	0.26
Central Government/State Governments	-	-
Bodies Corporate	242,446,540	60.51
Financial Institutions/Banks	-	-
Any Other (Specify)		
Person Acting in Concert	21,720,530	5.42
Family Trust	6,000	0.00

Category of Shareholder	Total No of Shares	% shareholding
Sub –Total (A)(1)	**265,202,485**	**66.19**
Foreign		
Individuals(Non-Resident Individuals/Foreign Individuals)	-	-
Bodies Corporate	60,547,655	15.11
Institutions	-	-
Any Other (Specify)	-	-
Sub –Total (A)(2)	**60,547,655**	**15.11**
Total of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**325,750,140**	**81.30**
Public Shareholding		
Institutions		
Mutual Funds /UTI	4,336,882	1.08
Financial Institutions/Banks	7,577,931	1.89
Central Government/State Governments	802	0.00
Venture Capital Funds	0	0.00
Insurance Companies	244,964	0.06
Foreign Institutional Investors	15,926,687	3.79
Foreign Venture Capital Investors	0	0
Any Other (Specify)	1,090	0.00
Sub –Total (B)(1)	**28,088,356**	**7.01**
Non-Institutions		
Bodies Corporate	5,860,918	1.46
i. Individual shareholders holding nominal share capital up to Rs.1Lakh	13,529,393	3.38
ii. Individual shareholders holding nominal share capital in excess Rs.Rs.1Lakh	6,039,894	1.51
Any Other (Specify)		**-**
Clearing Member	548,917	0.14
Market Maker	-	-
Foreign Nationals	-	-
Non Resident Indians (Repat)	325,291	0.08
Non Resident Indians (Non Repat)	400,000	0.10
Foreign Companies	19,918,981	4.97
Directors and relatives of directors	216,930	**0.05**
Sub -Total (B)(2)	**46,840,324**	**11.69**
Total Public Shareholding B=(B)(1)+(B)(2)	**74,928,680**	**18.70**
TOTAL (A) +(B)	**400,678,820**	**100.00**
Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**
GRAND TOTAL (A)+(B)+(C)	**400,678,820**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of MPSEZL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Capital*	3,604.30	1,802.10	1,399.80
Reserves (excluding revaluation reserves) and surplus**	3,772.60	4,155.37	3,780.25
Income (including other income)	5,961.30	4,003.51	2,749.40
Profit After Tax	1,874.40	672.39	618.54
Earning Per Share (face value Re. 1) (in Rs.)	5.20	1.87	3.43
Net asset value per share (in Rs.)	20.50	33.06	370.01

* the increase of Rs. 402.80 million in FY06 represents the issue of 40,216,410 equity shares of Rs. 10 each fully paid up of Adani Port Limited, as per scheme of amalgamation. This amount appeared as equity share capital surplus account as of March 31, 2005.
** *Adjusted for miscellaneous expenditure of Rs. 58.5 million and Rs. 113.72 million for FY07 and FY08 respectively.*

MPSEZL has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

Share Price Information

The equity shares of MPSEZL are listed on BSE and NSE.

The monthly high and low of the market price of the equity shares of MPSEZL having a face value of Rs. 10 each on NSE* are as follows.

Month	High (Rs.)	Low (Rs.)
November 2007	1050	770
December 2007	1295	922
January 2008	1324	660.05
February 2008	872.4	655.6
March 2008	725	465

Source: www.nseindia.com
* The equity shares of the Company were listed on November 27, 2007.

The monthly high and low of the market price of the equity shares of MPSEZL having a face value of Rs. 10 each on BSE* are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	1150	770
December 2007	1291.7	931
January 2008	1324	659.25
February 2008	872	655.3
March 2008	721	463

Source: www.bseindia.com
** The equity shares of the Company were listed w.e.f. November 27, 2007.*

The market capitalisation of based on the closing price of Rs. 578.75 per equity share on the NSE as on March 31, 2008 was Rs. 231,892.9 million.

The market capitalisation of based on the closing price of Rs. 579.50 per equity share on the BSE as on March 31, 2008 was Rs. 232,193.4 million.

Details of public/ rights issue

The initial public offering of equity shares of MPSEZL having a face value of Rs. 10 each took place in November 2007 (the "IPO"). A total of 40,250,000 equity shares were issued as part of the IPO and the issue price was Rs. 440 per equity share.

The objects of the issue were as follows:

- Construction and development of basic infrastructure and the allied facilities in the proposed SEZ at Mundra;
- Construction and development of a terminal for coal and other cargo at Mundra Port;
- Contribution towards investment in Adani Petronet (Dahej) Port Private Limited;
- Contribution towards investment in Adani Logistics Limited;
- Contribution towards investment in Inland Conware Private Limited; and

- General Corporate Purposes

MPSEZL has utilized the net proceeds arising out of the IPO for the stated objects. The details of utilisation of the IPO proceeds as of March 31, 2008 are given in the table below:

(In Rs. Million)

Sr. No.	Utilization	Actual Utilization (FY 08)	Proposed Utilisation (FY 08)
1.	Issue Related Expenses	341.7	-
2.	General Corporate Purpose	863.3	-
3.	Contribution towards investment in Adani Logistics Limited	225.0	220.0
4.	Contribution towards investment in Adani Petronet Private Limited	260.5	815.6
5.	Contribution towards investment in Inland Conware Private Limited	220.0	278.3
6.	Contribution and development of a terminal for coal and other cargo at Mundra Port	88.5	1,250.0
7.	Contribution and development of basic infrastructure and the allied facilities in the proposed SEZ at Mundra	10.0	2,150.0
Total		**2,009.0**	**4,713.9**

Mechanism for redressal of investor grievance

The Board of Directors of MPSEZL has constituted a shareholder/investor grievance committee to deal with various matters relating to redressal of investors grievances. MPSEZL has also entered into an agreement with the Intime Spectrum Registry Limited to handle all investor grievances under the overall supervision of the investor grievance committee of MPSEZL.

Investor grievances are usually resolved within an average period of 15 days from the date of its receipt.

During the period ended March 31, 2008, MPSEZL had 44 outstanding complaints from the shareholders for various reasons including non-receipt of refund order, non credit of shares in the account.

37. Mundra SEZ Textile and Apparel Park Limited

Corporate Information

Mundra SEZ Textile and Apparel Park Limited ("MTAP") was incorporated under the Companies Act on October 25, 2005 in Ahmedabad. The business of the company is to undertake, develop and operate infrastructure projects in textile and other sectors.

Registered Office

Its registered office is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of MTAP comprises of:

1. Mr. Ameet H. Desai
2. Mr. Samir Vora
3. Mr. Bharat C. Vedant
4. Mr. Ravi Raman
5. Mr. Bishwanath Sinha
6. Mr. Rajeev Ranjan Sinha

Shareholding Pattern

The shareholding pattern of MTAP as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares held	Percentage
1.	Mundra Port And Special Economic Zone Limited	2,450,000	79.87
2.	Adani Enterprises Limited	352,000	11.48
3.	Adani Logistics Limited	265,400	8.65
	Total	**3,067,400**	**100**

* *This includes 4,005 equity shares of MTAP held by nominees of MPSEZL.*

Financial Performance

The summary audited stand-alone financial statements of MTAP for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended	
	March 31, 2007	March 31, 2006
Equity Capital	30.7	30.7
Reserves (excluding revaluation reserves) and surplus*	36.68	(0.44)
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10)* (in Rs.)	0.00	0.00
Net asset value per share (in Rs.)	22.00	9.86

* *Adjusted for miscellaneous and pre-operative expenditure of Rs. 3.3 million and Rs. 0.4 million for FY07 and FY06 respectively.*

MTAP is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

38. Parsa Kente Collieries Limited

Corporate Information

Parsa Kente Collieries Limited ("PKCL") was incorporated under the Companies Act on October 16, 2007. PKCL is engaged in the business of developing and operating the coal mines, coal blocks in Sargaja district for the exclusive use of Rajasthan Rajya Vidhut Utpadan Nigam Limited (RVUNL) and also benefication transportation and delivers of coal to RVUNL for its generation stations etc.

Registered Office

Its registered office is located at Plot No. 25, Yudhisthar Marg, "C" Scheme, Jaipur.

Board of Directors

The board of directors of PKCL comprises of:

1. Mr. Sanjay Sagar
2. Mr. Pradeep Mittal
3. Mr. Samir Vora

Shareholding Pattern

The shareholding pattern of PKCL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	370,000	74.00
2.	RRUVNL	130,000	26.00
	TOTAL	**500,000**	**100.00**

* *This includes 6,000 equity shares of PKCL held by nominees of AEL.*

Financial Performance

The financial statements of PKCL are not available as it is in the first year of its incorporation.

PKCL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

39. Pride Trade and Investment Private Limited

Corporate Information

Pride Trade and Investment Private Limited ("Pride") was incorporated in Republic of Mauritius on August 8, 2007. The object for which the Company is established are investment holding company and also any business whatsoever and the Company shall have full power and authority to carry out any object not prohibited by law for the time being in force in the Republic of Mauritius.

Registered Office

The registered office of Pride is located at c/o Trustlink International Limited, Suite 501, St James Court, St Denis Street. Port Louis, Mauritius.

Board of Directors

The board of directors of Pride comprises of:

1. Mr. Vinod Shantilal Shah
2. Mr. Vidya Mungroo
3. Mr. Giandeo Reemul

Shareholding Pattern

The shareholding pattern of Pride on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (US$ 1 Per Shares)	Percentage
1.	Vinod S. Shah	10,000	
	TOTAL	**10,000**	**100.00**

Financial Performance

Since Pride Trade and Investment Private Limited was incorporated on August 8, 2007, the audited financial statements of the company have not been prepared yet.

40. PT Adani Global, Indonesia

Corporate Information

PT Adani Global Indonesia ("PT Adani") was incorporated under law and legislation of the Republic of Indonesia on September 3, 2006. The objects for which the Company is established are trading, import and export and to attain the aim and objective above, the company may run business activities of export of commodities among others are coal, ore, iron steel, petroleum coke and all the goods which do not belong to contraband goods, import of commodities, among others are granite, marble, natural stone and all the goods which do not belong to contraband goods.

Registered Office

The registered office of PT Adani is located at Graha Mustika Ratu Lantai 5, JI. Jendral Gatot Subroto Kav 74 – 75, Jakarta Selatan 12870.

Board of Directors

The board of directors of PT Adani comprises of:

1. Mr. Pradeep Mittal
2. Mr. Harsh Mishra
3. Mr. Rajesh S. Adani – Commissioner
4. Mr. Y. M. Didi

Shareholding Pattern

The shareholding pattern of PT Adani on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (USD 10,000 Per Shares)	Percentage
1.	Adani Global Limited, Mauritius	4,740	5.00
2.	Adani Global PTE. Limited, Singapore	90,060	95.00
	TOTAL	**94,800**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of PT Adani for fiscal year 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007
Equity Capital	30.60
Reserves (excluding revaluation reserves) and surplus	(0.90)
Income	34.30
Profit (Loss) After Tax	(0.90)
Earning Per Share (face value Rupiah 925,800) * (in Rs.)	(854.20)
Net asset value per share (in Rs.)	4291.91

* *Rupiah – Indonesian currency*

41. Radiant Trade and Investment Private Limited

Corporate Information

Radiant Trade and Investment Private Limited ("Radiant") was incorporated in Republic of Mauritius on August 8, 2007. The object for which the Company is established are investment holding company and also any business whatsoever and the Company shall have full power and authority to carry out any object not prohibited by law for the time being in force in the Republic of Mauritius.

Registered Office

The registered office of Radiant is located at C/o Trustlink International Limited, Suite 501, St James Court, St Denis Street. Port Louis, Mauritius.

Board of Directors

The board of directors of Radiant comprises of:

1. Mr. Vinod Shantilal Shah
2. Mr. Vidya Mungroo
3. Mr. Giandeo Reemul

Shareholding Pattern

The shareholding pattern of Radiant on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (US$ 1 Per Shares)	Percentage
1.	Vinod S. Shah	10,000	
	TOTAL	**10,000**	**100.00**

Financial Performance

Since Radiant Trade and Investment Private Limited was incorporated on August 8, 2007, the audited financial statements of the company have not been prepared yet.

42. Rajasthan SEZ Private Limited

Corporate Information

Rajasthan SEZ Private Limited ("RSPL") was incorporated under the Companies Act on January 24, 2008. RSPL is a subsidiary of MPSEZL. RSPL is engaged in the business to establish and develop special economic zones and industrial estates/parks.

Registered Office

The registered office of RSPL is located at Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of RSPL comprises of:

1. Mr. Pranav V. Adani
2. Mr. Ameet H. Desai

Shareholding Pattern

The shareholding pattern of RSPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	MPSEZL*	10,000	100.00
	TOTAL	**10,000**	**100.00**

* *This includes 100 equity shares of RSPL held by nominees of MPSEZL.*

Financial Performance

Since RSPL was incorporated on January 24, 2008, the audited financial statements of the company have not been prepared yet.

43. Shantigram Estate Management Private Limited

Corporate Information

Shantigram Estate Management Private Limited ("SEMPL") was incorporated under the Companies Act on November 17, 2005 as Adani Realty (Ahmedabad) Private Limited. Its name was subsequently changed to Adani Townships & Real Estate Company Private Limited on January 25, 2006. Its name was subsequently changed to Shantigram Estate Management Private Limited on April 17, 2007. SEMPL is engaged in the business of developing real estate.

Registered Office

Its registered office is located at Ashima House, Kavi Nanala Marg, B/h. M. J. Library, Ellisbridge, Ahmedabad 380 008.

Board of Directors

The board of directors of SEMPL comprises of:

1. Mr. Pranav V. Adani
2. Mr. Tarwinder Singh
3. Mr. Devang Desai

Shareholding Pattern

The shareholding pattern of SEMPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Infrastructure and Developers Private Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

* *This includes 100 equity shares of SEMPL held by nominees of Adani Infrastructure and Developers Private Limited.*

Financial Performance

The summary audited stand-alone financial statements of SEMPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.50	0.10
Reserves (excluding revaluation reserves) and surplus	(1.23)	(0.03)
Income	0.00	0.00
Profit After Tax	1.20	0.03
Earning Per Share (face value Rs. 10) * (in Rs.)	(118.87)	(2.73)
Net asset value per share (in Rs.)	(14.58)	7.27

* *Computed on the basis of earnings including extraordinary items*

SEMPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

44. Shantikrupa Estates Private Limited

Corporate Information

Shantikrupa Estates Private Limited ("SEPL") was incorporated under the Companies Act, on March 30, 2004. SEPL is primarily engaged in real estate development.

Registered Office

Its registered office is located at 8th Floor, Shikhar, near Adani House, Mithakhali, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of SEPL comprises of

1. Mr. Vasant S. Adani
2. Ms. Pushpa V. Adani

Shareholding Pattern

The shareholding pattern of SEPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Mr. Vasant S. Adani	5,000	50.00
2.	Ms. Pushpa V. Adani	5,000	50.00
	TOTAL	**10,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of SEPL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Capital	0.10	0.10	0.10
Reserves and surplus*	5.05	(1.81)	(0.41)
Income	23.30	0.00	0.00
Profit After Tax	6.90	(1.40)	(0.40)
Earning Per Share (face value Rs. 10)* (in Rs.)	686.50	(140.95)	(39.88)
Net Asset value per share (in Rs.)	514.90	(171.18)	(31.45)

* *adjusted for miscellaneous expenditure of Rs. 11,820.00 and Rs. 15,760.00 for FY06 and FY05 respectively.*

SEPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

45. Shantikrupa Services Private Limited

Corporate Information

Shantikrupa Services Private Limited ("SSPL") was incorporated under the Companies Act on March 1, 2006. The business of SSPL is to supply construction equipment either on rent or hire-purchase or otherwise.

Registered Office

Its registered office is located at 8th Floor, Shikhar, Adani House, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of SSPL comprises of

1. Mr. Vasant S. Adani; and
2. Ms. Pushpa S. Adani.

Shareholding Pattern

The shareholding pattern of SSPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Mr. Vasant S. Adani	5,000	50.00
2.	Ms. Pushpa V. Adani	5,000	50.00
	TOTAL	**10,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of SSPL for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2006
Equity Capital	0.10	0.10
Reserves (excluding revaluation reserves) and surplus*	(0.01)	0.00
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10)* (in Rs.)	0.00	0.00
Net Asset value per share (in Rs.)	9.46	9.68

* *adjusted for miscellaneous expenditure of Rs. 5,400 and Rs. 3,165 for FY07 and FY06 respectively.*

SSPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

46. Swayam Realtors and Traders Private Limited

Corporate Information

Swayam Realtors and Traders Private Limited ("SRTPL") was incorporated under the Companies Act on September 8, 2004. SRTPL is engaged in the business of developing real estate.

Registered Office

Its registered office is located at Marathon NextGen, Off. Ganpat Rao Kadam Marg, Lower Parel (W), Mumbai 400 013.

Board of Directors

The board of directors of SRTPL comprises of:

1. Mr. Rajesh S. Adani
2. Mr. Devang Desai
3. Mr. Chetan R. Shah
4. Mr. Mayur R. Shah

Shareholding Pattern

The shareholding pattern of SRTPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Estate Private Limited*	636,121	60.00
2.	Marathon Nextgen Reality & Textiles Limited**	424,081	40.00
	TOTAL	**1,060,022**	**100.00**

* *This includes 300 equity shares of SRTPL held by nominees of Adani Estate Private Limited.*
*** This includes 200 equity shares of SRTPL held by nominees of Marathon Nextgen Reality & Textiles Limited.*

Financial Performance

The summary audited stand-alone financial statements of SRTPL for fiscal years 2005, 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the nine month period ended December 31, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus	(0.07)	(0.07)	(0.03)
Income (Loss)	0.00	(0.00)	0.00
Profit After Tax	0.00	0.07	0.00
Earning Per Share (face value Rs. 10) * (in Rs.)	(0.03)	(1.41)	0.00
Net asset value per share (in Rs.)	8.56	8.59	9.32

SRTPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

47. Trident Trade and Investment Private Limited

Corporate Information

Trident Trade and Investment Private Limited ("Trident") was incorporated in Republic of Mauritius on August 8, 2007. The object for which the Company is established are investment holding company and also any business whatsoever and the Company shall have full power and authority to carry out any object not prohibited by law for the time being in force in the Republic of Mauritius.

Registered Office

The registered office of Trident is located at C/o Trustlink International Limited, Suite 501, St James Court, St Denis Street, Port Louis, Mauritius.

Board of Directors

The board of directors of Trident comprises of:

1. Mr. Vinod Shantilal Shah
2. Mr. Vidya Mungroo
3. Mr. Giandeo Reemul

Shareholding Pattern

The shareholding pattern of Trident on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (US$ 1 Per Shares)	Percentage of Shareholding
1.	Vinod S. Shah	10,000	
	TOTAL	**10,000**	**100.00**

Financial Performance

Since Trident Trade and Investment Private Limited was incorporated on August 8, 2007, the audited financial statements of the company have not been prepared yet.

48. Ventura Trade and Investment Private Limited

Corporate Information

Ventura Trade and Investment Private Limited ("Ventura") was incorporated in Republic of Mauritius on August 8, 2007. The object for which the Company is established are investment holding company and also any business whatsoever and the Company shall have full power and authority to carry out any object not prohibited by law for the time being in force in the Republic of Mauritius.

Registered Office

The registered office of Ventura is located at C/o Trustlink International Limited, Suite 501, St James Court, St Denis Street, Port Louis, Mauritius.

Board of Directors

The board of directors of Ventura comprises of:

1. Mr. Vinod Shantilal Shah
2. Mr. Vidya Mungroo
3. Mr. Giandeo Reemul

Shareholding Pattern

The shareholding pattern of Ventura on March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held (US$ 1 Per Shares)	Percentage
1.	Vinod S. Shah	10,000	
	TOTAL	**10,000**	**100.00**

Financial Performance

Since Ventura Trade and Investment Private Limited was incorporated on August 8, 2007, the audited financial statements of the company have not been prepared yet.

49. Vishakha Polyfab Private Limited

Corporate Information

Vishakha Polyfab Private Limited ("VPPL") was incorporated under the Companies Act on December 29, 1993. VPPL is engaged in the business of manufacturing of Multilayer plastic extruded film (plain and printed).

Registered Office

Its registered office is located at 549/2, Village Vadsar, Taluka Kalol, Khatraj, Gandhinagar.

Board of Directors

The board of directors of VPPL comprises of:

1. Mr. Jigish Doshi
2. Mr. Bhadresh Doshi
3. Mr. Pranav Adani
4. Mr. Kamal Moondra

Shareholding Pattern

The shareholding pattern of VPPL as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Wilmar Limited	2,000,000	50.00
2.	Bhadresh Doshi	270,000	6.75
3.	Umesh Doshi	209,500	5.24
4.	Jigish Doshi	1,520,000	38.00
5.	Jigish Doshi (Nominee on behalf of Labdhi International)	500	0.01
	TOTAL	**4,000,000**	**100.00**

Financial Performance

The summary audited stand-alone financial statements of VPPL for the last three fiscal years are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2006
Equity Capital*	40.00	40.00	40.00
Reserves (excluding revaluation reserves) and surplus	71.72	64.77	44.46
Income	315.59	305.36	232.03
Profit After Tax	13.97	27.15	24.05
Earning Per Share (face value Rs. 10) (in Rs.)	3.49	6.79	6.01
Net asset value per share (in Rs.)	27.90	26.20	21.10

VPPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

50. Vyom Tradelinks Private Limited

Corporate Information

Vyom Tradelinks Private Limited ("Vyom") was incorporated under the Companies Act on March 24, 2005. Vyom is engaged in the business of import, export, buy, sell, market and local trading as brokers, traders, agents, importers, exporters, wholesaler, retailer, representatives and advisor in every kind of Marine Products, all types of agro based commodities and merchandise, general products, substances, goods, materials, articles, and services, subject to obtaining licences, issued by any government, semi government or quasi government authorities, anywhere in India or abroad,

Registered Office

Its registered office is located at 8th Floor, Shikhar, near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Board of Directors

The board of directors of Vyom comprises of:

1. Mr. Pradeep Mittal
2. Mr. Bhavik Shah
3. Mr. Juvenil Jani

Shareholding Pattern

The shareholding pattern of Vyom as of March 31, 2008 is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage
1.	Adani Enterprises Limited*	50,000	100.00
	TOTAL	**50,000**	**100.00**

* *This includes 100 equity shares of Vyom held by nominees of Adani Enterprises Limited.*

Financial Performance

The summary audited stand-alone financial statements of Vyom for fiscal years 2006 and 2007 are as follows:

(In Rs. Million, except share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	0.50	0.10
Reserves (excluding revaluation reserves) and surplus*	(0.13)	(0.02)
Income	0.00	0.00
Profit After Tax	0.00	0.00
Earning Per Share (face value Rs. 10) * (in Rs.)	0.00	0.00
Net asset value per share (in Rs.)	7.42	7.95

** Adjusted for miscellaneous and pre-operative expenditure of Rs. 0.13 million and Rs. 0.02 million for FY07 and FY06 respectively.*

Vyom is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and it is not under winding up.

Partnership Firms/Sole Proprietorships forming part of Promoter Group

1. Adani Investment

Corporate Information

Adani Investment is a partnership firm formed on November 12, 1994. Adani Investment is engaged in the business of being bankers, brokers and general commission agents.

Registered Office

Its offices are located at 8th Floor, Shikhar, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Partners

The partners of Adani Investment and their profit/loss interest as of January 31, 2008 are as follows:

Sr. No	Name of the partner	Interest (Percentage)
1.	Mr. Vinod S. Adani	20.00
2.	Mrs. Ranjan V. Adani	15.00
3.	Mr. Gautam S. Adani	20.00
4.	Mrs. Priti G. Adani	10.00
5.	Mr. Rajesh S. Adani	20.00
6.	Mrs. Shilin R. Adani	15.00
	Total	**100.00**

Financial Performance

The summary financial statements of Adani Investments for fiscal years 2006 and 2007 are as follows:

(In Rs. Million)

Particulars	For the year ended		
	March 31, 2007	March 31,2006	March 31,2005
Partners' Capital Account	99.24	147.26	141.20
Total income	2.71	1.71	2.36
Net Profit/(Loss)	2.69	1.56	0.62

2. Adani Textile Industries

Corporate Information

Adani Textile Industries ("ATI") is a partnership firm formed on January 1, 1981. ATI is engaged in the business of manufacturer, processor, traders, exporter, importer, indentors, commission agent in textiles, cosmetics, toiletries and other items.

Registered Office

The offices of ATI are located at 9th Floor, Shikhar, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Partners

The partners of ATI and their profit/loss interest as of January 31, 2008 are as follows:

Sr. No	Name of the partner	Interest (Percentage)
1.	Mr. Mahasukh S. Adani	99.00

Sr. No	Name of the partner	Interest (Percentage)
3.	Mr. Vasant S. Adani	1.00
	Total	**100.00**

Financial Performance

The summary financial statements of Adani Investments for fiscal years 2006 and 2007 are as follows:

(In Rs. Million)

Particulars	For the year ended		
	March 31, 2007	March 31,2006	March 31,2005
Partners' Capital Account	116.06	126.39	139.41
Total income	184.18	206.33	175.62
Net Profit/(Loss)	4.88	(3.59)	1.05

3. EZY Global

Corporate Information

EZY Global is a partnership firm formed on June 6, 2004. EZY Global is engaged in the business of manufacturer, processor, traders, exporter, importer, indentors, commission agent in textiles, cosmetics, toiletries and other items.

Registered Office

The offices of EZY Global are located at 9th Floor, Shikhar, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Partners

The partners of ATI and their profit/loss interest as of January 31, 2008 are as follows:

Sr. No	Name of the partner	Interest (Percentage)
1.	Mr. Mahasukh S. Adani	99.00
3.	Mr. Vasant S. Adani	1.00
	Total	**100.00**

Financial Performance

The summary financial statements of Adani Investments for fiscal years 2005, 2006 and 2007 are as follows:

(In Rs. Million)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Partners' Capital Account	32.98	56.42	47.42
Total income	36.33	91.42	15.06
Net Profit/(Loss)	1.98	0.83	0.34

4. Shanti Builders

Corporate Information

Shanti Builders is a partnership firm formed on September 1, 2004. Shanti Builders is engaged in the business construction activities.

Registered Office

The offices of Shanti Builders are located at 8th Floor, Shikhar, near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Partners

The partners of ATI and their profit/loss interest as of January 31, 2008 are as follows:

Sr. No	Name of the partner	Interest (Percentage)
1.	Mr. Mahasukh S. Adani	1.00
2.	Mr. Vasant S. Adani	78.00
3.	Mr. Pranav V. Adani	1.00
4.	Mr. Dilip R. Shah	20.00
	Total	**100.00**

Financial Performance

The summary financial statements of Adani Investments for fiscal years 2005, 2006 and 2007 are as follows:

(In Rs. Million)

Particulars	For the year ended		
	March 31, 2007	March 31,2006	March 31,2005
Partners' Capital Account	21.82	19.45	5.45
Total income	26.30	Nil	Nil
Net Profit/(Loss)	9.17	Nil	Nil

None of our Promoters or Promoter Group Companies have been restrained or prohibited by SEBI or any other regulatory authority from accessing the capital markets for any reason, except as stated in this Draft Red Herring Prospectus.

Trusts forming part of the Promoter Group

1. Shantilal Bhudarmal Adani Family Trust

Corporate Information

Shantilal Bhudarmal Adani Family Trust is a private trust and it was set up on June 5, 1981. Its income is mainly on account of investments in shares and interest on fixed deposits.

Board of Trustees

The trustees of Shantilal Bhudarmal Adani Family Trust are:

1. Mr. Vinod S. Adani
2. Mr. Gautam S. Adani
3. Mr. Rajesh S. Adani

Beneficiaries

The beneficiaries of Shantilal Bhudarmal Adani Family Trust are:

1. Mr. Mahasukhbhai S. Adani;
2. Mr. Vinod S. Adani;
3. Mr. Vasant S. Adani;
4. Mr. Gautam S. Adani;
5. Mr. Rajesh S. Adani; and

6. their respective family members.

Financial Performance

The summary financial statements of Shantilal Bhudarmal Adani Family Trust for fiscal years 2006 and 2007 are as follows:

(In Rs. Million)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Trust Fund	4,905.30	1,906.70	20.00
Trust Income	126.60	366.20	0.00
Surplus of Income over Expenditure	125.40	365.10	0.00

2. Gautambhai S. Adani Family Trust

Corporate Information

Gautam S Adani Family Trust is a private trust and it was set up on December 1, 1998. Its income is mainly on account of investments in shares, interest income and interest on fixed deposits.

Board of Trustees

The trustees of the Gautam S. Adani Family Trust are:

1. Mr. Gautam S. Adani
2. Mr. Rajesh S. Adani
3. Mr. Vinod S. Adani
4. Mr. Priti Gautam Adani

Beneficiaries

The beneficiaries of Gautam S. Adani Family Trust are:

1. Mr. Gautam S. Adani and his family members
2. Shantilal Bhudarmal Adani Family Trust

Financial Performance

The summary financial statements of Gautam S. Adani Family Trust for the last three fiscal years are as follows:

(In Rs. Million)

Particulars	For the year ended March 31,		
	2007	2006	2005
Trust Fund	1.00	1.00	214.70
Trust Income	4.20	0.00	0.00
Surplus of Income over Expenditure	0.00	(0.70)	8.50

3. Rajeshbhai S. Adani Family Trust

Corporate Information

Rajesh S. Adani Family Trust is a private trust and it was set up on December 1, 1998. Its income is mainly on account of investments in shares, Interest Income and interest on fixed deposits.

Board of Trustees

The trustees of the Rajesh S. Adani Family Trust are:

1. Mr. Rajesh S. Adani
2. Mr. Gautam S. Adani
3. Mr. Vinod S. Adani
4. Mr. Shilin Rajesh Adani

Beneficiaries

The beneficiaries of Rajesh S. Adani Family Trust are:

1. Mr. Rajesh S. Adani and his family members
2. Shantilal Bhudarmal Adani Family Trust

Financial Performance

The summary financial statements of Rajesh S. Adani Family Trust for the last three fiscal years are as follows:

(In Rs. Million)

Particulars	For the year ended March 31		
	2007	2006	2005
Trust Fund	6.60	7.30	222.10
Trust Income	5.60	0.10	11.20
Surplus of Income over Expenditure	0.00	0.00	9.10

4. Vasantbhai S. Adani Family Trust

Corporate Information

Vasantbhai S. Adani Family Trust is a private trust and it was set up on December 1, 1998. Its income is mainly on account of investments in shares, interest income and interest on fixed deposits.

Board of Trustees

The trustees of the Vasantbhai S. Adani Family Trust are:

1. Mr. Vasantbhai S. Adani
2. Mrs. Pushpaben V. Adani

Beneficiaries

The beneficiaries of Rajesh S. Adani Family Trust are:

3. Mr. Vasantbhai S. Adani and his family members
4. Shantilal Bhudarmal Adani Family Trust

Financial Performance

The summary financial statements of Vasantbhai S. Adani Family Trust for the last three fiscal years are as follows:

(In Rs. Million)

Particulars	For the year ended March 31		
	2007	2006	2005
Trust Fund	235.85	235.86	214.89

Particulars	For the year ended March 31		
	2007	2006	2005
Trust Income/ Receipt	5.15	0.04	12.06
Surplus of Income over Expenditure	0.00	(1.50)	8.51

5. Vinodbhai S. Adani Family Trust

Corporate Information

Vinodbhai S. Adani Family Trust is a private trust and it was set up on December 1, 1998. Its income is mainly on account of investments in shares, interest income and interest on fixed deposits.

Board of Trustees

The trustees of the Vinodbhai S. Adani Family Trust are:

1. Mr. Vinodbhai S. Adani
2. Mrs. Ranjanben V. Adani
3. Mr. Gautambhai S. Adani
4. Mr. Rajeshbhai S. Adani

Beneficiaries

The beneficiaries of Vinodbhai S. Adani Family Trust are:

1. Mr. Vinodbhai S. Adani and his family members
2. Shantilal Bhudarmal Adani Family Trust

Financial Performance

The summary financial statements of Vasantbhai S. Adani Family Trust for the last three fiscal years are as follows:

(In Rs. Million)

Particulars	For the year ended March 31		
	2007	2006	2005
Trust Fund	5.79	5.71	205.37
Trust Income/ Receipt	3.66	0.02	12.00
Surplus of Income over Expenditure	0.17	(0.01)	(2.51)

6. Mahasukbhai S. Adani Family Trust

Corporate Information

Mahasukbhai S. Adani Family Trust is a private trust and it was set up on December 1, 1998. Its income is mainly on account of investments in shares, interest income and interest on fixed deposits.

Board of Trustees

The trustees of the Mahasukbhai S. Adani Family Trust are:

1. Mr. Mahasukbhai S. Adani
2. Mrs. Suvarnaben M. Adani

Beneficiaries

The beneficiaries of Vinodbhai S. Adani Family Trust are:

1. Mr. Mahasukbhai S. Adani and his family members
2. Shantilal Bhudarmal Adani Family Trust

Financial Performance

The summary financial statements of Mahasukbhai S. Adani Family Trust for the last three fiscal years are as follows:

(In Rs. Million)

Particulars	For the year ended March 31		
	2007	2006	2005
Trust Fund	384.65	387.31	224.30
Trust Income/ Receipt	12.44	0.04	12.06
Surplus of Income over Expenditure	0.00	(0.07)	10.77

HUFs forming part of the Promoter Group

1. Gautambhai S. Adani HUF

Gautambhai S. Adani HUF is a Hindu Undivided Family, represented by its karta Mr. Gautam S. Adani.

Financial Performance

The summary financial statements of Gautambhai S. Adani HUF for the last three fiscal years are as follows:

(In Rupees) (Unaudited)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Capital Account	113,985.00	113,985.00	0.00
Interest Income	1,990.00	2,020.00	8,230.00
Net Surplus	1,866.20	2,020.00	(1,331,836.00)

2. Rajeshbhai S. Adani HUF

Rajeshbhai S. Adani HUF is a Hindu Undivided Family, represented by its karta Mr. Rajesh S. Adani.

Financial Performance

The summary financial statements of Rajeshbhai S. Adani HUF for the last three fiscal years are as follows:

(In Rupees) (Unaudited)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Capital Account	78.0	78.0	Nil
Interest Income	2.0	78.0	301.0
Net Surplus	(44.0)	78.0	(135,750.0)

3. Vasantbhai S. Adani HUF

Vasantbhai S. Adani HUF is a Hindu Undivided Family, represented by its karta Mr. Vasant S. Adani.

Financial Performance

The summary financial statements of Vasantbhai S. Adani HUF for the last three fiscal years are as follows:

(In Rupees) (Unaudited)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Capital Account	9,960.76	9,661.00	(1,188,242.00)
Interest Income	337.00	603.00	6,616.00
Net Surplus	337.00	(2,097.00)	10,034,780.00

4. Vinodbhai S. Adani HUF

Vinodbhai S. Adani HUF is a Hindu Undivided Family, represented by its karta Mr. Vinod S. Adani.

Financial Performance

The summary financial statements of Vinodbhai S. Adani HUF for the last three fiscal years are as follows:

(In Rupees) (Unaudited)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Capital Account	0.00	6,587.00	3.15
Interest Income	114.00	184.00	507.00
Net Surplus	123.15	184.00	(424,893.00)

5. Mahasukhbhai S. Adani HUF

Mahasukhbhai S. Adani HUF is a Hindu Undivided Family, represented by its karta Mr. Mahasukhbhai S. Adani.

Financial Performance

The summary financial statements of Mahasukhbhai S. Adani HUF for the last three fiscal years are as follows:

(In Rupees) (Unaudited)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Capital Account	6,905.00	6,905.00	3.00
Interest Income	119.00	452.00	1,661.00
Net Surplus	119.00	(4,948.00)	10,744,216

Disassociation by our Promoters in the last three years

AEL has disassociated from Advantage Retail Limited as it was sold off to Reliance Retail Limited.

RELATED PARTY TRANSACTIONS

Based on the standalone financial statements of the Company.

Particulars	For the period ended December 31, 2007		For the year ended March 31, 2007		For the year ended March 31, 2006		For the year ended March 31, 2005		For the year ended March 31, 2004		For the year ended March 31, 2003	
	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance
(i) Advance for purchase of Steel												
Adani Global FZE	52.88	-	14.27	14.27 Dr.	-	-	-	-	-	-	-	-
(ii) Sharing of Common Expenses												
Mundra Port and Special Economic Zone Ltd	-	-	6.62	-	14.40	15.91 Cr.	-	-	-	-	-	-
Adani Enterprise Ltd	6.92	17.66 Cr.	8.49	10.74 Cr.	-	-	-	-	-	-	-	-
(iii) Bank guarantee and LC Commission charges												
Adani Enterprise Ltd	-	-	10.74	-	-	-	-	-	-	-	-	-
(iv) Purchase of Bitumen												
Adani Enterprise Ltd	9.00	-	5.04	-	-	-	-	-	-	-	-	-
(v) Share Application Money												
Adani Enterprise Ltd	978.70	-	2,797.40	200.00 Cr.	-	-	-	-	-	-	-	-
Mundra Port and Special Economic Zone Ltd	-	-	68.00	-	68.00	68.00 Cr.	-	-	-	-	-	-
(VI) Equity Contribution												
Priti G Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Shilin R Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Pushpa V Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Suvarna M Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Ranjan V Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
(vii) Rent												
Adani Properties Pvt Ltd	-	-	5.89	-	0.04	-	-	-	-	-	-	-
Adani Wilmar Ltd	0.44	0.33 Cr.	0.07	0.07 Cr.	-		-	-	-	-	-	-
Mundra Port and Special Economic Zone Ltd	-	-	0.44	-	0.34	-	-	-	-	-	-	-
(viii) Purchase of Desalination Plant												
Adani Wilmar Ltd	-	-	26.65	-	-	-	-	-	-	-	-	-
(ix) Purchase of Fixed Assets												

Particulars	For the period ended December 31, 2007		For the year ended March 31, 2007		For the year ended March 31, 2006		For the year ended March 31, 2005		For the year ended March 31, 2004		For the year ended March 31, 2003	
	Value of Transactions	**Balance**	**Value of Transactions**	**Balance**	**Value of Transactions**	**Balance**	**Value of Transactions**	**Balance**	**Value of Transactions**	**Balance**	**Value of Transactions**	**Balance**
Mundra Port and Special Economic Zone Ltd	-	-	-	-	0.89	-	-	-	-	-	-	-
(x) Charges and Land Charges												
Mundra Port and Special Economic Zone Ltd	470.00	1576.25 Cr.	2,645.71	2046.25 Cr.	-	-	-	-	-	-	-	-
(xi) Salary & Allowances												
Shri R K Gupta	2.16	-	1.74	-	-	-	-	-	-	-	-	-
(xii) Advance under Coal Supply Agreement												
Entered into												
Adani Enterprise Ltd	1,500.00	1500.00 Dr.	-	-	-	-	-	-	-	-	-	-
(xiii) Electricity Charges												
Adani Wilmar Limited	0.17	-	-	-	-	-	-	-	-	-	-	-
(xiv) Storage charges, Terminal Handling Charges												
Mundra Port and Special Economic Zone Ltd	0.49	0.49 Cr.	-	-	-	-	-	-	-	-	-	-
(xv) Loans to Companies												
Adani Energy Ltd	150.00	35.00 Dr.	-	-	-	-	-	-	-	-	-	-
Aloka Real Estate Pvt Ltd	600.00	-	-	-	-	-	-	-	-	-	-	-
Adani Power Maharashtra Pvt Ltd.	9.55	9.55										
(xvi) Fuel Expenses												
Adani Energy Ltd	0.05	-	0.01	-	-	-	-	-	-	-	-	-
(xvii) Contribution towards Development / Building fund												
Adani DAV Public School	0.20	-	0.04	-	-	-	-	-	-	-	-	-
(xviii)Loans from Directors												
Rajesh S Adani (Loan Repayment)	-	-	-	-	-	-	-	-	-	-	5.00	-
Gautam S Adani (Loan Repayment)	-	-	-	-	-	-	-	-	-	-	4.11	-
Pritiben G Adani (Loan Taken)	-	-	-	-	-	-	-	-	-	-	9.10	9.10 Cr.
Pritiben G Adani (Loan Repayment)	-	-	-	-	-		-	-	9.10	-	-	

Based on the Consolidated financial statements of the Company.

Description	Name of Related Party	Nature of Relationship	Value of Transactions Period ended 31st December, 2007	Balance as at 31st December, 2007
Advance for Purchase of Steel	Adani Global FZE	Associate	52.88	-
Sharing of Common Expenses	Mundra Port and Special Economic Zone Ltd.	Associate	-	-
	Adani Enterprises Ltd.	Holding Company	6.92	17.66 Cr.
Bank Guarantee & Commission			-	-
L.C. Charges			-	-
Purchase of Bitumen			9.00	@
Advance as per the terms of Coal Supply Agreement entered into			1500.00	1500.00 Dr.
Share Application Money			978.70	-
	Erstwhile Mundra Special Economic Zone Ltd.	Associate	-	-
Rent	Adani Properties Pvt. Ltd.	Associate	-	-
	Adani Wilmar Limited	Associate	0.44	0.33 Cr.
	Mundra Port and Special Economic Zone Ltd.	Associate	-	-
Purchase of Desalination Plant	Adani Wilmar Ltd.	Associate	-	-
Electricity Charges	Adani Wilmar Ltd.	Associate	0.17	-
Lease Rent, Infrastructure Usage Charges & Land Charges	Mundra Port and Special Economic Zone Ltd.	Associate	470.00	1576.25 Cr.
Storage Charges, Terminal Handling Charges, Etc.	Mundra Port and Special Economic Zone Ltd.	Associate	0.49	0.49 Cr.
Loans to Companies	Adani Energy Limited	Associate	150.00	35.00 Dr.
	Aloka Real Estate Pvt. Ltd.	Associate	600.00	-
Fuel Expenses	Adani Energy Limited	Associate	0.05	-
Contribution Towards Development/ Building Fund	Adani DAV Public School	Associate	0.20	-
Salary & Allowances	Sri R. K. Gupta	Key Management Personnel	2.16	-

DIVIDEND POLICY

The declaration and payments of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

For details of the dividend paid by the Company, see "Financial Statements – Auditor's Report" beginning on page 224 of the Draft Red Herring Prospectus

FINANCIAL STATEMENTS

Auditors' report
(as required by Part II of Schedule II of the Companies Act, 1956)

To,
The Board of Directors,
Adani Power Limited
Regd. Office: 9th Floor "Shikhar",
Mithakhali Six Roads,
Mithakhali,
Ahmedabad – 380 009.

Dear Sirs,

1. We have examined (a) the restated financial information of Adani Power Limited ('the Company') (b) the Consolidated restated financial information of the Company and its two subsidiaries (collectively described as 'the Group') annexed to this report. The said restated financial information has been prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:

   a. paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ("the Act") ;

   b. the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (the 'SEBI Guidelines') and the related clarifications thereto issued by the Securities and Exchange Board of India ('SEBI') pursuant to section 11 of the Securities and Exchange Board of India Act, 1992, as amended to date; and

   c. the terms of our engagement agreed upon with you in accordance with our appointment letter dated 24th January, 2008 in connection with the offer document being issued by the Company for its proposed Initial Public Issue of Equity Shares.

2. Restated Financial Information as per Audited Financial Statements:

   a. The restated unconsolidated financial information of the Company has been extracted from the audited unconsolidated financial statements for the years ended on 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004 and 31st March 2003 which have been approved by the Board of Directors and adopted by the Members of the Company at the respective Annual General Meetings. The restated unconsolidated financial information of the Company for the nine months period ended on 31st December 2007 has been extracted from the audited unconsolidated financial statements approved by the Board of Directors. Audit of the unconsolidated financial statements for the financial years ended on 31st March 2006, 31st March 2005, 31st March 2004 and 31st March 2003 were conducted by M/s. Dharmesh Parikh & Co., and for the year ended on 31st March 2007 was conducted by M/s. C.C. Chokshi & Co., being the auditors of the Company for those years, and accordingly we have placed reliance on the restated unconsolidated financial information examined and reported upon by them for the said years and have not carried out any additional procedures thereon.

      Audit of the unconsolidated financial statements for the nine months period ended on 31st December 2007 was conducted by us.

   b. The restated consolidated financial information of the Group for the nine months period ended on 31st December 2007 has been extracted from the audited consolidated financial statements approved by the Board of Directors.

      Audit of the consolidated financial statements for the nine months period ended on 31st December 2007 was conducted by us.

      We have not audited the financial statements of subsidiaries Adani Power Maharashtra Pvt. Ltd. (APMPL) and Dahej Power Pvt. Ltd. (DPPL) whose financial statements reflect total assets of Rs. 101.98 Million as at 31st December, 2007 and net cash out flows amounting to Rs. 1.40 Million for the period of nine months then ended. These financial statements and other financial information have been audited by M/s. C.C.Chokshi & Co. in respect of APMPL and by M/s. Dharmesh Parikh & Co. in respect of DPPL, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of such other auditors.

3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   We have examined the Unconsolidated and Consolidated Summary Statement of Assets and Liabilities, as restated, as at 31st December 2007 and 31st March 2007, 2006, 2005, 2004 and 2003 and the related Unconsolidated and Consolidated Summary Statement of Cash Flows, as restated, for the period/year then ended and the notes thereon;

4. Without qualifying our opinion, we draw your attention to note 5 (B) in Annexure V - Notes to Statement on Adjustments to Audited Unconsolidated Financial Statements regarding adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits" during the nine months period ended 31st December 2007 and regarding not adopting the same for the years ended on 31st March 2006, 2005, 2004 and 2003 considering that no profit and loss account is prepared by the Company and that such non-adoption does not have a material impact on the assets/liabilities and accumulated balances of Employees benefits payable for the years ended on 31st March, 2006, 2005, 2004 and 2003.

5. Subject to the matters stated in paragraph 4 above, the effect of which cannot be determined, and based on our examination, we further report that:

   a. The unconsolidated and consolidated summary statements of assets and liabilities, as restated, and the related unconsolidated and consolidated summary statements of cash flows, as restated are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Annexure V - Notes to statement on adjustments to audited unconsolidated and consolidated financial statements, except to the extent stated in paragraph 4 above;

   b. The restated unconsolidated and consolidated financial information has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   c. There are no extra-ordinary items that need to be disclosed separately in the restated financial information;

   d. There is no qualification in Auditors' Reports which would require an adjustment in the restated financial information.

6. Other Financial Information:

   a. We have also examined the unconsolidated financial information of the Company as at and for the nine months ended on 31st December 2007 and for the year ended on 31st March, 2007, 2006, 2005, 2004 and 2003, listed below, which is proposed to be included in the Offer document, as approved by the Board of Directors of the Company and annexed to this report:

      i. Schedules of Restated Unconsolidated Financial Statement (Annexure IV);
      ii. Details of Investments as appearing in Annexure IV D;
      iii. Details of Loans and Advances as appearing in Annexure IV E;
      iv. Details of Secured and Unsecured Loans, as appearing in Annexure IV F;
      v. Significant Accounting Policies and Notes on Restated Consolidated Accounts (Annexure V);
      vi. Statement of Accounting Ratios, as appearing in Annexure VI;
      vii. Details of Dividends declared by the Company, as appearing in Annexure VII;
      viii. Statement of Tax Shelters, as appearing in Annexure VIII;
      ix. Capitalization Statement, as appearing in Annexure IX;
      x. Details of Other Income, as appearing in Annexure X and

xi. Details of related party disclosure (Note 11 to Annexure V).

b. We have also examined the consolidated financial information relating to the group as at and for the nine months ended 31st December, 2007 proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

i. Schedules of Consolidated Financial Statement (Annexure IV);
ii. Significant Accounting Policies and Notes on Restated Consolidated Accounts (Annexure V);
iii. Statement of Accounting Ratios, as appearing in Annexure VI;
iv. Details of Dividends declared by the Company as appearing in Annexure VII;
v. Capitalization statement as appearing in Annexure VIII;
vi. Statement of Tax Shelter as appearing in Annexure IX;
vii. Details of Other Income, as appearing in Annexure X and
viii. Details of related party disclosure (Note 9 to Annexure V).

7. This report should not be in any way construed as a reissuance or a redating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. This report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Deloitte Haskins & Sells.
Chartered Accountants

Gaurav J. Shah
Partner
Membership Number: 35701

Place: Ahmedabad

Date: 31st March, 2008

ADANI POWER LIMITED

ANNEXURE I: SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED - NIL

The company has not commenced any commercial activities; hence, profit and loss account has not been prepared till the period ended on 31st December, 2007. However, necessary details as per Schedule - VI Part II of Companies Act, 1956 to the extent applicable have been disclosed under the head "Expenditure during Construction period and Capital Work in progress" which shall be capitalized on completion of the project.

ANNEXURE – II: SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In Millions

	Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
I	**Fixed Assets**						
	Gross Block	42.97	11.92	1.83	-	-	0.27
	Less : Accumulated Depreciation / Amortisation	6.93	1.48	0.03	-	-	0.14
	Net Block	**36.04**	**10.44**	**1.80**	**-**	**-**	**0.13**
	Capital Work- in- Progress including Capital Advances	17,032.94	5,515.79	0.28	-	-	-
	Expenditure during construction period	1,190.84	478.52	121.07	9.38	9.37	9.29
	Construction Material at site	121.85	47.26	-	-	-	-
		18,381.67	**6,052.01**	**123.15**	**9.38**	**9.37**	**9.42**
II	**Investments**	6.51	0.01	-	**-**	**-**	**-**
III	**Current Assets, Loans and Advances**						
	Cash and Bank Balances	514.40	497.04	2.67	0.06	0.07	0.06
	Loans and Advances	3,441.97	10.21	10.72	-	-	0.06
		3,956.37	**507.25**	**13.39**	**0.06**	**0.07**	**0.12**
	A= (I+II+III)	**22,344.55**	**6,559.27**	**136.53**	**9.44**	**9.44**	**9.54**
IV	**Liabilities and Provisions**						
	Secured Loans	6,433.46	1,442.69	-	-	-	-
	Unsecured Loans	-	-	-	-	-	9.10
	Current Liabilities	3,108.29	2,307.91	28.56	0.01	0.01	0.01
	Provisions	20.32	1.84	0.05	-	-	-
		9,562.07	**3,752.44**	**28.61**	**0.01**	**0.01**	**9.11**
	B=(IV)	**9,562.07**	**3,752.44**	**28.61**	**0.01**	**0.01**	**9.11**
	NET WORTH A-B	**12,782.48**	**2,806.83**	**107.93**	**9.43**	**9.43**	**0.43**
	Net Worth Represented by						
	Share Capital						
	- Equity Shares	4,306.43	2,606.90	9.50	9.50	9.50	0.50
	- Preference Shares	1,500.00	-	-	-	-	-
	Share Application Money pending Allotment	-	200.00	98.50	-	-	-
	Reserves and Surplus	6,979.17	-	-	-	-	-
	Less : Misc Expenditure	3.12	0.07	0.07	0.07	0.07	0.07
	NET WORTH	**12,782.48**	**2,806.83**	**107.93**	**9.43**	**9.43**	**0.43**

Note:

The above statement should be read with the Significant Accounting Policies and Notes to Statement of Assets and Liabilities and Cashflows as appearing in Annexure V.

ANNEXURE III SUMMARY OF CASH FLOW STATEMENTS, AS RESTATED

Rs. In Million

	Particulars	Period ended December 31, 2007	Year ended March, 31,2007	Year ended 31st March, 2006	Year ended 31st March, 2005	Year ended 31st March, 2004	Year ended 31st March, 2003
(A)	**CASH FLOW FROM OPERATING ACTIVITIES#**	-	-	-	-	-	-
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Investment in subsidiaries	(6.50)	-	-	-	-	-
	(Purchase) / Sale of Fixed Assets	(31.05)	(10.10)	-	-	0.27	-
	Deposits	-	-	-	-	-	-
	Loan to subsidiary	(95.48)	-	-	-	-	-
	Capital Work in Progress	(12,547.11)	(2,766.03)	(95.89)	(0.01)	(0.22)	(0.02)
	Loan to companies	(1,640.00)	-	-	-	0.06	-
	Advance to Holding Company	(1,500.00)	-	-	-	-	-
	Net Cash Flow from Investing Activities	**(15,820.14)**	**(2,776.13)**	**(95.89)**	**(0.01)**	**0.11**	**(0.02)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Proceeds from Issue of Equity Shares	8,478.70	2,597.40	98.50	-	9.00	-
	Proceeds from Issue of Preference Shares	1,500.00	-	-	-	-	-
	Increase in Share Application Money	-	101.50	-	-	-	-
	Long Term Borrowings	5,861.85	571.61	-	-	-	-
	Misc. Expenditure	(3.05)	-	-	-	-	-
	Repayment of Unsecured Loan	-	-	-	-	(9.10)	(0.01)
	Net Cash Flow from Financing Activities	**15,837.50**	**3,270.51**	**98.50**	**-**	**(0.10)**	**(0.01)**
	Net Change in Cash and Cash Equivalents (A+B+C)	**17.36**	**494.38**	**2.61**	**(0.01)**	**0.01**	**(0.03)**
	Cash and Cash Equivalents as at beginning of the period/year	**497.04**	**2.67**	0.06	0.07	0.06	0.09
	Cash and Cash Equivalents as at end of the period/year	**514.40**	**497.05**	2.67	0.06	0.07	0.06
		17.36	**494.38**	**2.61**	**(0.01)**	**0.01**	**(0.03)**

Notes:

1. The above statement should be read with the Significant Accounting Policies and Notes to Statement of Assets and Liabilities and Cashflows as appearing in Annexure V.
2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.
3. Negative Figures have been shown in brackets.

\# Refer note 4(b) as appearing in Annexure V(B).

ADANI POWER LIMITED

ANNEXURE IV A 1 FIXED ASSETS AS AT 31ST DECEMBER, 2007

(Rs. in million)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK
	As at April 1, 2007	Additions during the period/year	Deductions / Adjustments during the period/year	As at December 31st 2007	As at April 1, 2007	Additions during the period/year	Deductions / Adjustments during the period/year	As at December 31st 2007	As at December 31st 2007
Furnitures and Fixtures	1.28	3.20	-	4.48	0.66	2.55	-	3.21	1.27
Plant and Machinery	-	8.24	-	8.24	-	0.14	-	0.14	8.10
Office Equipments	1.12	6.96	-	8.08	0.21	1.01	-	1.22	6.86
Computers	4.50	11.40	-	15.90	0.39	1.32	-	1.71	14.19
Vehicles	5.02	1.25	-	6.27	0.22	0.43	-	0.65	5.62
Total	**11.92**	**31.05**	**-**	**42.97**	**1.48**	**5.45**	**-**	**6.93**	**36.04**

ANNEXURE IV A 2 FIXED ASSETS AS AT 31ST MARCH, 2007

(Rs. in million)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK
	As at April 1, 2006	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2007	As at April 1, 2006	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2007	As at March 31st, 2007
Furnitures and Fixtures	0.16	1.12	-	1.28	-	0.66	-	0.66	0.62
Office Equipments	0.09	1.03	-	1.12	0.01	0.20	-	0.21	0.91
Computers	0.53	3.97	-	4.50	0.02	0.37	-	0.39	4.11
Vehicles	1.04	4.02	(0.04)	5.02	0.00	0.22	-	0.22	4.80
Total	**1.82**	**10.14**	**(0.04)**	**11.92**	**0.03**	**1.45**	**-**	**1.48**	**10.44**

ANNEXURE IV A 3 FIXED ASSETS AS AT 31ST MARCH, 2006

(Rs. in million)

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK
	Additions during the year	Deductions / Adjustments during the year	As at March 31st 2006	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2006	As at March 31st 2006
Furnitures and Fixtures	0.16	-	0.16	-	-	-	0.16
Office Equipments	0.10	-	0.10	0.01	-	0.01	0.09
Computers	0.53	-	0.53	0.02	-	0.02	0.51
Vehicles	1.04	-	1.04	0.00	-	0.00	1.04
Total	**1.83**	**-**	**1.83**	**0.03**	**-**	**0.03**	**1.80**

ANNEXURE IV A 4 FIXED ASSETS AS AT 31ST MARCH, 2004

(Rs. in million)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK
	As at April 1, 2003	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2004	As at April 1, 2003	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2004	As at March 31st, 2004
Vehicles	0.27	-	0.27	-	0.14	-	0.14	-	-
Total	**0.27**	**-**	**0.27**	**-**	**0.14**	**-**	**0.14**		

ANNEXURE IV A 4 FIXED ASSETS AS AT 31ST MARCH, 2003

(Rs. in million)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK
	As at April 1, 2002	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2003	As at April 1, 2002	Additions during the year	Deductions / Adjustments during the year	As at March 31st, 2003	As at March 31st, 2004
Vehicles	0.27	-	0.27	-	0.11	0.03	-	0.14	0.13
Total	**0.27**	**-**	**0.27**	**-**	**0.11**	**0.03**	**-**	**0.14**	**0.13**

ANNEXURE IV B : CAPITAL WORK IN PROGRESS

Rs. In Millions

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Capital Work - in - Progress						
Leasehold Land and Site Development	2,697.28	2,675.65	2.80	-	-	-
Building and Civil Works	366.18	59.95	-	-	-	-
Furniture & Fittings	6.38	2.35	-	-	-	-
Plant and Machinery	7,492.38	1,463.20	-	-	-	-
Electrical Installation	110.68	6.95	-	-	-	-
Railway Sidings	1.82	0.20	-	-	-	-
Desalination Plant	27.61	-	-	-	-	-
Transmission Line	629.66	-	-	-	-	-
Coal mine	79.90	-	-	-	-	-
SAP Software consultant	4.24	-	-	-	-	-
Project Material	985.58	254.37	-	-	-	-
Advance for Capital Expenditures						
Advance to Contractors	4,608.68	156.77	-	-	-	-
Advance to Suppliers and Others	22.55	896.35	-	-	-	-
Total	**17,032.94**	**5,515.79**	**2.80**	**-**	**-**	**-**

$ Refer note 4(a) as appearing in Annexure V(B).

ANNEXURE IV C : EXPENDITURE DURING CONSTRUCTION PERIOD

Rs. In Millions

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Salary and Allowances	90.26	21.98	1.71	0.94	0.94	0.94
Contribution to Provident funds and others	4.59	-	0.10	-	-	-
Welfare Expenses	25.25	6.04	0.00	-	-	-
Administration and Office Expenses##	40.66	12.52	2.04	0.40	0.40	0.40
Project Office Expenses	13.85	-	-	-	-	-
Communication Expenses	3.17	1.39	0.31	0.08	0.08	0.08
Interest and Finance Charges	617.28	155.64	-	-	-	-
Misc. Expenses	1.18	0.85	1.34	1.12	1.12	1.05
Professional Fees	353.39	234.58	111.77	5.57	5.57	5.57
Stationary and Courier Expenses	2.48	1.01	0.14	0.03	0.03	0.02
Statutory Expenses	27.10	24.73	-	-	-	-
Auditor's Remuneration	0.56	-	0.05	0.04	0.04	0.03
Travelling Expenses	38.11	19.71	3.60	1.06	1.06	1.06
Sub Lease Rent for Land	0.03	-	-	-	-	-
Vehicle Running Expenses	15.09	2.58	0.00	0.00	0.00	0.00
Transmission Line Expenses	2.93	-	-	-	-	-
Project Insurance	31.27	12.07	0.02	-	-	-
Insurance Expenses - Project	0.83	-	-	-	-	-
Depreciation	6.94	1.49	0.18	0.14	0.14	0.14
Provision for Taxes@@	43.53	8.94	-	-	-	-
Total	**1,318.50**	**503.52**	**121.27**	**9.38**	**9.37**	**9.29**
Other Income						
Gain on Sale of Securities/ Treasury Bills	29.10	-	-	-	-	-
Interest (Net Of Taxes deducted at source)	86.57	23.48	-	-	-	-
Sale of Tender Documents	4.02	1.52	0.20	-	-	-
Other Income	7.97					
Total	**127.66**	**25.00**	**0.20**	**-**	**-**	**-**
Total	**1,190.84**	**478.52**	**121.07**	**9.38**	**9.37**	**9.29**

1 ## Refer note 1 as appearing in Annexure V(B).
2 @@ Refer note 3 as appearing in Annexure V(B).

ANNEXURE IV D : DETAILS OF INVESTMENTS

Rs. In Million

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
LONG TERM INVESTMENTS						
UNQUOTED						
Investments in Subsidiary Companies						
10,000 fully paid Equity Shares of Rs. 10 each of Adani Power Maharastra Private Ltd.	0.10					
10,000 fully paid Equity Shares of Rs. 10 each of Dahej Power Private Ltd.	0.10					
- Share Application Money	6.30					
Sub Total	**6.50**	**-**	**-**	**-**	**-**	**-**
2. NON TRADE UNQUOTED						
National Saving Certificates	0.01	0.01	-	-	-	-
Sub Total	**0.01**	**0.01**	**-**	**-**	**-**	**-**
3. CURRENT INVESTMENTS						
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**
Total	**6.51**	**0.01**	**-**	**-**	**-**	**-**

ANNEXURE IV E: DETAILS OF OTHER CURRENT ASSETS LOANS AND ADVANCES

Rs. In Millions

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Cash and Bank Balances						
Cash and Cheques on Hand	0.38	0.06	0.02	0.02	0.00	0.00
Balances with Scheduled Banks :						
- In Current Accounts	303.35	7.48	2.65	0.04	0.07	0.06
- In margin Money Accounts	180.50	95.00	-	-	-	-
- In Deposit Accounts	30.17	394.50				
	514.40	**497.04**	**2.67**	**0.06**	**0.07**	**0.06**
Unsecured, Considered good						
Advances and Loans given to a Subsidiary	95.48	-	-	-	-	-
Advances Recoverable in Cash or in Kind or for Value to be received *	28.02	8.15	10.71	-	-	0.06
Advances and Loans to a Holding Company	1,500.00	-	-	-	-	-
Loans to companies	1,640.00	-	-	-	-	-
Interest receivable	34.52	-	-	-	-	-
Deposits						
- Others	143.95	2.06	-	-	-	-
	3,441.97	10.21	10.71	-	-	0.06
Total	**3,956.37**	**507.25**	**13.38**	**0.06**	**0.07**	**0.12**

Notes: * Selective Financial Information on Loans and Advances as at December 31st 2007 is as follows

(Rs.in Millions)

	31st December, 2007
Advances Recoverable in Cash or in Kind or for Value to be received	
- Considered Good	
- From Promoter Group Companies	-
- From Associate Companies	-
- From Others	28.02
- Considered Doubtful	-
Less : Provision for doubtful loans and advances	-
	28.02

ANNEXURE IV F: DETAILS OF LOANS

SECURED LOANS

(Rs. in Millions)

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Term Loans from Banks						
Term Loans	1,376.90	567.80	-	-	-	-
Bills Discounted under Letter of Credit	5,056.56	874.89	-	-	-	-
TOTAL	**6,433.46**	**1,442.69**	**-**	**-**	**-**	**-**

UNSECURED LOANS

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Loan from Members/ Directors	-	-	-	-	-	9.10
TOTAL	**-**	**-**	**-**	**-**	**-**	**9.10**

Notes to Secured Loans:

1 The above facilities are secured by First ranking pari passu charge -

(a) through execution of indenture of mortgage in respect of all immovable and movable properties and assets both present and future.

(b) through execution of memorandum of hypothecation in respect of all movable properties, assets both present and future including all revenues, bank balances, receivables,rights, titles, interests in assets and uncalled capital.

(c) through Pledge of 10,14,81,000 equity shares of Adani Power Limited through execution of pledge agreement by Adani Enterprise Ltd.

(d) through Corporate guarantee from Mundra Port and Special Economic Zone Limited for Rs. 1,350 Millions.

2 The figures disclosed above are based on the standalone restated financial statements of the Company.

Note to Unsecured Loan:

The Unsecured Loan from Directors were interest free. There was no fixed repayment schedule for the same.

@ Refer note 2 as appearing in Annexure V(B).

ANNEXURE IV G : CURRENT LIABILITIES AND PROVISIONS

Rs. In Millions

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Current Liabilities						
Sundry Creditors	3,033.46	2,306.65	28.50	-	-	-
Interest Accrued but not Due on Loans	38.05	0.77	-	-	-	-
Other Liabilities	36.78	0.49	0.06	0.01	0.01	0.01
	3,108.29	**2,307.91**	**28.56**	**0.01**	**0.01**	**0.01**
Provisions						
Income Tax	16.55	1.30	-	-	-	-
Leave Encashment	2.31	0.54	0.05	-	-	-
Gratuity	1.47	-		-	-	-
	20.33	**1.84**	**0.05**	**-**	**-**	**-**
Total	**3,128.62**	**2,309.75**	**28.61**	**0.01**	**0.01**	**0.01**

ANNEXURE IV H: SHARE CAPITAL, RESERVES AND SURPLUS

Rs. In Millions

Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Issued, Subscribed and Paid – up						
Equity Share Capital						
Equity Shares of Rs.10/- Each fully paid up	4,306.43	2,606.90	9.50	9.50	9.50	0.50
Total	**4,306.43**	**2,606.90**	**9.50**	**9.50**	**9.50**	**0.50**
Preference Share Capital						
0.01% Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- Each fully paid up	1,500.00	-	-	-	-	-
Total	**1,500.00**	-	-	-	-	-
Schedule - 'B' : Reserves and Surplus						
Securities Share Premium	6,979.17	-	-	-	-	-
Total	**6,979.17**	-	-	-	-	-
Total	**12,785.60**	**2,606.90**	**9.50**	**9.50**	**9.50**	**0.50**

ANNEXURE - V

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AND CASHFLOWS, AS RESTATED :

(A) Significant Accounting Policies

1) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual and going concern basis and in compliance with the accounting standards issued by the Institute of Chartered Accountants of India and in accordance with the generally accepted accounting principles (GAAP) and provisions of the Companies Act, 1956.

2) Use of estimates

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

3) Fixed assets

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

4) Expenditure during construction period

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

5) Depreciation

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

6) Leases

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

7) **Investments**

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

8) **Borrowing costs**

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

9) **Impairment of assets**

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

10) **Foreign exchange transactions**

i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

iii) Non monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets till they are ready for their intended use

11) **Employee benefits**

i) Gratuity:

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

ii) Provident Fund:

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

iii) Leave Encashment:

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

12) Taxes on Income

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

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

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

14) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(B) Material Adjustments

1. Prior Period Expenses

In the Financial Statements for the nine months ended on 31st December, 2007 and the years ended 31st March, 2007, 2006, the Company has classified certain items as prior period items in "Expenditure During Construction Period". Accordingly, for the purpose of the Restated Summary Statement, the said items have been appropriately adjusted in the respective years to which they pertain.

2. Change in the treatment of accounting for Bills discounted under Letter of Credit

In the Financial Statements for the nine months period ended on 31st December, 2007, the Company has disclosed the amounts payable to suppliers of Plant and Machinery, discounted under Letter of Credit, as a part of Secured Loans. The said discounting as per the Loan Agreement with the lenders, forms part of the aggregate loan facility. Accordingly, for the purpose of the Restated Summary Statement, the said item has been appropriately disclosed for the year ended on 31st March, 2007.

3. Short Provision of Income Tax

The provision for taxation for the year ended 31st March, 2007 has been recomputed to give effect of interest income on the basis of opinion received by the Company. Accordingly, for the purpose of the Restated Summary Statement of Asset and Liabilities, the said item has been appropriately adjusted.

4. Material Regroupings

Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company for the nine months period ended 31st December, 2007.

5. Non Adjustments

Retirement Benefits

The Company has adopted revised Accounting Standard – 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India, effective 1st April, 2007. Considering that no profit and loss account is prepared and taking into account the impact as per the actuarial valuation report as at 31st December, 2007 the management is of the view that the adoption of Accounting Standard – 15, by the Company before 1st April, 2007 does not have a material impact on the accumulated balances of Employee Benefits. Under the circumstances the management has not determined the effects on the Assets/Liabilities for the years ended on 31st March, 2006, 2005, 2004, 2003, had the revised Standard been adopted by the Company for the each of those years.

(C) Notes on Accounts

1. The Government of India (GOI) has, vide its letter dated 19th December 2006, granted approval to the Company's proposal for development, operation and maintenance of the sector specific Special Economic Zone(SEZ) for power over an area of 293-88-10 hectares of the Company's land at Village: Tunda & Siracha, Taluka Mundra, Gujarat. Hence all the benefits available to SEZ developer under Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 and amendment made their under are available to the Company.

2. The Company has not commenced any commercial activities, hence, Profit & Loss Account has not been prepared for the period upto 31st December, 2007. However, necessary details as per Schedule-VI Part II of the Companies Act, 1956 to the extent applicable have been disclosed under the head "Pre-operative Expenditure and Capital Work in Progress" which shall be capitalised on completion of the project.

3. The Company's name was changed from "Adani Power Private Limited" to "Adani Power Limited" by a special resolution passed at the Extra-Ordinary General Meeting of the shareholders of the Company held on 12th April, 2007.

4. Contingent liabilities not provided for in respect of:

(Rupees in Millions)

Particulars	As at 31st December, 2007	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004	As at 31st March, 2003
Estimated amount of contracts remaining to be executed on capital account and not provided for	56,050.68	11,234.14	56.75	-	-	-
Guarantees issued by the Company's bankers on behalf of the Company	1,927.50	1,500.00	-	-	-	-
Letter of Credit facilities provided by banks	4,799.02	6,480.60	-	-	-	-
Bonds submitted to Development Commissioner on behalf of Government of India	22,250.00	-	-	-	-	-

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

(Rupees in Millions)

Particulars	As at 31st December, 2007	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004	As at 31st March, 2003
Managerial Remuneration to the Managing Director	2.16	1.74	-	-	-	-
The Above is Inclusive of:						
(a) Estimated Value of Benefits in cash or in kind provided to Managing Director	0.72	0.14	-	-	-	-
(b) Contribution to Provident & other Funds	0.14	0.17	-	-	-	-
(c) Contribution to Gratuity Fund	0.04	0.06	-	-	-	-

6. Auditors Remuneration includes:-

(Rupees in Millions)

	As at 31st December, 2007	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004	As at 31st March, 2003
Audit Fees	0.19	0.28	0.01	0.01	0.01	0.01
Certification Work	-	0.04	-	-	-	-
Total	**0.19**	**0.32**	**0.01**	**0.01**	**0.01**	**0.01**

7. Leases:-

(Rupees in Millions)

Future Minimum Lease Payments	As at 31st December, 2007	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004	As at 31st March, 2003
Not later than one Year	3.03	2.68	-	-	-	-
Later than one year and not later than five years	-	-	-	-	-	-

8. There are no dues outstanding for more than 30 days to Small Scale Industrial Undertakings (SSI), to the extent identified by the management from the available documents/information.

9. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

10. The Company's activities during the year/period revolve around setting up of its power project. Considering the nature of Company's business and operation, there is/are no reportable segments

(business and/or geographical) in accordance with the requirements of Accounting Standard 17 – 'Segment Reporting', issued by the Institute of Chartered Accountants of India (ICAI).

11. Foreign Currency Transactions:-

(Rupees in Millions)

Particulars	As at 31st December, 2007	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004	As at 31st March, 2003
(a) C.I.F. Value of Imports						
- Capital Goods	6057.48	1,260.73	-	-	-	-
(b) Expenditure in Foreign Currency						
- Payment for Erection Works	23.29	-	-	-	-	-
- Professional and Consultation Charges	-	1.96	-	-	-	-
- Usance Interest and Other Charges	21.99	0.12	-	-	-	-
- Travelling Expenses	7.79	4.05	-	-	-	-
- Project Office Expenses	13.85	-	-	-	-	-
- Other Payments	5.32	-	-	-	-	-

12. The Company does not use derivative instruments to hedge its Foreign Currency Exposure. Foreign currency exposure not hedged by derivative instruments as at 31st December, 2007:

(Rupees in Millions)

Particulars	As at 31st December, 2007	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004	As at 31st March, 2003
(a) Capital Imports	5945.47	1265.38	-	-	-	-
(b) Bills payable	15.74	-	-	-	-	-
(c) Loan under letter of credit	5056.55	3.81	-	-	-	-

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

14. Figures below Rs. 5,000/- are rounded off and represented by "0.00" in the Financial Statements and Nil balances are represented by " – ".

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

(a) List of Related Parties and Relationship

(I) Related Parties where control exists:

Subsidiaries — Adani Power Maharastra Pvt. Ltd. (W.e.f. 11th April, 2007)

Dahej Power Pvt. Ltd. (W.e.f. 15th December, 2007)

(II)	Other related parties:	
	(i) Holding Company:	Adani Enterprises Limited
	(ii) Associates:	Adani Global FZE Adani DAV Public School Adani Properties Pvt. Ltd. Adani Wilmar Ltd. Adani Energy Ltd. Adani Retail Limited Adani Port Infrastructure Pvt. Ltd. Mundra Port and Special Economic Zone Ltd. Aloka Real Estate Pvt. Ltd.
(III)	Key Management Personnel	Shri Gautam S. Adani (Chairman) Shri R. K .Gupta (Managing Director) (W.e.f. 16th March,2006) Shri Bhavik B Shah (Chairman) (Till 28th December, 2006) Shri Rajesh S Adani (Director) (w.e.f. 12th June, 2007)

(b) Balances and aggregate of transactions with these parties have been given below

Particulars	For the period ended December 31, 2007		For the year ended March 31, 2007		For the year ended March 31, 2006		For the year ended March 31, 2005		For the year ended March 31, 2004		For the year ended March 31, 2003	
	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance
(i) Advance for purchase of Steel												
Adani Global FZE	52.88	-	14.27	14.27 Dr.	-	-	-	-	-	-	-	-
(ii) Sharing of Common Expenses												
Mundra Port and Special Economic Zone Ltd	-	-	6.62	-	14.40	15.91 Cr.	-	-	-	-	-	-
Adani Enterprise Ltd	6.92	17.66 Cr.	8.49	10.74 Cr.	-	-	-	-	-	-	-	-
(iii) Bank guarantee and LC Commission charges												
Adani Enterprise Ltd	-	-	10.74	-	-	-	-	-	-	-	-	-
(iv) Purchase of Bitumen												
Adani Enterprise Ltd	9.00	-	5.04	-	-	-	-	-	-	-	-	-
(v) Share Application Money												
Adani Enterprise Ltd	978.70	-	2,797.40	200.00 Cr.	-	-	-	-	-	-	-	-
Mundra Port and Special Economic Zone Ltd	-	-	68.00	-	68.00	68.00 Cr.	-	-	-	-	-	-
(VI) Equity Contribution												
Priti G Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Shilin R Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Pushpa V Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Suvarna M Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
Ranjan V Adani	-	-	-	-	-		-	-	1.80	1.80 Cr.	-	-
(vii) Rent												
Adani Properties Pvt Ltd	-	-	5.89	-	0.04	-	-	-	-	-	-	-
Adani Wilmar Ltd	0.44	0.33 Cr.	0.07	0.07 Cr.	-		-	-	-	-	-	-
Mundra Port and Special Economic Zone Ltd	-	-	0.44	-	0.34	-	-	-	-	-	-	-
(viii) Purchase of Desalination Plant												
Adani Wilmar Ltd	-	-	26.65	-	-	-	-	-	-	-	-	-
(ix) Purchase of Fixed Assets												
Mundra Port and Special Economic Zone Ltd	-	-	-	-	0.89	-	-	-	-	-	-	-
(x) Charges and Land Charges												

Particulars	For the period ended December 31, 2007		For the year ended March 31, 2007		For the year ended March 31, 2006		For the year ended March 31, 2005		For the year ended March 31, 2004		For the year ended March 31, 2003	
	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance	Value of Transactions	Balance
Mundra Port and Special Economic Zone Ltd	470.00	1576.25 Cr.	2,645.71	2046.25 Cr.	-	-	-	-	-	-	-	-
(xi) Salary & Allowances												
Shri R K Gupta	2.16	-	1.74	-	-	-	-	-	-	-	-	-
(xii) Advance under Coal Supply Agreement												
Entered into												
Adani Enterprise Ltd	1,500.00	1500.00 Dr.	-	-	-	-	-	-	-	-	-	-
(xiii) Electricity Charges												
Adani Wilmar Limited	0.17	-	-	-	-	-	-	-	-	-	-	-
(xiv) Storage charges, Terminal Handling Charges												
Mundra Port and Special Economic Zone Ltd	0.49	0.49 Cr.	-	-	-	-	-	-	-	-	-	-
(xv) Loans to Companies												
Adani Energy Ltd	150.00	35.00 Dr.	-	-	-	-	-	-	-	-	-	-
Aloka Real Estate Pvt Ltd	600.00	-	-	-	-	-	-	-	-	-	-	-
Adani Power Maharashtra Pvt Ltd.	9.55	9.55										
(xvi) Fuel Expenses												
Adani Energy Ltd	0.05	-	0.01	-	-	-	-	-	-	-	-	-
(xvii) Contribution towards Development / Building fund												
Adani DAV Public School	0.20	-	0.04	-	-	-	-	-	-	-	-	-
(xviii)Loans from Directors												
Rajesh S Adani (Loan Repayment)	-	-	-	-	-	-	-	-	-	-	5.00	-
Gautam S Adani (Loan Repayment)	-	-	-	-	-	-	-	-	-	-	4.11	-
Pritiben G Adani (Loan Taken)	-	-	-	-	-	-	-	-	-	-	9.10	9.10 Cr.
Pritiben G Adani (Loan Repayment)	-	-	-	-	-		-	-	9.10	-	-	

ANNEXURE VI : STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

P Particulars	As at December 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Face Value per Equity Share as restated (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings / (Loss) Per Share - Basic and Diluted (Rs.) before extraordinary items	**	**	**	**	**	**
Earnings / (Loss) Per Share - Basic and Diluted (Rs.) after extraordinary items	**	**	**	**	**	**
Return on Net Worth %	**	**	**	**	**	**
Net Asset Value per Equity Share (Rs.)	29.68	10.00	9.93	9.93	9.93	8.60
Total Debt / Equity Ratio	0.50	0.55	-	-	-	18.20
Weighted average number of equity shares outstanding during the year/period	342,496,105	88,146,250	950,000	950,000	350,000	50,000
Total number of equity shares outstanding at the end of the year / period	430,643,233	260,690,000	950,000	950,000	950,000	50,000

- *Face value of Rs 10 each.*

Notes:

1 The ratios have been computed as below :

Earnings per Share (Rs.) after extraordinary items ** = Net profit/(loss) as restated, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year / period

Earnings per Share (Rs.) before extraordinary items ** = Net profit/(loss) as restated before extraordinary items, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year / period

Return on Net Worth % ** = Net profit/(loss) after tax, as restated / Net worth

Net Asset Value per Equity Share (Rs.) = Net Worth less Preference Share Capital less Misc. Expenditure less Share Application Money /

	Number of equity shares outstanding at the end of the year
Total Debt / Equity Ratio	Long term Debt + Short Term Debt -- Equity Share Capital + Preference Share Capital + Reserves and Surplus

2 Net worth means Equity Share Capital + Preference Share Capital + Other Reserves and Surplus.

3 Other Reserves and Surplus excludes Redemption Reserve for Preference Share Capital Account and Includes General Reserve, Debenture Redemption Reserve and Capital Redemption Reserve.

4 The figures disclosed above are based on the standalone restated financial statements of the Company.

** The Company has not commenced any commercial activies, hence, Profit and Loss Accounts have not been prepared till the period ended on 31st December, 2007. Thus, the ratios derived using Net Profit/(Loss), as restated are not applicable to the Company.

ANNEXURE VII : DETAILS OF RATES OF DIVIDEND

Rs. In Million

Particulars	Face Value (Rs./ Share)	For the period ended December 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Class of Shares							
Equity Share Capital	10.00	4,306.43	2,606.90	9.50	9.50	9.50	.50
0.01% Non-Cumulative Redeemable Preference Shares	10.00	1,500.00	-	-	-	-	-
Dividend		NIL	NIL	NIL	NIL	NIL	NIL
Dividend Tax		NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE VIII : STATEMENT OF TAX SHELTERS

Rs. In Million

Particulars	For the period ended December 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Income Tax Rates applicable	33.99%	33.66%	36.59%	35.88%	36.75%	35.70%
Net Profit/ (Loss) before tax as restated	-	-	-	-	-	-
Tax at Notional Rates	**-**	**-**	**-**	**-**	**-**	**-**
Adjustments :						
Income from other Sources considered separately						
- Short Term Capital Gain Taxable at Current Rates	29.10	-	-	-	-	-
- Interest earned on Surplus Fund during Construction Period	67.05	23.48	-	-	-	-
Net Adjustments	96.14	23.48	-	-	-	-
Tax Saving / (Liabilities) Thereon	(32.68)	(7.90)	-	-	-	-
Interest u/s 234	-	(0.13)	-	-	-	-
Tax Payable for the year / period	**(32.68)**	**(8.03)**	**-**	**-**	**-**	**-**

ANNEXURE IX : CAPITALIZATION STATEMENT AS AT DECEMBER 31, 2007

Rs. In Million

Particulars	Pre Issue	Post Issue
Long Term Debt	6,433.46	
Short Term Debt	-	
Total Debt	**6,433.46**	
Shareholders' Funds		
- Equity Share Capital	4,306.43	
- Preference Share Capital	1,500.00	
Reserves as restated		
- Securities Premium Account	6,979.17	
- Profit and Loss Account		
- Other Reserve and Surplus		
Total Shareholders' Funds	**12,785.60**	
Long Term Debt / Equity	0.50	
Total Debt / Shareholders' funds	**0.50**	

Notes:

1. Short term debts represents debts which are due within twelve months from December 31, 2007 and includes current portion of Long term debt.

2. Long term debt represents debt other than short term debt, as defined above.

3. The figures disclosed above are based on the restated summary consolidated statement of assets and liabilities of the company as at December 31, 2007.

4. Long Term debt / Equity = $\frac{\text{Long Term Debt}}{\text{Shareholders' Funds}}$

5. The corresponding post issue figure are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished.

ANNEXURE X : DETAILS OF OTHER INCOME - NIL

The Company has not commenced any commercial activies, hence, there is no 'Other Income' till the period ended on 31st December, 2007. However, necessary details as per Schedule - VI Part II of Companies Act, 1956 to the extent applicable have been disclosed under the head "Expenditure during Construction period and Capital Work in progress" which shall be capitalised on completion of the project.

ANNEXURE I : SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED - NIL

The Company and its subsidiaries have not commenced any commercial activities, hence, Consolidated Profit and Loss Accounts have not been prepared till the period ended on 31st December, 2007. However, necessary details as per Schedule - VI Part II of Companies Act, 1956 to the extent applicable have been disclosed under the head "Expenditures during Construction period and Capital Work in progress" which shall be capitalized on completion of the project.

ADANI POWER LIMITED

ANNEXURE - II : SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Millions)

	Particulars		As at December 31, 2007
I	**Fixed Assets**		
	Gross Block		43.29
	Less : Accumulated Depreciation / Amortisation		6.98
	Net Block		**36.31**
	Capital Work- in- Progress(including Capital Advances)		17,123.50
	Expenditures during construction period		1,198.02
	Construction Material at site (Includes Goods in Transit at cost)		121.85
			18,479.68
II	**Investments**		**0.01**
III	**Current Assets, Loans and Advances**		
	Cash and Bank Balances		515.90
	Other Current Assets		-
	Loans and Advances		3,347.49
			3,863.39
		A=(I+II+III)	**22,343.08**
IV	**Liabilities and Provisions**		
	Secured Loans		6,433.46
	Unsecured Loans		-
	Current Liabilities		3,109.89
	Provisions		20.35
	Deferred Tax Liability (Net)		
			9,563.70
		B=(IV)	**9,563.70**
	NET WORTH	**A-B**	**12,779.38**
	<u>Net Worth Represented by</u>		
	Share Capital		
	- Equity Shares		4,306.43
	- Preference Shares		1,500.00
	- Share Application Money pending Allotment		-
	Reserves and Surplus		6,979.17
	Less : Misc. Expenditures		6.22
	NET WORTH		**12,779.38**

Note: The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities and Cash flows as appearing in Annexure V.

ADANI POWER LIMITED

ANNEXURE III: SUMMARY STATEMENT OF CONSOLIDATED CASH FLOW AS AT 31ST DECEMBER, 2007, AS RESTATED

(Rs. In Millions)

Particulars	As at December 31, 2007
(A) CASH FLOW FROM OPERATING ACTIVITIES	**-**
(B) CASH FLOW FROM INVESTING ACTIVITIES	
(Purchase) / Sale of Fixed Assets	(31.36)
(Purchase)/Sale of Investments (Net)	(0.01)
Loan to subsidiary	
Capital Work in Progress	(12,644.17)
Loan to companies	(1,640.00)
Advance to Holding Company	(1,500.00)
Net Cash Flow from Investing Activities	**(15,815.54)**
(C) CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Equity Shares	8,478.70
Proceeds from Issue of Preference Shares	1,500.00
Long Term Borrowings	5,861.84
Misc. Expenditures	(6.16)
Net Cash Flow from Financing Activities	**15,834.38**
Net Change in Cash and Cash Equivalents (A+B+C)	**18.84**
Cash and Cash Equivalents as at 1.4.2007	**497.04**
Cash and Cash Equivalents as at 31.3.2008	**515.88**

Notes:

1 The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities and Cashflows as appearing in Annexure V.

2 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

3 Negative Figures have been shown in brackets.

ADANI POWER LIMITED

ANNEXURE IV A: FIXED ASSETS

(Rs. in million)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As At 1st April, 2007	Addition during the Period	Deductions / Adjustments during the Period	As at 31st December, 2007	As At 1st April, 2007	For the Period	On Deduction / Adjustments during the Period	As at 31st December, 2007	As at 31st December, 2007	As at 31st March, 2007
Furniture and Fixtures	1.28	3.38	-	4.66	0.66	2.60	-	3.26	1.40	0.62
Plant and Machinery	-	8.24	-	8.24	-	0.14	-	0.14	8.10	-
Office Equipments	1.12	7.10	-	8.22	0.21	1.01	-	1.22	7.00	0.92
Computers	4.50	11.40	-	15.90	0.39	1.32	-	1.71	14.19	4.10
Vehicles	5.02	1.25	-	6.27	0.22	0.43	-	0.65	5.62	4.80
TOTAL	**11.92**	**31.37**	**-**	**43.29**	**1.48**	**5.50**	**-**	**6.98**	**36.31**	**10.44**

ANNEXURE IV B : CAPITAL WORK IN PROGRESS

(Rs. In Millions)

Particulars	As at December 31, 2007
Leasehold Land and Site Development	2,784.48
Building and Civil Works	366.18
Furniture & Fittings	6.38
Plant and Machinery (Including Goods in Transit)	7,492.38
Electrical Installation	110.68
Railway Sidings	1.82
Desalination Plant	27.61
Transmission Line	629.66
Coal mine	79.90
SAP Software consultant	4.24
Project Material	985.58
Advance for Capital Expenditures	
Advance to Contractors	4,608.69
Advance to Suppliers and Others	25.90
Total	**17,123.50**

ANNEXURE IV C : EXPENDITURES DURING CONSTRUCTION PERIOD

(Rs. In Millions)

Particulars	As at December 31, 2007
Salary and Allowances	91.27
Contribution to Provident fund and Other Funds	4.67
Welfare Expenses	25.37
Administraton and Office Expenses	48.51
Project Office Expenses	13.85
Communication Expenses	3.16
Interest and Finance Charges	617.28
Misc. Expenses	1.20
Professional Fees	351.30
Stationary and Courier Expenses	2.49
Statutory Expenses	27.10
Auditor's Remuneration	0.60
Travelling Expenses	38.15
Sub Lease Rent for land	0.03
Vehicle running expenses	15.13
Transmission Line Expenses	2.93
Project Insuarnce	31.27
Insurance Expenses - Project	0.83
Depreciation	6.99
Provision for Taxes	43.57
Total	**1,325.70**
Less : Other Income	
Gain on Sale of Securities / Tresury Bills	29.10
Interest (Net of Tax Deducted at source Rs 9.24 Million)	86.57
Sale of Tender Documents	4.04
Other Income	7.97
Total	**127.68**
Total	**1,198.02**

ANNEXURE IV D : DETAILS OF INVESTMENTS

(Rs. In Millions)

Particulars		As at December 31, 2007
LONG TERM INVESTMENTS		**NIL**
UNQUOTED		
2. NON TRADE UNQUOTED		
National Saving Certificates		0.01
	Sub total	**0.01**
3. CURRENT INVESTMENTS - NIL		
	Sub total	**-**
Total		**0.01**
Long Term Investments (At Cost)		
GRAND TOTAL		**0.01**

ANNEXURE IV E : DETAILS OF CURRENT ASSETS, LOANS AND ADVANCES

(Rs. In Millions)

Particulars	As at December 31, 2007
Cash and Bank Balances	
Cash and Cheques on Hand	0.45
Balances with Scheduled Banks	
- In Current Accounts	303.35
- In Margin Money Accounts	181.93
- In Deposit Accounts	30.17
	515.90
Unsecured, Considered good	
Advances Recoverable in Cash or in Kind or for Value to be received *	29.02
Advances and Loans to a Holding Company	1,500.00
Loans to Companies	1,640.00
Interest receivable	34.52
Deposits	
- Others	143.95
	3,347.49
Less : Provision for doubtful loans and advances	-
Total	**3,347.49**

Notes:

*Selective Financial Information on Loans and Advances as at March 31, 2007 is as follows:

(Rs. In Millions)

Particulars	As at December 31, 2007
Advances Recoverable in Cash or in Kind or for Value to be received	
- Considered Good	
- From Promoter Group Companies	-
- From Associate Companies	-
- From Others	29.02
- Considered Doubtful	-
Less : Provision for doubtful loans and advances	-
	29.02

ANNEXURE IV F : DETAILS OF LOANS

SECURED LOANS

(Rs. In Millions)

Particulars	As at December 31, 2007
Term Loans from Banks	
Term Loans	1,376.90
Bills discounted under Letter of Credit	5,056.56
TOTAL	**6,433.46**

UNSECURED LOANS - NIL

Notes to Secured Loans:

1 The above facilities are secured by First ranking pari passu charge -

(a) through execution of indenture of mortgage in respect of all immovable and movable properties and a ssets both present and future.

(b) through execution of memorandum of hypothecation in respect of all movable properties, assets both present and future including all revenues, bank balances, receivables,rights, titles, interests in assets and uncalled capital.

(c) through Pledge of 10,14,81,000 equity shares of Adani Power Limited through execution of pledge agreement by Adani Enterprise Ltd.

(d) through Corporate guarantee from Mundra Port and Special Economic Zone Limited for Rs.1,350 Millions.

2 The figures disclosed above are based on the Consolidated restated statement of Assets and Liabilities of the Company.

ADANI POWER LIMITED

ANNEXURE - IV G : CURRENT LIABILITIES AND PROVISIONS

(Rs. In Millions)

Particulars	As at December 31, 2007
Current Liabilities	
Sundry Creditors	3,019.25
Bills Payable under Letter of Credit	15.75
Interest Accrued but not Due on Loans	38.05
Other Liabilities	36.84
	3,109.89
Provisions	
Income Tax	16.54
Leave Salary	2.32
Gratuity	1.49
	20.35
Total	**3,130.24**

ANNEXURE IV H : SHARE CAPITAL AND RESERVES AND SURPLUS, AS RESTATED

(Rs. In Millions)

Particulars	As at December 31, 2007
Issued, Subscribed and Paid - up	
Equity Share Capital (430,643,233 Equity Shares of Rs 10 each)	4,306.43
Total	**4,306.43**
Preference Share Capital (150,000,000 Fully Paid Up 0.01% Cummulative Compulsorily Convertible Participatory Preference Shares of Rs 10 each)	1,500.00
Total :	**1,500.00**
Reserves and Surplus	
Securities Share Premium	6,979.17
	6,979.17
Total	**12,785.60**

ANNEXURE V
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES AND CASHFLOWS, AS RESTATED:

(A) Significant Accounting Policies

1) Basis of preparation of financial statements

The consolidated financial statements are prepared by consolidating the accounts of Adani Power Limited with those of its subsidiaries in accordance with generally accepted accounting principles and in consonance with Accounting Standard 21 – 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on accrual basis.

2) Use of estimates

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

3) Principles of consolidation

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

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

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

4) Fixed assets

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

5) Expenditure during construction period

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

6) Depreciation

i) Depreciation on fixed assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.

iii) Assets costing less than Rs.5,000/- are written off in the year of purchase.

7) Leases

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

8) Investments

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

9) Borrowing costs

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

10) Impairment of assets

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

11) Foreign exchange transactions

i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

iii) Non monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

12) Employee benefits

i) Gratuity:

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

ii) Provident Fund:

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

iii) Leave Encashment:

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

13) Taxes on Income

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

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

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

15) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(B) Notes on Accounts

1. Details of Subsidiaries:-

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

Name of Subsidiary	Date of becoming Subsidiary
Adani Power Maharashtra Pvt. Ltd.	11^{th} April, 2007
Dahej Power Pvt. Ltd.	15^{th} December, 2007

2. Since the Parent – Subsidiary relationship for the Group has come into existence during the period under review, the consolidated financial statements are prepared for the period starting from 1^{st} April, 2007 to 31^{st} December, 2007.

3. Contingent liabilities not provided for in respect of:

(Rs. in Millions)

Particulars	As at 31st December, 2007
Estimated amount of contracts remaining to be executed on capital account and not provided for	56,056.15
Guarantees issued by the Company's bankers on behalf of the Company	1,927.50
Letter of Credit facilities provided by banks	4,799.02
Bonds submitted to Development Commissioner on behalf of Government of India	22,250.00

4. The Government of India (GOI) has, vide its letter dated 19th December 2006, granted approval to the Company's proposal for development, operation and maintenance of the sector specific Special Economic Zone(SEZ) for power over an area of 293-88-10 hectares of the Parent Company's land at Village: Tunda & Siracha, Taluka Mundra, Gujarat. Hence all the benefits available to SEZ developer under Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 and amendment made their under are available to the Parent Company.

5. The Company and its subsidiaries have not commenced any commercial activities, hence, Consolidated Profit & Loss Account has not been prepared for the period upto 31st December, 2007. However, necessary details as per Schedule-VI Part II of the Companies Act, 1956 to the extent applicable have been disclosed under the head "Pre-operative Expenditure and Capital Work in Progress" which shall be capitalised on completion of the project.

6. Leases:-

(Rs. in Millions)

Future Minimum Lease Payments	As at 31st December, 2007
Not later than one Year	4.44
Later than one year and not later than five years	5.63
Later than five years	5.47

7. The Company's activities during the period revolve around setting up of its power project. Considering the nature of Company's business and operation, there is/are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 – 'Segment Reporting', issued by the Institute of Chartered Accountants of India (ICAI).

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

   Foreign currency exposure not hedged by derivative instruments as at 31st December, 2007:

(Rs. in Millions)

Particulars	As at 31st December, 2007
(a) Capital Imports	5945.47
(b) Bills payable	15.74
(c) Loan under letter of credit	5056.55

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

   (a) List of Related Parties and Relationship

(I) Related parties :

(i) Holding Company: Adani Enterprises Limited

(ii) Associates :
- Adani Global FZE
- Adani DAV Public School
- Adani Properties Pvt. Ltd.
- Adani Wilmar Ltd.
- Adani Energy Ltd.
- Adani Port Infrastructure Pvt. Ltd.
- Mundra Port and Special Economic Zone Ltd.
- Aloka Real Estate Pvt. Ltd.

(II) Key Management Personnel
- Shri Gautam S. Adani (Chairman)
- Shri R. K .Gupta (Managing Director)
- Shri Rajesh S. Adani (Director)

(b) Transactions with Related Parties

(Rs. In Millions)

Description	Name of Related Party	Nature of Relationship	Value of Transactions	Balance as at
			Period ended 31st December, 2007	31st December, 2007
Advance for Purchase of Steel	Adani Global FZE	Associate	52.88	-
Sharing of Common Expenses	Mundra Port and Special Economic Zone Ltd.	Associate	-	-
	Adani Enterprises Ltd.	Holding Company	6.92	17.66 Cr.
Bank Guarantee & Commission			-	-
L.C. Charges			-	-
Purchase of Bitumen			9.00	@
Advance as per the terms of Coal Supply Agreement entered into			1500.00	1500.00 Dr.
Share Application Money			978.70	-
	Erstwhile Mundra Special Economic Zone Ltd.	Associate	-	-
Rent	Adani Properties Pvt. Ltd.	Associate	-	-
	Adani Wilmar Limited	Associate	0.44	0.33 Cr.
	Mundra Port and Special Economic Zone Ltd.	Associate	-	-
Purchase of	Adani Wilmar	Associate	-	-

Description	Name of Related Party	Nature of Relationship	Value of Transactions	Balance as at
			Period ended 31st December, 2007	31st December, 2007
Desalination Plant	Ltd.			
Electricity Charges	Adani Wilmar Ltd.	Associate	0.17	-
Lease Rent, Infrastructure Usage Charges & Land Charges	Mundra Port and Special Economic Zone Ltd.	Associate	470.00	1576.25 Cr.
Storage Charges, Terminal Handling Charges, Etc.	Mundra Port and Special Economic Zone Ltd.	Associate	0.49	0.49 Cr.
Loans to Companies	Adani Energy Limited	Associate	150.00	35.00 Dr.
	Aloka Real Estate Pvt. Ltd.	Associate	600.00	-
Fuel Expenses	Adani Energy Limited	Associate	0.05	-
Contribution Towards Development/ Building Fund	Adani DAV Public School	Associate	0.20	-
Salary & Allowances	Sri R. K. Gupta	Key Management Personnel	2.16	-

@ = Dr. Balance of Rs. 3,000/-

ANNEXURE VI : STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Particulars	As at December 31, 2007
Face Value per Equity Share as restated (Rs.)	10.00
Earnings / (Loss) Per Share - Basic and Diluted (Rs.) before extraordinary items	**
Earnings / (Loss) Per Share - Basic and Diluted (Rs.) after extraordinary items	**
Return on Net Worth %	**
Net Asset Value per Equity Share (Rs.)	29.68
Total Debt / Equity Ratio	0.50
Weighted average number of equity shares outstanding during the year / period*	342,496,105
Total number of equity shares outstanding at the end of the year*	430,643,233

1 **The ratios have been computed as below:**

Earnings per Share (Rs) after extraordinary items ** = Net profit/(loss) as restated, attributable to equity shareholders / Weighted average number of equity shares outstanding during the period

Earnings per Share (Rs) before extraordinary items ** = Net profit/(loss) as restated before extraordinary items, attributable to equity shareholders / Weighted average number of equity shares outstanding during the period

Return on Net Worth % ** = Net profit/(loss) after tax, as restated / Net worth

Net Asset Value per Equity Share (Rs.) = Net Worth less Preference Share Capital less Misc. Expenditure less Share Application Money / Number of equity shares outstanding at the end of the year

Total Debt / Equity Ratio = Long term Debt + Short Term Debt / Equity Share Capital + Preference Share Capital + Reserves and Surplus

2 Net worth means Equity Share Capital + Preference Share Capital + Other Reserves and Surplus.

3 Other Reserves and Surplus excludes Redemption Reserve for Preference Share Capital Account and Inludes General Reserve, Debenture Redemption Reserve and Capital Redemption Reserve.

4 The figures disclosed above are based on the standalone restated financial statements of the Company.

** The Company and its subsidiaries have not commenced any commercial activies, hence, Consolidated Profit and Loss Accounts have not been prepared till the period ended on 31st December, 2007. Thus, the ratios derived using Net Profit/(Loss), as restated are not applicable to the Company.

ANNEXURE VII : DETAILS OF RATES OF DIVIDEND

(Rs. in Millions)

Particulars	Face Value (Rs./ Share)	As at December 31, 2007
Class of Shares		
Equity Share Capital	10.00	4,306.43
Cumulative Compulsorily Convertible Participatory Preference Shares	10.00	1,500.00
Dividend		NIL
Dividend Tax		NIL

ANNEXURE VIII : STATEMENT OF TAX SHELTERS

(Rs. In Millions)

Particulars	For the period ended 31st December 2007
Income Tax Rates applicable	33.99%
Net Profit/ (Loss) before tax as restated	-
Tax at Notional Rates	-
Adjustments :	
Income from other Sources considered separately	
- Short Term Capital Gain Taxable at Current Rates	29.10
- Interest earned on Surplus Fund during Construction Period	67.05
Net Adjustments	96.15
Tax Saving / (Liabilities) Thereon	(32.68)
Tax Payable for the year / period	(32.68)

Note:
The figures for the nine months period ended December 31, 2007 are based on the provisional computation of total income prepared by the Company and are subject to any changes that may be considered at the time of final filing of the return of income for the year ending March 31, 2008.

ANNEXURE IX: CAPITALIZATION STATEMENT AS AT DECEMBER 31, 2007

(Rs. In millions)

Particulars	Pre Issue	Post Issue
Long Term Debt	6,433.46	
Short Term Debt		
Total Debt	**6,433.46**	
Shareholders' Funds		
- Equity Share Capital	4,306.43	
- Preference Share Capital	1,500.00	
Reserves as restated		
- Securities Premium Account	6,979.17	
- Profit and Loss Account		
- Other Reserve and Surplus		
Total Shareholders' Funds	**12,785.60**	
Long Term Debt / Equity	0.50	
Total Debt / Shareholders' funds	**0.50**	

Notes:

1 Short term debts represents debts which are due within twelve months from December 31, 2007 and includes current portion of Long term debt.

2 Long term debt represents debt other than short term debt, as defined above.

3 The figures disclosed above are based on the restated summary consolidated statement of assets and liabilities of the company as at December 31, 2007.

4 Long Term debt / Equity = Long Term Debt / Shareholders' Funds

$$\text{Long Term debt / Equity} = \frac{\text{Long Term Debt}}{\text{Shareholders' Funds}}$$

5 The corresponding post issue figure are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished.

ANNEXURE X : DETAILS OF OTHER INCOME, AS RESTATED - NIL

The Company and its subsidiaries have not commenced any commercial activities, hence, there is no 'Consolidated Other Income' till the period ended on 31st December, 2007. However, necessary details as per Schedule - VI Part II of Companies Act, 1956 to the extent applicable have been disclosed under the head "Expenditures during Construction period and Capital Work in progress" which shall be capitalised on completion of the project.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated consolidated financial statements beginning on page 224 of this Draft Red Herring Prospectus. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" beginning on page xiii and page xi, respectively, of this Draft Red Herring Prospectus which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

The following discussion is based on our restated financial statements, which are based on our audited financial statements restated in accordance with paragraph B of Part II of Schedule II of the Companies Act and the SEBI Guidelines, for the nine months ended December 31, 2007 and for the fiscal years 2007, 2006, 2005 and 2004. Our audited and restated financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act. Our fiscal year ends on March 31 of each year. Unless otherwise stated, "fiscal year" or "fiscal" refers to the twelve month period ending March 31 of that year.

For the nine months ended December 31, 2007 and for the fiscal years 2007, 2006, 2005 and 2004, we have not prepared or presented a profit and loss statement as we did not commence any commercial activity in such periods.

Overview

We are a power project development company, which is developing, and will operate and maintain, power projects in India. We have six coal fired thermal power projects under various stages of development or planning, with a combined installed capacity of 9,900 MW, which we intend to sell under a combination of long-term power purchase agreements to industrial and state-owned consumers and on merchant basis.

We are part of the Adani Group, a leading business group in India. Adani Enterprise Limited, our Promoter, is the flagship company of the Adani Group, with total revenues of Rs. 169,490.60 million for the fiscal year 2007. We believe AEL is one of the largest traders of coal in India for the fiscal year 2007, with coal mining rights both in the international and domestic markets, and according to Central Electricity Regulatory Commission, for the fiscal year 2007, AEL was the third largest power trader, by volume, in India. With the commissioning of our power projects, the Adani Group will be vertically integrated in power sector value chain through presence in related activities such as coal mining, coal trading, shipping, power generation, power transmission and power trading. Another Adani Group company, Mundra Port and Special Economic Zone Limited, owns and operates one of the largest private sector commercial ports in India and a SEZ at Mundra, leading to strong synergies with our projects being set up in close vicinity. In addition, the Adani Group also has operations in other industries, including commodities trading, real estate development, agro processing and logistics. We expect that we will benefit from Adani Group's strategy of vertical integration, which gives us greater control over various activities of power generation and trading.

Our Power Projects

We currently have six thermal power projects under various stages of development or planning:

- Mundra I and II power project will have four sub-critical generation units of 330 MW each, with combined capacity of 1,320 MW. The boiler, turbine and generator package for Mundra I and II was awarded to Sichuan Machinery and Equipment Import and Export Company Limited and Kowa Company Limited, respectively. We currently expect that the first 330 MW unit of Mundra I and II power project will commence operations from January 2009, and that the power project will be fully commissioned by October 2009.

- Mundra III power project will have two super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. The engineering, procurement and construction 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 power project will commence operations from January 2011, and that the power project will be fully commissioned by June 2011.

- Mundra IV power project 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 power project will commence operations from August 2011, and that the power project will be fully commissioned by April 2012.

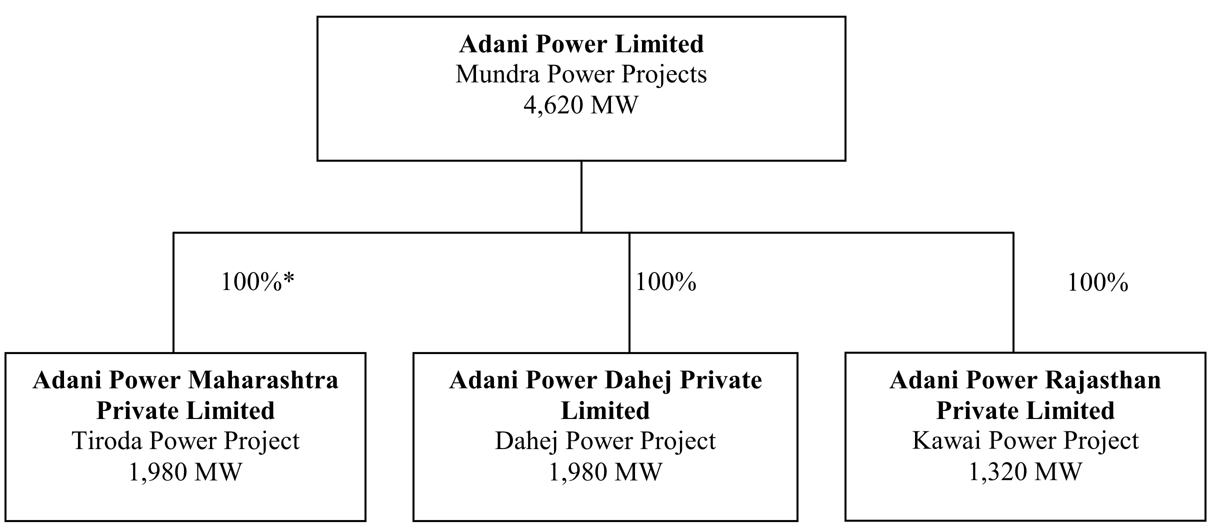
- Tiroda power project will have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. The BTG package for Tiroda was awarded to Sichuan Machinery and Equipment Import and Export Company Limited. We currently expect that the first 660 MW unit of Tiroda power project will commence operations from July 2011, and that the power project will be fully commissioned by April 2012.

- Dahej power project is expected to have three super-critical generation units of 660 MW each, with combined capacity of 1,980 MW. We estimate that construction of the Dahej power project will commence in September 2008. We currently expect that the first 660 MW unit of Dahej power project will commence operations from November 2011, and that the power project will be fully commissioned by June 2012.

- Kawai power project is expected to have two super-critical generation units of 660 MW each, with combined capacity of 1,320 MW. We estimate that construction of the Kawai power project will commence in July 2008. We currently expect that the first 660 MW unit of Kawai power project will commence operations from October 2011, and that the power project will be fully commissioned by January 2012.

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. Notwithstanding various policy initiatives within India to diversify fuel mix, with the limited reserve potentiality of petroleum and natural gas, eco-conservation, restrictions on hydroelectric power projects, and the geo-political perception of nuclear power, we believe that it is likely that coal will continue to be the primary generator of energy in India.

The following chart outlines our corporate structure and details of power projects under development or planning:



* We entered into a shareholders agreement dated January 15, 2008 with Millennium Developers Private Limited ("Millennium Developers") in connection with the subscription of 26.0% equity interest in Tiroda SPV to Millennium Developers. We have received Rs. 100.00 million as share application money, however, as of the date of this Draft Red Herring Prospectus, no shares have been allotted to Millennium Developers.

Consolidation

Our financial statements for the nine months ended December 31, 2007 consolidate the financial results of our wholly owned subsidiaries, Adani Power Maharashtra Private Limited and Adani Power Dahej Private Limited. Subsequently, Adani Power Rajasthan Limited was incorporated as wholly owned subsidiary on January 25, 2008. In prior fiscal periods, we did not have any subsidiaries, hence our financial statements for the fiscal periods 2007, 2006, 2005 and 2004 are stand-alone financial statements. For details of our subsidiaries, see "History and Certain Corporate Matters".

Our historical financial statements as well as this discussion are of limited value to a prospective investor in evaluating our prospects or deciding whether to purchase our Equity Shares, because we currently have no power projects in operation. Our Draft Red Herring Prospectus must be considered in light of the risks and uncertainties inherent in new business ventures. Additionally, you should not evaluate our prospects and viability based on the performance of our Promoters, including AEL.

Significant Factors Affecting our Results of Operations

As a power project development company, our financial condition and results of operations are affected by numerous factors, the following of which are of particular importance:

- ***Development status of our power projects.*** Our six power projects are in various stages of development, with two projects expected to be fully commissioned in 2009 and 2011, and the other four power projects expected to be fully commissioned in 2012. We expect to derive our revenues primarily from the sale of electricity to state-owned and industrial consumers subsequent to the commissioning of our power projects. The commissioning dates for our power projects are estimates and are subject to delay as a result of, among other things, contractor performance shortfalls, unforeseen engineering problems, *force majeure* events, unanticipated cost increases and delays in obtaining property rights and government approvals, any of which could also give rise to cost overruns or the termination of a project's development. The failure to complete development as planned, or in accordance with agreed specifications, could result in higher costs, penalties or liquidated damages, lower returns on capital or reduced future earnings, which may be partially offset by recoveries from EPC contractors. In addition, the development costs of our power projects are estimates and may be higher than anticipated, however, our estimates generally provide for price contingencies.

- ***Off-take arrangements and the terms of PPAs.*** We are currently planning to sell electricity pursuant to a mix of off-take arrangements, including long-term PPAs and merchant sales. Merchant sales include sale of power under short-term PPAs and on spot basis. We intend to utilize our marketing and trading capacities by selling power to both state-run utility companies and industrial consumers pursuant to secured long-term off-take arrangements. We also intend to sell power on merchant basis. We believe that the combination of long-term and merchant arrangements will provide optimal returns. We have entered into two PPAs for a total of 2,000 MW of power with GUVNL. Our power purchase agreements provide and are expected to provide for among other things, pre-determined tariff, amount of power we are obligated to sell and amount of power our consumers are obligated to purchase. We have also entered into an agreement with AEL for selling surplus power from Mundra III power project on merchant basis. Tariff, in many cases, may also be regulated and with limited price escalation provisions, which could adversely affect us if our expenditures increase, notwithstanding our long-term fixed price coal supply contracts.

- ***Availability of cost effective funding***. We have relied on capital contributions from our shareholders as well as incurrence of indebtedness to fund our business and we expect to continue to have limited or no operating cash flows in the fiscal year 2009. We have secured term loans in the principal amount of Rs. 2,771.20 million and Rs. 5,278.87 million under the letters of credit, as of February 29, 2008. Our plans for the development and construction of our power projects will require substantial capital expenditures, which we expect to fund through the Net Proceeds of the Issue, additional debt and equity financing and, as our projects are completed, increasingly from operating cash flows. We currently estimate that in order to complete all six of the power projects that we are planning to develop and construct, we will be required to incur capital expenditures of approximately Rs. 431,390.00 million. Our debt service costs as well as our overall cost of funding depends 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. We believe that going forward the availability 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.

- ***Availability, quality and price of fuel supply***. The ability to source quality fuel at desirable prices, in light of electricity tariffs, is one of the key components in the success of our business. Our power projects under development or planned are expected to rely on single fuel suppliers for our entire fuel requirements either through long-term contracts or through captive fuel supply. For our Mundra and Dahej power projects, we have entered into coal supply agreements to source coal from our Promoter, AEL, pursuant to long-term coal supply agreements, and for our Tiroda power project, we intend to source coal from two coal mines in the State of Maharashtra allocated to us. See "Business – Our Projects" for a description of our fuel supply arrangements.

- ***Availability and cost of land***. The success of our business is dependent on, among other things, the availability and cost of procuring land for our power projects. For our Mundra power projects, we have leased land from our affiliate, MPSEZL, on a long-term lease. For our Tiroda power project, we have leased a parcel of land from MIDC and have applied to the State Government of Maharashtra and MIDC for allotment of additional land. For our Dahej and Kawai power projects, we have applied to the State Governments of Gujarat and Rajasthan, respectively, for obtaining land on lease. Our financial condition depends in part on obtaining affordable land in close proximity to ports, fuel sources and proper power evacuation facilities where we can construct and operate our power projects. Any government regulations that restrict the availability of land or increased competition for land may therefore adversely affect our operations.

- ***Availability of water.*** Water is critical to the operations of our power projects. We have procured licenses to desalinate and use seawater for our Mundra power projects. We intend to use river water for our Tiroda and Kawai power projects pursuant to water supply agreements that we will enter into for such projects. Our Dahej power project is expected to use both river water and sea water. The amount of water that our power projects are entitled to consume will be subject to the availability of water, particularly for our Tiroda power project which is expected to use water from Wainganga, an intermittent river. We have not yet entered into water supply agreements for these power projects. In the event of water shortages, our power projects may be required to reduce their water consumption, which would reduce their power generation capability.

- ***Engineering, procurement and construction costs.*** Our existing construction contracts for Mundra and Tiroda power projects are fixed price contracts. We believe that the significant increase in power generation projects under development in India will increase demand for third-party contractors and construction materials, which may affect the terms of our future construction contracts. The supply and price of construction materials will also depend on additional factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties.

- ***Availability of infrastructure for evacuation***. 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. Although GUVNL, our purchaser of power from our Mundra I, II and III power projects, is expected to procure power from the projects themselves, we expect our prospective purchasers of power to request us to deliver power to them even if they are located at significant distances from our power projects. For evacuating power, we intend to construct long distance transmission lines at our cost or lease existing lines and systems. For example, we have entered into agreements to construct a 413 km double circuit 400 kV transmission line to evacuate power from the Mundra I, II and III power projects. If such transmission lines are not made available by the time our power plants are ready to commence operation or we incur significant transmission costs, our financial position and results of operations could be adversely affected.

- ***Dependence on the regulatory framework***. The growth of the power industry in India as well as our business is dependent on stable government policies and prudent regulations. Power generation 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 power industry and have led to rapid growth in the sector. For example, the Government of India 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 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. For further details, see the section "Industry Overview" beginning on page 67 of this Draft Red Herring Prospectus. 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.

- ***Compliance with environmental laws and regulations.*** Our power projects are subject to central and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. In case of any change in environmental or pollution laws and regulations, such as the imposition of carbon taxes and other such levies on power generation, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. We may also be required to bear additional expenditure for the establishment of additional infrastructure, such as laboratory facilities for monitoring pollution impact and effluent discharge and effluent treatment or recycling plants. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities.

- ***Tax benefits.*** Mundra I, II and III power projects are being developed as sector-specific SEZs and we have applied for sector-specific SEZ approval for Mundra IV, which will entitle us to an exemption with respect to customs duty on imports of fuel (to the extent the power generated from the consumption of such fuel is sold to businesses in the SEZ) and equipment, central excise duty, central sales tax, income tax, service tax and dividend distribution tax. In addition, our power projects which have capacity of more than 1,000 MW, such as Tiroda, Dahej and Kawai power projects are entitled to certain tax benefits under the Mega Power Project policy, including exemption from customs and excise duty on purchase of equipment and material. We have applied for an approval to develop the power project located at Tiroda under the Mega Power Project policy of the Government of India. The power projects located at Dahej and Kawai are also expected to be developed under the Mega Power Project policy of the Government of India.

Our Significant Accounting Policies

Our financial statements are prepared under the historical cost convention on accrual and going concern basis and in compliance with the accounting standards issued by the Institute of Chartered Accountants of India and in accordance with the generally accepted accounting principles in India and provisions of the

Companies Act, 1956. The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Key accounting policies that are relevant and specific to our business and operations have been described below.

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

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

- ***Expenditure during construction period***. Expenditure related to and incurred during implementation of capital projects is included under capital work-in-progress or pre-operative expenditure as the case may be. These expenditures will be allocated to the respective fixed assets on completion of construction/erection of the capital project fixed assets.

- ***Depreciation***. Depreciation on fixed assets is provided on the straight line method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired or disposed off during the year is provided on pro-rata basis with reference to the date of addition or disposal. Assets costing less than Rs. 5,000.00 are written off in the year of purchase.

- ***Leases***. Our significant leasing arrangements are in respect of operating leases for office premises, residential facilities for employees and guest houses. The leasing arrangements are not exceeding 11 months and are renewable by mutual consent. The aggregate lease rentals payable are charged as rent expenses under pre-operative expenditure.

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

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

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

- ***Employee benefits***. Liability in respect of gratuity is covered under the Group Gratuity Scheme with the Life Insurance Corporation of India Limited and yearly premium are accounted under pre-operative expenditure. Provision for accruing liability for leave encashment is made on basis of actuarial valuation as at the year end. Contributions to provident fund are accounted for on accrual basis with corresponding contributions to recognized funds.

- ***Provisions, contingent liabilities and contingent assets***. Provisions involving substantial degree of estimation in measurement 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 disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

- ***Miscellaneous expenditure (to the extent not written off or adjusted)***. Preliminary expenses will be amortized over a period of 5 years from the commencement of commercial activities.

Financial Condition, Liquidity and Capital Resources

The business of power generation is capital expenditure intensive. Our plans for the development and construction of six power projects will require substantial capital expenditures, which we expect to fund through the Net Proceeds of the Issue, additional debt and equity financing and, as our projects are completed, increasingly from operating cash flows. We currently estimate that in order to complete all six of the power projects that we are planning to develop and construct, we will be required to incur capital expenditures of approximately Rs. 431,390.00 million. We believe that going forward the availability of sources of cost effective funding will be crucial and the non-availability of such funding at favourable terms could affect our business, financial condition and results of operations.

We have had no operating cash flows since our inception. Going forward, for the fiscal year 2010, we expect to continue to experience limited cash flows from operating activities as only one of our power projects, Mundra I and II, is expected to commission in fiscal year 2010. There can be no assurance that we will generate net profit or positive cash flows in the future.

Cash Flows

The table below summarizes our cash flows on a consolidated basis for the periods indicated:

(In Rs. Millions)

	For the Nine Months ended December 31, 2007	For the Fiscal Year 2007	For the Fiscal Year 2006	For the Fiscal Year 2005
Net Cash-Flow From/(Used In) Operating Activities	–	–	–	–
Net Cash-Flow From/(Used In) Investing Activities	(15,815.54)	(2,776.13)	(95.89)	(0.01)
Net Cash-Flow From/(Used In) Financing Activities.......................	15,834.38	3,270.51	98.50	–
Net Increase/(Decrease) in Cash and Cash Equivalents (as of the end of the period)......................................	18.84	494.38	2.61	(0.01)

Cash in the form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Operating Activities. We did not have any cash flows from operating activities for the nine months ended December 31, 2007 or for the fiscal years 2007, 2006 and 2005, because we did not commence commercial operations in those fiscal periods or even now.

Investing Activities. Net cash used in investing activities was Rs. 15,815.54 million for the nine months ended December 31, 2007, primarily as a result of additions to capital work in progress of Rs. 12,644.17 million on account of Mundra I and II power projects. Such capital work in progress was primarily on account of purchases of plant and machinery, such as boilers, turbines and generators as well as other parts and fixtures, lease of land and site development, purchases of cement and steel, and development of transmission lines, for Mundra I and II power projects. In addition, we provided short-term loans to various entities aggregating Rs. 1,640.00 million as well as paid an advance of Rs. 1,500.00 million to AEL in connection with the purchase of coal from AEL's mining operations in Indonesia. The short-term loans have been repaid in full.

Net cash used in investing activities was Rs. 2,776.13 million for the fiscal year 2007, primarily as a result of additions to capital work in progress of Rs. 2,766.03 million on account of Mundra I and II power projects. Such capital work in progress was primarily on account of lease of land and site development and purchases of plant and machinery, such as boilers, turbines and generators as well as other parts and fixtures, of the Mundra I and II power projects.

Net cash used in investing activities was Rs. 95.89 million for the fiscal year 2006, primarily as a result of syndication fees paid to ICICI Bank.

Net cash used in investing activities was Rs. 0.01 million for the fiscal year 2005.

Financing Activities. Net cash generated from financing activities was Rs. 15,834.38 million for the nine months ended December 31, 2007, primarily as a result of proceeds from issuance of equity shares of Rs. 8,478.70 million, proceeds from long term borrowings of Rs. 5,861.84 million and proceeds from issuance of preference shares of Rs. 1,500.00 million. The equity shares were subscribed by our Promoter, AEL, and 3i Power Investments A1 Limited ("3i"). The preference shares were subscribed by 3i only. See "Capital Structure" on page 29 of this Draft Red Herring Prospectus. The long term borrowings were primarily used for the development of Mundra I and II power projects.

Net cash generated from financing activities was Rs. 3,270.51 million for the fiscal year 2007, primarily as a result of proceeds from issuance of equity shares of Rs. 2,597.40 million to AEL, proceeds from long term borrowings of Rs. 571.61 million and share application money of Rs. 101.50 million from AEL. The long term borrowings were primarily used for the development of Mundra I power project.

Net cash generated from financing activities was Rs. 98.50 million for the fiscal year 2006, as a result of proceeds from issuance of equity shares to AEL.

No cash was generated from or used in financing activities in the fiscal year 2005.

Fixed Assets

As of December 31, 2007, we had Rs. 18,479.68 million of fixed assets, comprising of Rs. 17,123.50 million of capital work in progress including capital advances, Rs. 1,198.02 million of expenditure incurred during the construction of power projects, Rs. 121.85 million of purchase costs of construction material and Rs. 36.31 million of net block. Capital work in progress was primarily on account of purchases of plant and machinery, such as boilers, turbines and generators as well as other parts and fixtures, lease of land and site development, purchases of cement and steel, and development of transmission lines, for Mundra I and II power projects. Capital advances primarily consisted of advances to contractors for the development of Mundra I and II power projects. Expenditure incurred during the construction of power projects primarily consisted of interest and finance charges and professional fees.

Capital Expenditures

As per our restated financial statements, the incremental fixed asset investments, expenditures during the construction of power projects, purchases of construction material and capital work in progress during the nine months ended December 31, 2007, and the fiscal years 2007, 2006, and 2005, was Rs. 18,479.68 million, Rs. 6,052.01 million, Rs. 123.16 million and Rs. 9.38 million, respectively.

The table below sets forth the amounts spent by our Company or the respective subsidiaries on each of the projects under development or planned and the estimated completion cost of such project.

(In Rs. Million)

Projects	Amounts deployed as of February 29, 2008	Estimated Completion Cost
Mundra I and II..............................	13,807.77	43,500.00
Mundra III	7,353.07	57,960.00
Mundra IV	-	89,600.00

Projects	Amounts deployed as of February 29, 2008	Estimated Completion Cost
Tiroda	181.97	92,630.00
Dahej	26.40	88,810.00
Kawai	-	58,890.00
Total	**21,369.21**	**431,390.00**

See "Objects of the Issue" beginning on page 37 of this Draft Red Herring Prospectus. We believe that we will have sufficient capital resources from the Net Proceeds of the Issue and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next three years.

Indebtedness

We have secured term loans in the principal amount of Rs. 2,771.20 million and amounts under letters of credit of Rs. 5,278.87 million outstanding as of February 29, 2008 and have no other type of indebtedness. Rs. 7,454.08 million and Rs. 595.99 million of such indebtedness is incurred in connection with Mundra I and II power projects, respectively. For further details, see the section "Financial Indebtedness" beginning on page 285 of this Draft Red Herring Prospectus.

Contractual Obligations and Commercial Commitments

The following table summarises our contractual obligations and commercial commitments as of December 31, 2007 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods.

(In Rs. Million)	As of December 31, 2007	Less than 1 year	1–3 years	3–5 years	More than 5 years
	(In Rs. Million)				
Indebtedness	6,433.46	5,056.56	93.90	250.30	1,032.70
Lease obligations	3.03	3.03	–	–	–
EPC and BTG obligations[(1)]	60,849.70	12,232.11	14,001.29	34,616.30	
Other purchase and other obligations[(2)]	1,927.50	427.50	750.00	750.00	–

(1) Future cash flow on EPC and BTG obligations are estimated and generally consistent with the provisions of the relevant contract.

(2) Our "other purchase and other obligations" include our capital expenditure obligations and other obligations and commitments other than in connection with the provision of EPC or BTG supplies and services for our power projects. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable at law and legally binding on us.

Contingent Liabilities

The following table provides our contingent liabilities as of the dates indicated:

Particulars	As of December 31, 2007	As of March 31, 2007
Estimated amount of contracts remaining to be executed in connection with the Mundra power projects and not provided for	56,056.15	11,234.14
Guarantees issued by banks	1,927.50	1,500.00
Letter of credit facilities	4,799.02	6,480.60
Bonds provided to the Government of India in connection	22,250.00	–

Particulars	As of December 31, 2007	As of March 31, 2007
with the SEZ developer status		
Total..	85,032.67	19,214.74

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.

Transactions with Related Parties

We have certain transactions with our Promoters and Promoter Group Companies. For details, please refer to the section "Related Party Transactions" beginning on page 220 of this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

Interest Rate Risk

We currently have floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Moreover, the interest rates on certain of our indebtedness are subject to periodic resets. See "Financial Indebtedness" beginning on page 285 of this Draft Red Herring Prospectus. As of December 31, 2007, Rs. 1,227.30 million of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts. It is likely that in the current fiscal year and in future periods our borrowings will rise substantially given our growth plans. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

Foreign Exchange Risk

While substantially all of our revenues will be denominated in rupees, we have incurred and expect to incur expenditure and indebtedness denominated in currencies other than rupees for the development of our power projects. As of December 31, 2007, we had Rs. 5,056.55 million of foreign currency borrowings outstanding under letters of credit and Rs. 6,129.72 million of foreign currency expenditures, including Rs. 6,057.48 million of expenditures relating to import of goods. These exposures are generally to United States dollars. Any depreciation of the rupee against the currency in which we have an exposure will increase the rupee costs to us of servicing and repaying our expenditure and indebtedness. We do not currently use any derivative instruments to modify the nature of our exposure to foreign currency fluctuations so as to manage foreign exchange risk.

Inflation

In recent years, India has not experienced significant inflation and accordingly inflation has not had any material impact on our business and results of operations. According to the CIA World Factbook, inflation in India was approximately 3.8%, 4.2%, 4.2% and 5.3% in fiscal years 2004, 2005, 2006 and 2007 (estimated), respectively. Although the Government of India has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect.

This rise in inflation rates in recent years may adversely affect growth in the Indian economy and our results of operations.

Price of Fuel

As our power projects enter commercial operation, we will be dependent upon our suppliers for coal. See "– Significant Factors Affecting our Results of Operations" beginning on page 276 of this Draft Red Herring Prospectus. For certain of our power projects, we have entered into fixed price but limited term coal supply agreements. For our Tiroda power project, we intend to source coal from a mine allocated to us. See also "Our Business" beginning on page 78 of this Draft Red Herring Prospectus.

Other Qualitative Factors

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or infrequent".

Known Trends or Uncertainties

Other than as described in the sections titled "Risk Factors", and this section and elsewhere in this Draft Red Herring Prospectus, to the best of our knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on our revenues or income from continuing operations.

New Product or Business Segment

Other than as described in the section "Our Business" beginning on page 78 of this Draft Red Herring Prospectus, to our knowledge, there are no new products or business segments.

Seasonality of Business

Our revenues and results may be affected by seasonal factors. For example, inclement weather, including during monsoon season, may delay or disrupt development of our power projects undergoing construction at such times. Further, some of our prospective power consumers may have businesses which may be seasonal in nature and a downturn in demand for power by such consumers could reduce our revenue during such periods.

Dependence on a Single or Few Suppliers/Customers

As described in the sections "Risk Factors" and "Our Business" beginning on page xiii and 78, respectively, of this Draft Red Herring Prospectus we will depend on the operations of our six power projects for our future revenues.

Competitive Conditions

For further details, please refer to the discussions of our competition in the sections "Risk Factors" and "Our Business" beginning on page xiii and 78, respectively, of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Secured Loans

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Amount drawn down as of February 29, 2008	Interest (1) (2)(3)(4) (In % p.a.)	Tenure (years)	Repayment	Security
1.	ICICI Bank Limited, Allahabad Bank, Punjab National Bank, Bank of India, Syndicate Bank, Small Industries Development Bank of India (SIDBI), Bank of Baroda, Andhra Bank, Bank of Maharashtra, State Bank of Hyderabad, Oriental Bank of Commerce, Canara Bank and UCO Bank	Common Agreement for Rupee facility dated September 20, 2006	Aggregate = 17,100.00	Aggregate = 2,217.1		14.5	Repayment is in 44 equal quarterly instalments after initial moratorium of 6 months from COD of the project or 45 months from the date of financial closure, whichever is earlier.	For details of security see Note 1 below.
			ICICI Bank Limited = 3,000.00	413.4	IBAR + Term Premia minus 4.25%. Presently 12.00%.			
			Allahabad Bank = 2,000.00	259.5	BPLR minus 1.75%.			
			Punjab National Bank = 2,000.00	184.7	BPLR + term premium of 0.5% minus 2%. Presently, 11.50%.			
			Bank of India = 2,000.00	491.6	1.75% below BPLR. Presently, 11.25%.			
			Syndicate Bank = 1,000.00	129.8	BPLR minus 1.75%. Presently, 9.50%.			
			SIDBI = 1,000.00	0.0	BPLR minus 2%. Presently, 10.00%.			
			Andhra Bank = 1,000.00	129.8	BMPLR + term premium minus 1.75. Presently, 9.50%.			
			Bank of Maharashtra = 1,000.00	129.8	BPLR minus 2.0%. Presently, 11.25%.			
			State Bank of Hyderabad = 1,000.00	126.5	9.50% with monthly rests. Presently, 11.00%.			
			Oriental Bank of Commerce = 1,000.00	129.8	BPLR minus 2.00%. Presently, 11.25%.			
			Canara Bank = 1,000.00	129.8	10% (fixed).			

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Amount drawn down as of February 29, 2008	Interest (1) (2)(3)(4) (In % p.a.)	Tenure (years)	Repayment	Security
			UCO Bank = 1,000.00	9.24	BPLR minus 2.5%.			
			Bank of Baroda = 100.00*	0.0	1.10% below BPLR.			
2.	ICICI Bank Limited, Allahabad Bank, Punjab National Bank, Bank of India, Syndicate Bank, Small Industries Development Bank of India (SIDBI), Bank of Baroda, Andhra Bank, Bank of Maharashtra, State Bank of Hyderabad, Oriental Bank of Commerce, Canara Bank and UCO Bank	Common Agreement for Rupee facility dated July 25, 2007.	Aggregate = 15,500	Aggregate = 55.41		13.75	Repayment is in 44 equal quarterly instalments after initial moratorium of 6 months from COD of the project or 39 months from the date of financial closure, whichever is earlier.	For details of security see Note 2 below.
			ICICI Bank Limited = 2,000	0.0	IBAR + term premium minus 4.5%. Presently, 11.75%.			
			Central Bank of India = 2,000	0.0	10.50%			
			Punjab National Bank = 2,000	0.0	BPLR + term premium minus 2%.			
			India Infrastructure Finance Company Limited = 2,000	0.0	IBAR minus 4.5% + term premium. Presently, 11.75%			
			Allahabad Bank = 1,000	52.83	BPLR minus 1.5%. Presently 11.75%.			
			SIDBI = 750	0.0	SIDBI PLR minus 1% + term premium. Presently, 11.50%.			
			State Bank of Hyderabad = 1,000	2.58	SBHPLR minus 1.5%. Presently, 11.50%.			
			Rural Electrification Corporation Limited = 4,750	0.0	As per REC's interest or ICICI Bank's interest, whichever is higher. Presently, 11.75%.			
3.	ICICI Bank Limited	Subordinate Rupee Loan Agreement dated June 26, 2007	4,650.00	Nil	(1) For the first 18 months from the initial drawdown date (the "IDD"): IBAR -1.23% p.a. (2) For the period from 18^{th} month	14.75 years from the Project COD.	Repayment is in 20 equal quarterly instalments beginning from the immediate date falling 120 months from	For details of security see Note 3 below.

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Amount drawn down as of February 29, 2008	Interest (1) (2)(3)(4) (In % p.a.)		Tenure (years)	Repayment	Security
					from the IDD till 24th from the IDD, the aggregate of : (a) applicable rate of interest as calculated in (1) above, (b) additional rate of interest of 2.48% p.a. (3) For the period from the 24th month from the IDD onwards: IBAR + 1.25% p.a.			Project COD.	
4.	State Bank of India, State Bank of Patiala, State Bank of Mysore, State Bank of Saurashtra, State Bank of Travancore, Axis Bank Limited, Bank of India, Corporation Bank, India Infrastructure Finance Company Limited, Indian Overseas Bank, Tamilnad Mercantile Bank Limited, Punjab National Bank	Common Agreement dated March 27, 2008	Aggregate = 23,470.00	Nil	Lending rate during construction period till the First Interest Reset Date#	Lending Rate from the First Interest Reset Date#	14.25 years from the date of the agreement	Repayment is in 40 equal quarterly instalments beginning from the immediate date falling 6 months from Project COD or the expiry of 51 months from the date of the agreement.	For details of security see Note 4 below.
			State Bank of India = 7,170.00		1.25% below SBAR	1.50% below SBAR			
			Axis Bank Limited = 850.00		3.75% below SBAR	4% below BPLR			
			Bank of India = 2,500.00		1.75% below PLR of Bank of India	2% below BPLR			
			Corporation Bank = 850.00		2% below PLR of Corporation Bank	2.25% below COBAR			
			Indian Overseas Bank = 1,900.00		2.25% below PLR of Indian Overseas Bank	2.50% below BPLR			

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Amount drawn down as of February 29, 2008	Interest (1) (2)(3)(4) (In % p.a.)		Tenure (years)	Repayment	Security
			India Infrastructure Finance Company Limited = 4,300.00		1.25% below BPLR of SBAR	1.50% below SBAR			
			Punjab National Bank = 1,650.00		1.50% below BPLR of Punjab National Bank	1.75% below BPLR			
			State Bank of Mysore = 750.00		1.75% below SBMPLR of State Bank of Mysore	2.00% below SBMPLR			
			State Bank of Patiala = 850.00		2.0% below BPLR of State Bank of Patiala	2.50% below BPLR			
			State Bank of Saurashtra = 850.00		1.75% below BPLR of State Bank of Saurashtra	2.00% below BPLR			
			State Bank of Travancore = 1,000.00		2% below SBTPLR	2.25% below SBTPLR			
			Tamilnad Mercantile Bank Limited = 800.00		2% below BPLR of Tamilnad Mercantile Bank Limited	2.25% below BPLR			
5.	State Bank of India, State Bank of Patiala and State Bank of Mysore	Subordinate Rupee Facility Agreement dated March 27, 2008	Aggregate = 1,070.00	Nil			8.25 years from the date of the agreement	Repayment is in 36 equal quarterly instalments beginning from the immediate date falling 18 months after the Project COD or the expiry of 63 months	For details of security see Note 5 below.
			State Bank of India = 650.00		0.75% above SBAR				
			State Bank of Patiala = 320.00		0.00% above BPLR				
			State Bank of		0.25% below BPLR				

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Amount drawn down as of February 29, 2008	Interest [(1) (2)(3)(4)] (In % p.a.)	Tenure (years)	Repayment	Security
			Mysore = 100.00				from the date of the agreement.	
6.	Standard Chartered Bank as incorporated in England.	Dollar Loan Agreement dated March 28, 2008.	Aggregate = US$ 500 million	Nil	The rate of interest on each Advance for each Interest Period is the percentage rate per annum which is the aggregate of the applicable: (i) Applicable Margin, which means: a) for the period commencing on the Signing Date and ending on the First Step-Up Date, 1.85% (one point eight five per cent.) per annum; (b) for the period commencing on the day immediately following the First Step-Up Date and ending on the Second Step-Up Date, 2.00% (two per cent.) per annum; (c) for the period commencing on the day immediately following the Second Step-Up Date and ending on the Termination Date, 2.25% (two point two five per cent.) per annum. (ii) LIBOR; and	12 years	Repayment is to be made in 17 instalments, commencing from March 31 2012 and the last date being March 31, 2020.	For details of security see Note 6 below.

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Amount drawn down as of February 29, 2008	Interest (1) (2)(3)(4) (In % p.a.)	Tenure (years)	Repayment	Security
					(iii) Mandatory Cost, if any.			

**Bank of Baroda had initially committed to loan an amount of Rs. 940 million. However, subsequently Bank of Baroda's share was reallocated amongst Allahabad Bank, Punjab National Bank, Bank of India, Syndicate Bank, Andhra Bank, Bank of Maharashtra, State Bank of Hyderabad, Oriental Bank of Commerce, Canara Bank and UCO Bank and the share of such banks was consequently increased . The entire facility granted by Bank of Baroda shall be cancelled on full reallocation. The sanction letter for the reallocation of loan amounting to Rs. 60 million to SIDBI has not yet been received.*

(1) The Company shall be liable to pay penal interest in case of default at the rate of PLR + 2.0% for loan 1, Lending rate + 2% for loan 2, 1% p.a. for loan 4 and Lending Rate + 1% p.a. for loan 5 .
(2)The lenders may reset the rate of interest every three years for loan 1 and 2.
(3)The lenders shall be entitled to reset interest in accordance with the terms of the Common Agreement dated March 27, 2008 for loan 4.
(4) The lenders shall be entitled to reset interest in accordance with the terms of the Subordinate Rupee Facility Agreement dated March 27, 2008 for loan 5.
#Notwithstanding the lending rate specified by each senior rupee lender, the highest of the lending rates specified by the senior rupee lenders from time to time shall be applicable to all the senior rupee lenders.

Note 1:

(a) A first ranking *pari passu* English mortgage and charge/security interest in respect of all the Company's immovable properties both present and future; all the Company's movable properties and assets, both present and future; all tangible and intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company; all revenues and receivable of the Company from the Mundra Phase I Power Project or otherwise; all of the Company's rights, titles and interest in respect f the assets and its rights under each of the project documents; all the Company's accounts and all the insurance contracts.
(b) A first ranking mortgage pledge in respect of 30% of the total, issued and paid up shares of the Company from time to time.
(c) Non-disposal and safety net arrangement agreement in favour of the security trustee in respect of 21% of the issued and outstanding equity shares of the Company from time to time.
(d) Charge on and assignment of each letter of credit/ escrow/ guarantee or performance bond or any other security that may be posted by any party to a project document for the Company's benefit; and a
(e) Corporate guarantee from MPSEZ. The liability of MPSEZ as guarantor shall not exceed Rs. 750 million.

Note 2:

(a) A first ranking *pari passu* English mortgage and charge/security interest in respect of all the Company's immovable properties both present and future; (ii) all the Company's movable properties and assets, both present and future; all tangible and intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company; all revenues and receivables of the Company from the Mundra Phase II Power Project or otherwise; all of the Company's rights, titles and interest in respect f the assets and its rights under each of the project documents; all the Company's accounts and all the insurance contracts.
(b) a first ranking pledge in respect of 30% of the total, issued and paid up shares of the Company from time to time.
(c) A first charge on charge on and assignment of each letter of credit/ escrow/ guarantee or performance bond or any other security that may be posted by any party to a project document for the Company's benefit.

Note 3:

A second ranking English mortgage and charge/security interest in respect of:

(a) all the Company's immovable properties both present and future;

(b) all the Company’s movable properties and assets, both present and future;
(c) all tangible and intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company;
(d) All revenues and receivables of the Company from the Mundra Phase I and II Power Projects or otherwise;
(e) all of the Company’s rights, titles and interest in respect of the assets and its rights under each of the project documents;
(f) all the Company’s accounts;
(g) all the insurance contracts.

Note 4:

Security#

(a) a mortgage and charge on all the Company’s immovable properties, both present and future, with respect to Phase II Project;
(b) a mortgage by MPSEZL on the land forming art of the Project Site ;
(c) a charge by way of hypothecation of all the Company’s movable properties and assets, both present and future, with respect to Phase II Project;
(d) a charge on the Phase III Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, all intangible and tangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company, both present and future, with respect to Pahse II Project.
(e) a charge/ assignment on/of all of the Company’s rights, title and interest in respect of the assets and its rights under each of the Project Documents duly acknowledged and consented to, where required, by the relevant counterparties, all the Company’s rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Document for the Company’s benefit and all the Company’s rights under the Clearances;
(f) a charge/ assignment on/of all the Company’s bank accounts in relation to Phase III Project and each of the other accounts required to be created by the Company under any Transaction document, including in each case, all monies lying credited/ deposited into such accounts;
(g) a charge/ assignment on/of all the Insurance Contracts naming the Security Trustee as an additional insured/sole loss payee, with respect to Phase III Project;
(h) a pledge in respect of 30% of the total, issued and paid up shares of the Company which have been brought in by the Sponsor in the Company with respect to security for Phase I Project, Phase II Project and Phase III Project;
(i) a charge on and assignment of each letter of credit/ escrow/ guarantee or performance bond or any other security that may be posted by any party to Project Document for the Company’s benefit; and
(j) Security over all the common assets pertaining to the Phase I Project, Phase II Project and Phase III Project in favour of the banks and financial institutions providing financial assistances to all the aforesaid Projects.

#*The security shall be first ranking pari passu.*

Reciprocal Security

(a) 3rd ranking *pari passu* inter se between the Phase III Senior Lenders security created over all the assets secured / to be secured in favour of the respective Security Trustees for the benefit of the senior rupee lenders, the working capital lenders and subordinate rupee lenders to the Phase I and Phase II Projects.

Note 5:

The facility shall be secured by the security in favour of the senior lenders in terms of the Common Agreement dated March 27, 2008. It shall rank *pari passu* inter se between the subordinate rupee lenders and subsequent to the security to be created in favour of the Phase III Security Trustee for the benefit of the Phase III senior lenders and the providers of working capital facilities.

(a) a mortgage and charge on all the Company’s immovable properties, both present and future, with respect to Phase II Project;
(b) a mortgage by MPSEZL on the land forming art of the Project Site;
(c) a charge by way of hypothecation of all the Company’s movable properties and assets, both present and future, with respect to Phase II Project;

(d) a charge on the Phase III Project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, all intangible and tangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company, both present and future, with respect to Phase II Project.
(e) a charge/ assignment on/of all of the Company's rights, title and interest in respect of the assets and its rights under each of the Project Documents duly acknowledged and consented to, where required, by the relevant counterparties, all the Company's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Document for the Company's benefit and all the Company's rights under the Clearances;
(f) a charge/ assignment on/of all the Company's bank accounts in relation to Phase III Project and each of the other accounts required to be created by the Company under any Transaction document, including in each case, all monies lying credited/ deposited into such accounts;
(g) a charge/ assignment on/of all the Insurance Contracts naming the Security Trustee as an additional insured/sole loss payee, with respect to Phase III Project;
(h) a pledge in respect of 30% of the total, issued and paid up shares of the Company which have been brought in by the Sponsor in the Company with respect to security for Phase I Project, Phase II Project and Phase III Project;
(i) a charge on and assignment of each letter of credit/ escrow/ guarantee or performance bond or any other security that may be posted by any party to Project Document for the Company's benefit; and
(j) Security over all the common assets pertaining to the Phase I Project, Phase II Project and Phase III Project in favour of the banks and financial institutions providing financial assistances to all the aforesaid Projects.

The security shall be first ranking pari passu.

Reciprocal Security

(a) 3rd ranking *pari passu* inter se between the Phase III Senior Lenders security created over all the assets secured / to be secured in favour of the respective Security Trustees for the benefit of the senior rupee lenders, the working capital lenders and subordinate rupee lenders to the Phase I and Phase II Project

Note 6:

The security documents for the Dollar Loan Agreement have not been finalised as yet. However, in terms of the sanction letter dated December 14, 2007 for the Dollar Loan Agreement the security will include all the of the Borrowers rights, title and interests to, but not limited to, the following:

(a) A first ranking (pari- passu with INR facility providers) charge over Project assets (excluding common assets) both present and future;
(b) A charge over phase 1 and 2 assets (excluding common assets) behind Phase 1 and 2 senior and subordinate lenders;
(c) A pari- passu charge over all the common assets (across Phase 1, 2 and 3) between all lenders with consent for enforcement being subject to an agreement by a super- majority of lenders;
(d) A right to access any residual cash (prior to distributions) from the trust and the retention account in relation to Phase 1 and 2;
(e) Borrower's right to the project Site in relation to the Project;
(f) A first charge/ assignment of Borrower's rights/ title and interests in the Project Agreements and any other contracts/ licenses necessary for the commencement and operations of the Project;
(g) A first charge/ assignment of contractor guarantees, performance bonds and any other letter of credit that may be provided to the borrower by any party in respect of the project;
(h) A first matter/ assignment on the irrevocable, no lien Prospectus Account, and the Cash Sweep Account, the proceeds of which would be utilized in a manner and priority to be decided by the MLA in respect of the project;
(i) A first charge/ assignment on the irrevocable, no lien Collateral Account in respect of the project;
(j) Pledge over 30% of the fully paid up share capital of the borrower;
(k) Floating charge on the current assets attributable to the Project; and
(l) Assignment of all insurance policies in relation to the project.

Corporate Actions

Certain corporate actions for which the Company requires the prior written consent of the lenders include:

(a) make any drastic change in the management or change the composition of its Board of Directors;

(b) transfer the share of the promoter Directors;

(c) contract, create, incur, assume or suffer to exist any indebtedness, except for permitted indebtedness;

(d) carry on any business or activity other than in connection with the completion or operation of the project;

(e) set up or have any subsidiaries;

(f) issue any guarantee except as required under the transaction documents;

(g) revalue its assets and properties during the currency of the facilities;

(h) undertake any new project or expansion;

(i) wind up, liquidate or dissolve its affairs;

(j) enter into any transaction of merger, consolidation, amalgamation or reorganisation;

(k) convey, sell, lease, let or otherwise dispose of (or agree to do any of the foregoing at any future time) all or any part of its property or assets (excluding sales of electricity capacity in accordance with the PPA), except for any permitted disposal;

(l) alter MoA and AoA;

(m) change its fiscal year;

(n) change its accounting policies presently being followed;

(o) change the nature or scope of Mundra Phase II Power Project;

(p) agree to, create, incur, assume or suffer to exist any Security Interest upon or with respect to any property, revenues, or assets (real, personal or mixed, tangible or intangible) of the Company, whether now owned or hereafter acquired; and

(q) alter its capital structure.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our subsidiaries, our Directors, our Promoter and our Promoter Group and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by the Company and its Subsidiary, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and its subsidiary and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Subsidiary, its Promoters, Promoter Group and Directors.

Litigation against the Company

1. Patel Bharatkumar Prahladbhai, Ganpatbhai B. Patel and others ("Plaintiffs") have filed a suit (no. 25/08) 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 Plaintiffs have also filed an application for interim injunction. The suit is currently pending.

2. Mohanbhai Rabari (the "Plaintiff") has filed a suit (no. 40/08) 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 Plaintiffs have also filed an application for interim injunction. The suit is currently pending.

3. Rameshbhai Gujjar (the "Plaintiff") has filed a suit (no. 115/07) against the Company and others before the Additional Civil Judge, Anjar, Kutch on November 27, 2007. The Plaintiff has sought permanent injunction against the installation of overhead lines through his land. The suit is currently pending.

Litigation by the Company

Nil.

Litigation involving Directors

A. Gautam S. Adani

1. The Additional Director General, Directorate of Revenue Intelligence, Mumbai had issued a show cause notice (F.No.DRI/AZU/INT-4/99-PT.IV) dated November 9, 2001 to AEL and Mr. Gautam Adani, Chairman, AEL among others. Mr. Gautam S. Adani had been asked to show-cause as to why penalty should not be imposed against him under Sections 112 (a) and 112 (b) of the Customs Act, 1962 for aiding AEL in misuse of the advance license granted to a third party for the import of metallurgical coke and evasion of customs duty in relation thereof. The Commissioner of Customs, Kandla confirmed the demand of customs duty and imposed a penalty of Rs. 1.2 million on Mr. Gautam S. Adani. CESTAT vide its order dated February 12, 2007 set aside the order passed by the Commissioner of Customs, Kandla. The department filed appeal, being Special Leave to Appeal (Civil) before Supreme Court of India against the order of CESTAT. The Supreme Court has issued notice in the matter. The matter is currently pending.

2. Container Corporation of India ("Concor") has filed a civil suit against Mr. A K Kohli, Mr. Gautam S. Adani and Adani Logistics Limited before the Delhi High Court (the "High Court") seeking to restrain the said defendants from proceeding with a cold chain project. Concor has alleged that the said project is exactly the same as the project proposed by it, which was later abandoned. The High Court has passed an interim order on August 9, 2005 restraining Mr. A K Kohli from implementing or being involved in any project on the basis of know how relating to Concor's project or proposal. Mr. Kohli has filed an application to set aside the said interim order. The matter was listed for May 14, 2007 for framing of issues and arguments, where the personal presence of both Mr. Kohli and Mr. Gautam Adani was sought by the High Court. However, Mr. Gautam Adani failed to present himself before the High Court and a fine of Rs. 25,000 was imposed on him. The High Court by its order dated November 23, 2007 framed the issues and directed the parties to file their additional documents within three weeks. It further directed the plaintiffs to file affidavits for examination in chief within six weeks. Joint Registrar was appointed as the local commissioner to record evidence. On completion of evidence of the plaintiff, defendants are permitted to file their affidavits of examination in chief. The High Court has also directed the Joint Registrar for admission/denial of additional documents and directions regarding trial. The matter is currently pending.

B. Rajesh S. Adani

1. SEBI had filed a criminal complaint (CC 686/Misc/2004) against Mr. Rajesh S. Adani and Ms. Shilin R. Adani (in their capacity as trustees of Rajeshbhai S. Adani Family Trust) and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details in relation to the said litigation, please see section titled "Outstanding Litigation and Material Developments – Litigation against Adani Enterprises Limited" on page 297 of this Draft Red Herring Prospectus.

2. The Additional Director General, Directorate of Revenue Intelligence, Mumbai had issued show-cause notice (F.No.DRI/AZU/INV-14/98-PT.VIII) dated October 24, 2002 to Mr. Rajesh Adani, Partner, Advance Exports under Section 124 of the Customs Act, 1962 ("Customs Act") asking him to show-cause as to why penalty should not be imposed against him under the Customs Act for his role, along with others, in the fraudulent export of CD ROMs by Advance Exports. It was alleged that Advance Exports had obtained the DEPB license by mis-declaration and suppression of facts and by gross overvaluation of CD ROMs, exported them and subsequently sold it to Adani Exports Limited who utilised it for duty free import of RBD Palmolein (Edible Grade) in bulk. The Commissioner of Customs, Kandla confirmed demand and imposed a penalty of Rs. 0.5 million. However, CESTAT had stayed the said penalty vide its order dated September 2004. Further, CESTAT vide its order dated August 1, 2007 set aside the order passed by the Commissioner of Customs, Kandla and allowed the appeal. CESTAT has held the penalty imposed on Rajesh S. Adani by the Commissioner of Customs not in accordance with law as the transactions entered into by Advance Exports to obtain DEPB license were not fraudulent, were transactions entered into by independent legal entities and in accordance with the law. The customs department has filed an appeal against the said order before the Supreme Court of India in Janaury 2008. The appeal is pending.

3. The Commissioner of Customs and Central Excise, Goa had issued show-cause notice (F.No.S/99-34/98-AP // S/25-18/2003 AP) dated September 11, 2003 to Mr. Rajesh Adani, AEL, M/s. Pioneer Business Enterprises and others under Section 28 and Section 124 of the Customs Act, 1962 asking them to explain why exemption claimed by Pioneer Business in respect of import of CD ROMs should not be denied as it did not satisfy the condition of interactivity and why customs duty of Rs. 11.54 million should not be demanded. Mr. Rajesh S. Adani and others have also been asked to explain why the CD ROMS should not be confiscated and penalty should not be imposed on them under Section 114 (A) and Section 112 (a) and (b) of the Customs Act, 1962. Commissioner of Customs, Goa has confirmed the penalty of Rs. 14.04 million on AEL and Rajesh S. Adani. However, the CESTAT, vide its order dated February 21, 2006 has stayed operation of the order of the Commissioner of Customs. The matter is currently pending before CESTAT.

4. There is a matter currently pending against AEL, Mr. Rajesh S. Adani and Mr. Saurin Shah before the Enforcement Directorate in relation to violation of provisions of the Foreign Regulation Act and the Customs Act. The Enforcement Directorate had imposed 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. 1.6 million on AEL and Rs. 0.075 million each on Mr. Rajesh S. Adani and Mr. Saurin Shah.

5. 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 Tribunal vide order dated February 25, 2008 upheld the order passed by the adjudicating authority imposing penalty of Rs.40.00 million on AEL and Rs. 20.00 million on Mr. Rajesh Adani and rejected the appeal. AEL and Mr. Rajesh S. Adani have already filed an application before the Appellate Tribunal for Foreign Exchange, New Delhi, for review of the said order.

C. R. K. Gupta

Nil

D. Ameet H. Desai

Nil

E. B. B. Tandon

Nil

F. S. K. Tuteja

Nil

G. Vijay Ranchan

Nil

H. Chinubhai R. Shah

Nil

Litigation involving Subsidiaries

1. Adani Power Dahej Private Limited

Litigation against Adani Power Dahej Private Limited: Nil

Litigation by Adani Power Dahej Private Limited: Nil

Contingent liabilities as on December 31, 2007: Nil

2. Adani Power Maharashtra Private Limited

Litigation against Adani Power Maharashtra Private Limited: Nil

Litigation by Adani Power Maharashtra Private Limited: Nil

Contingent liabilities as on December 31, 2007: Nil

3. Adani Power Rajasthan Limited

Litigation against Adani Power Rajasthan Limited: Nil

Litigation by Adani Power Rajasthan Limited: Nil

Contingent liabilities as on December 31, 2007: Nil

Litigation involving Promoters

1. Adani Enterprises Limited

Litigation against Adani Enterprises Limited

1. SEBI has 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 Mr. Vinod S. Adani and Ms. Ranjan V. Adani), Rajeshbhai S. Adani Family Trust (represented by its trustees Mr. Rajesh S. Adani and Ms. Shilin R. Adani), Vasantbhai S. Adani Family Trust (represented by its trustees Mr. Vasant S. Adani and Ms. Pushpa V. Adani) and Mahsukhbhai S. Adani Family Trust (represented by its trustees Mr. Mahsukh S. Adani and Ms. Suvarna M. Adani) (the "Accused Trusts") (collectively, the "Accused") in the Court of Additional Chief Metropolitan Magistrate, Mumbai. It was alleged in the complaint that the promoters of AEL had executed off-market deals amongst themselves in violation of Section 2 (i) (a) and 16 of Securities Contract Regulation Act, 1956 ("SCRA") and SEBI's Notification dated March 1, 2000 ("SEBI Notification"). It was also alleged that the off-market deals transacted by the accused were executed after a considerable delay and hence were in violation of the above sections and the SEBI Notification and the same is punishable under Section 23 read with Section 24 of the SCRA, 1956 read with Section 120-B of the IPC. Further, it was alleged that since the accused were responsible for the day to day conduct of the business of the accused companies/firms, they are responsible for the off-market deal in respect of the scrip of AEL. The complainant had prayed that the court should take cognizance of the violations of Section 2 (i) (a) and 16 of SCRA and the aforesaid SEBI notification. The Court of Special Judge for SEBI took cognizance of the complaint and issued notice dated August 8, 2006 in the criminal case (no. 24/SW/2006). The case was, thereafter, transferred to the Court of the Additional Chief Metropolitan Magistrate (the "Court"), which issued non-bailable warrants against the Accused. The Court through orders dated May 17, 2007 cancelled the non-bailable warrants against the Accused Entities on payment of bond of Rs. 15,000 by each of the Accused Entities. However, the application for cancellation of non-bailable warrants by the Accused Trusts was rejected. Being aggrieved, the Accused Trusts filed a criminal revision application in the Sessions Courts (the "Application") and simultaneously moved an application before the Court seeking permission that the respective authorised representative be permitted to represent the Accused Trusts. The case is currently pending.

   Further, the Accused have 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. AEL submitted a copy of the said application in the Court of Additional Chief Metropolitan Magistrate Court, Mumbai. The Consent Applications are also, currently pending.

2. 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 AEL. AEL filed an appeal before CESTAT, Bangalore. CESTAT vide order no.1972 to 1976/06 dated September 25, 2006 allowed the appeal filed by AEL. The department has filed an appeal ("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.

3. 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 Tribunal vide order dated February 25, 2008 upheld the order passed by the adjudicating authority imposing penalty of Rs.40.00 million on AEL and Rs. 20.00 million on Mr. Rajesh Adani and rejected the appeal. AEL and Mr. Rajesh S. Adani have already filed an application before the Appellate Tribunal for Foreign Exchange, New Delhi, for review of the said order.

4. 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 AEL, 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. AEL 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.

5. The Commissioner of Customs, Mumbai has issued a show cause notice (F. No. DRI/BZU/E/2/98 Pt. III/S/10-7/99) dated April 20, 1999 to AEL and others, for the recovery of Rs. 3.7 million 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 AEL. The department has subsequently filed an appeal before the Supreme Court of India. The matter is pending.

6. 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 AEL, in relation to export of certain items. As per the show-cause notice, AEL's liability under the show-cause notice has been determined to be Rs. 2.23 million. AEL has replied to the show-cause notice on November 30, 1998 and has denied any liability. The matter is currently pending.

7. 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 AEL, Mr. 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. For further details, please see the section titled "Outstanding Litigation and Material Developments – Litigation involving Directors" on page 294 of this Draft Red Herring Prospectus.

8. 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 AEL, Mr. Gautam S. Adani and others. The matter has been decided by CESTAT vide its order dated

February 12, 2007, in favour of Mr. 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. For further details, please see "Outstanding Litigation and Material Developments – Litigation involving Directors" on page 294 of this Draft Red Herring Prospectus.

9. There is a matter currently pending against AEL, Mr. Rajesh S. Adani and Mr. Saurin Shah before the Enforcement Directorate in relation to violation of provisions of the Foreign Regulation Act and the Customs Act. The Enforcement Directorate had imposed 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. 1.6 million on AEL and Rs. 0.075 million each on Mr. Rajesh S. Adani and Mr. Saurin Shah.

10. There are 12 cases pending against AEL before various forums in relation to the import and export of different items such as Normal Butanol, Coal, Raw Silk, H. S. Fuel Oil, Groundnut Meal Extraction, Indian Rapeseed Extraction Meal, CD Roms And Iron Ore. Out of the said 12 cases, one case in relation to the import of Normal Butanol, involving Rs. 1.36 million has been decided in favour of AEL by CESTAT, Ahmedabad, through order dated January 29, 2008.

11. Adani Enterprises Limited through a letter dated March 25, 2003, paid a penalty of Rs. 0.06 million 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.

Litigation by Adani Enterprises Limited

1. AEL has filed a suit against the Oriental Insurance Company before the Civil Judge, Gandhidham seeking to recover Rs. 528 million on account of goods being destroyed in a cyclone.

2. AEL has filed various complaints under Section 138 of the Negotiable Instruments Act, 1938 for the recovery of amounts aggregating Rs. 95.79 million.

3. AEL has filed an application before the High Court of Gujarat against the Government of Gujarat and the Chief Revenue Controlling Authority seeking the quashing of a show-cause notice issued by the Chief Revenue Controlling Authority dated January 5, 2007. The show cause notice is in relation to payment of stamp duty on a debenture trust deed dated July 7, 2000 between AEL and UTI Bank Limited. AEL has submitted that the stamp duty on the debenture trust deed was paid after adjudication by the Collector and Additional Superintendent of Stamps and that the show-cause notice is illegal as it is barred by limitation. The matter is currently pending.

Contingent liabilities as on January 15, 2008

Particulars	Amount (In Rs. Million)
In respect of corporate guarantee given	
To companies under the same management	924.6
For obligations to other parties	2063.5
Demand against the Company not admitted as debts regarding sales tax against which appeals are pending	104.8
In respect of bank guarantees given to government agencies	51.1
Bills of Exchange discounted	5899.0
In respect of partly paid shares	0.2

Exports obligation of Rs. 66.2 million (previous year nil) is pending which is equivalent to 8 times of duty saved Rs. 8.3 million (previous year nil).

2. Gautam S. Adani

For details regarding litigation involving Gautam S. Adani, please see section titled "Outstanding Litigation and Material Developments – Litigation involving Directors" on page 294 of this Draft Red Herring Prospectus.

3. Rajesh S. Adani

For details regarding litigation involving Rajesh S. Adani, please see section titled "Outstanding Litigation and Material Developments – Litigation involving Directors" on page 294 of this Draft Red Herring Prospectus.

Litigation involving the Promoter Group

1. Adani Agri Fresh Limited

Litigation against Adani Agri Fresh Limited

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 Adani Agri Fresh Limited ("AAFL) by Assistant Excise and Taxation Commissioner, Solan for penalties as under:

a. Penalty u/s 10(a) of the CST Act of Rs. 40.59 million; and
b. Penalty u/s 50(2) of the H. P. Vat Act of Rs. 40.60 million.

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. 10 million 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.

Litigations by Adani Agri Fresh Limited

Nil

Contingent liabilities as on December 31, 2007

Bank Guarantee Rs. 41.31 million (Previous year Nil).
Estimated amount of Contracts remaining to be executed (net of advances) on capital Account and not provided for Rs. 239.80 million. (Previous Year Rs. 852.30 million).

2. Adani Agri Logistics Limited

Litigation against Adani Agri Logistics Limited: Nil

Litigations by Adani Agri Logistics Limited: Nil

Contingent liabilities as on December 31, 2007: Nil

3. Adani Agro Private Limited

Litigation against Adani Agro Private Limited

1. SEBI has filed a criminal complaint (CC 686/Misc/2004) against Adani Agro Private Limited and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details, please see "Outstanding Litigation and Material Developments –

Litigation against Adani Enterprises Limited' on page 297 of this Draft Red Herring Prospectus.

2. SEBI had issued a show cause notice (No. IVD/ID2/PKN/AEL/29865/05) dated January 3, 2005 under Sections 11(4) (b) and 11B of SEBI Act, 1992 read with Regulation 11 and 13 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and Regulation 4 (a), (b), (c), and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 1995 to Adani Agro Private Limited and others. Further, SEBI by its order (No. IVD/ID2/PKN/ADP/AEL/94635/2007) dated May 25, 2007 (the "Order") prohibited the promoters of Adani Exports Limited viz., Adani Agro Private Limited, Adani Impex Private Limited, Crown International, Shahi Property Developers Private Limited, Adani Properties Private Limited, Advance Exports and Intercontinental India (the "Prohibited Entities") from accessing securities market directly or indirectly and also prohibited them from buying, selling or otherwise dealing in securities, in any manner whatsoever, for a period of two years, for aiding and abetting Ketan Parekh entities in manipulating the scrip of Adani which lead to excessive volatility on the stock exchanges from October 1991 till March 2001.

   The Prohibited Entities filed appeal (No. 82 of 2007) (the "Appeal") before SAT against the Order. SAT, through its interim order dated July 13, 2007, *inter alia*, stayed the operation of the Order till the disposal of the Appeal. The Appeal is currently pending. Further, the Prohibited Entities submitted applications dated November 28, 2007 (the "Applications") for consent order in terms of the SEBI Circular No. EFD/ED/Cir-I/2007 dated April 20, 2007. SEBI vide letters (Nos. EFD/DRAII/PT/SPV/123234/2008, EFD/DRAII/PT/SPV/123242/2008, EFD/DRAII/PT/SPV/123239/2008, EFD/DRAII/PT/SPV/123240/2008, EFD/DRAII/PT/SPV/123236/2008, EFD/DRAII/PT/SPV/123238/2008) dated April 17, 2008 (the "Consent Letters") had in principle agreed to settle the cases against Adani Impex Private Limited, Crown International, Shahi Property Developers Private Limited, Adani Properties Private Limited, Advance Exports and Intercontinental India on payment of Rs. 0.7 million towards settlement charges and Rs. 0.05 million towards legal expenses within 15 days from the date of the Consent Letters, subject to the approval of consent terms SAT and disposing of the said cases by passing an appropriate order. Further, SEBI vide letter (No. EFD/DRAII/PT/SPV/123233/2008) dated April 17, 2008 had in principle agreed to settle the cases against Adani Agro Private Limited on payment of Rs. 1.0 million towards settlement charges and Rs. 0.05 million towards legal expenses within 15 days from the date of the Consent Letters, subject to the approval of consent terms by SAT and disposal of the said cases by passing an appropriate order. Accordingly, Adani Agro Private Limited, Crown International and Adani Properties Private Limited have deposited the amounts as proposed. SAT has also by its order dated April 24, 2008 approved the consent terms.

Litigation by Adani Agro Private Limited

1. Adani Agro Private Limited has filed a suit against the Oriental Insurance Company before the National Consumer Disputes Redressal Commission for the recovery of Rs. 3.8 million. The matter is pending.

Contingent liabilities as on December 31, 2007: Nil

4. Adani Developers Private Limited

Litigation against Adani Developers Private Limited: Nil
Litigations by Adani Developers Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

5. Adani Energy Limited

Litigation against Adani Energy Limited

1. Adani Energy Limited (AEnL) and ASEAN LNG Trading Company (ASEAN LNG) had entered into a Master LNG sale & Purchase Agreement on August 2, 2006 for sale and purchase of LNG from time to time. The duration of the Agreement was 3 years. Each transaction between the parties was proposed to be described in subsequent confirmation notices. Subsequently on March 12, 2007 parties signed the confirmation notices for sale and purchase of 4 LNG cargoes to be delivered to AEnL. It was further agreed to sign "delivery notices" before the dispatch of the cargoes. Deliver Notice was to contain mutual agreement on Re-gasification (Delivery) Terminal, sulphur content in LNG and Stand By Letter of Credit (SBLC). As the re-gasification terminal was not available to AEnL, 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 (LICA) against Adani Energy Limited claiming losses for an approximate amount of Rs. 4,000 million (US$ 100 million) towards AEnL's inability to receive the LNG cargoes as envisaged in the Master Agreement. The arbitration is currently pending.

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. 31.5 million towards wrong availment on account of non registration of CNG stations. Adani Energy received show-cause notice on December 24, 2007. Adani Energy has filed the reply was filed and hearing has been held, subsequent whereto Adani Energy received an order dated March 31, 2008 confirming the demand of Rs. 31.5 million, charging interest and levying penalty of Rs. 31.5 million. The company has reversed Rs. 31.5 million "UNDER PROTEST" and is contemplating an appeal against the said order.

Litigation 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. 0.44 million before the Metropolitan Court, Gheekanta, Ahmedabad. The case is currently pending.

2. The company 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. The case is currently pending.

Contingent liabilities as on April 18, 2008

Particulars	Amount (In Rs. Million)
Claims against the Company not acknowledged as debts	Rs. 4036.78
In respect of corporate guarantee given To companies under the same management For obligations to other parties	 0 0
Demand against the Company not admitted as debts regarding sales tax against which appeals are pending	0
In respect of bank guarantees given to government agencies	12.76
Bills of Exchange discounted	0
In respect of partly paid shares	0

6. Adani Estates Private Limited

Litigation against Adani Estates Private Limited: Nil
Litigations by Adani Estates Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

7. Adani Global Limited

Litigation against Adani Global Limited: Nil
Litigations by Adani Global Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

8. Adani Global FZE

Litigation against Adani Global FZE: Nil
Litigations by Adani Global FZE: Nil

Contingent liabilities as on December 31, 2007
Nil

9. Adani Global PTE Limited

Litigation involving Adani Global PTE Limited: Nil
Litigations by Adani Global PTE Limited: Nil

Contingent liabilities as on December 31, 2007
Nil

10. Adani Habitats Private Limited

Litigation involving Adani Habitats Private Limited: Nil
Litigations by Adani Habitats Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

11. Adani Infrastructure and Developers Private Limited

Litigation against Adani Infrastructure and Developers Private Limited: Nil
Litigations by Adani Infrastructure and Developers Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

12. Adani Infrastructure Services Private Limited

Litigation against Adani Infrastructure Services Private Limited: Nil
Litigations by Adani Infrastructure Services Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

13. Adani Land Developers Private Limited

Litigation against Adani Land Developers Private Limited: Nil
Litigations by Adani Land Developers Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

14. Adani Landscaps Limited

Litigation against Adani Landscaps Limited: Nil
Litigations by Adani Landscaps Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

15. Adani Logistics Limited

Litigation against Adani Logistics Limited

Container Corporation of India has filed a suit against Mr. A K Kohli, Mr. Gautam S. Adani and Adani Logistics Limited. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Mr. Gautam S. Adani' on page 294 of this Draft Red Herring Prospectus.

Litigation by Adani Logistics Limited
Nil

Contingent liabilities as on December 31, 2007:
Unredeemed bank guarantees: Rs. 5,000,000
Letter of credit outstanding: Rs. 581.10 lakhs

16. Adani Mining Private Limited

Litigation against Adani Mining Private Limited: Nil
Litigation by Adani Mining Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

17. Adani Mundra SEZ Infrastructure Private Limited

Litigation against Adani Mundra SEZ Infrastructure Private Limited: Nil
Litigation by Adani Mundra SEZ Infrastructure Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

18. Adani Petronet (Dahej) Port Private Limited

Litigation against Adani Petronet (Dahej) Port Private Limited: Nil
Litigation by Adani Petronet (Dahej) Port Private Limited: Nil

Contingent liabilities as on December 31, 2007
Nil

19. Adani Port Infrastructure Private Limited

Litigation against Adani Port Infrastructure Private Limited: Nil
Litigation by Adani Port Infrastructure Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

20. Adani Properties Private Limited

Litigation against Adani Properties Private Limited

1. SEBI has filed a criminal complaint (CC 686/Misc/2004) against Adani Properties Private Limited and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Adani Enterprises Limited' on page 297 of this Draft Red Herring Prospectus.

2. SEBI had issued a show cause notice (No. IVD/ID2/PKN/AEL/29865) dated January 3, 2005 under Sections 11(4) (b) and 11B of SEBI Act, 1992 read with Regulation 11 and 13 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 to Adani Properties Private Limited and others. Further, SEBI passed an order (No IVD/ID2/PKN/ADP/AEL/94635/2007) dated May 25, 2007 against Adani Properties Private Limited and others. Against the said order of SEBI, an appeal was filed before SAT, which passed an interim order by staying the operation of SEBI order. Further, Adani Properties Private Limited filed

an application for consent order in terms of the SEBI Circular No. EFD/ED/Cir-I/2007 dated April 20, 2007. For further details, please see “Outstanding Litigation and Material Developments – Litigation against Adani Agro Private Limited” on page 300 of this Draft Red Herring Prospectus.

Litigation against Adani Properties Private Limited

Nil

Contingent liabilities as on September 30, 2007

Estimated amount of contract remaining to be executed of Rs. 21,500,000 against which advance paid Rs. 8,821,200.

21. Adani Retails Limited

Litigation against Adani Retails Limited: Nil
Litigation by Adani Retails Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

22. Adani Shipping PTE Limited

Litigation against Adani Shipping PTE Limited: Nil
Litigations by Adani Shipping PTE Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

23. Adani Shipyard Private Limited

Litigation against Adani Shipyard Private Limited: Nil
Litigation by Adani Shipyard Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

24. Adani Virginia Inc.

Litigation against Adani Virginia Inc.: Nil
Litigations by Adani Virginia Inc.: Nil
Contingent liabilities as on December 31, 2007: Nil

25. Adani Welspun Exploration Limited

Litigation against Adani Welspun Exploration Limited: Nil
Litigations by Adani Welspun Exploration Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

26. Adani Wilmar Limited

Litigation against Adani Wilmar Limited

Sr. No.	SCN No. / File No.	Adjudicating Authority	Issue involved in the matter	Remarks	Balance (In Rs. Million)
1.	OIA No. 150/2005 (150-KDL)Cus/Commr(A)/ AHD dated 6.05.2005 passed by Commissioner of Customs (Kandla), Ahmedabad Appeal No.C/874/05-Mum Stay Application No. /Stay-2361/05	CESTAT, Mumbai	Classification of Bentonite Clay. (91.080 MT) We imported Bentonite Clay and filed Bills of Entry under Customs Tariff Heading 2508.10 and take benefit of duty,	The CESTAT vide stay order no.S/229/WZB/05. C.IV (CSTB) dated November 16, 2005 directed us to deposit Rs. 0.50 million by December 15, 2005 and compliance report on December 19, 2005, which the company has deposited.	0.65

Sr. No.	SCN No. / File No.	Adjudicating Authority	Issue involved in the matter	Remarks	Balance (In Rs. Million)
			whereas the Department classified under Customs Heading 3802.90. Hence, difference of duty of Rs. 1.15 million.	Vide Order No.M/42 to 54/WZB/AHD/08 dated January 1, 2008 extended validity of stay order.	
2.	OIO No. 02/COMMR/2006 dated January 31, 2006 passed by C.C., Jamnagar Appeal No. C/573/06-Mum Stay No. C/Stay/1548/06-Mum. F.NO. RI/GRU/INV-22/2004 dated April 9, 2005 issued by DRI, Gandhidham	CESTAT, Mumbai	We have imported 648.565 Mt. CPO and cleared through 12 DEPB Licences. The main condition of the DEPB Licences is that the CIF value of Import under these DEPB shall not exceed the FOB value of Export. The allegation is that by way of clubbing of 12 DEPB Licences, we have cleared the 208.037 Mts and evaded customs duty of Rs. 4.4 million. Penalty Rs. 4.46 million and fine Rs. 0.9 million.	The CESTAT vide order No. S/479, 480/WZB/2006-C.II (CSTB) dated June 15, 2006 dispense with the condition of pre-deposit of the balance amount of duty and entire amount of penalty. Vide Order No.M/42 to 54/WZB/AHD/08 dated January 8, 2008 extended validity of stay order.	8.83
3.	Appeal against OIA No. 226/2006 dated August 31, 2006 passed by the Commissioner of Customs (Appeals), Kandla at Ahmedabad Appeal No. C/56/06 Stay Application No. C/s/197/06 COD No. C/COD/254/06	CESTAT, Ahemdabad	Against DEPB TRA No. DEPB/196/2003-04 dated January 22, 2004, we are seeking clearance and getting credit value of Rs. 0.74 million against Bills of Entry No. 1383 & 1387 both dated January 30, 2004 and No. 1487 dated February 24, 2004. But as per Customs, the said DEPB TRA has not been issued by the same customs formation. Hence, the department asked us to pay duty payment equal to Rs. 0.74 million against the aforesaid TRA.	The C.C. (Appeals), Kandla vide order dated August 31, 2006 confirmed the demand of Rs. 0.74 million alongwith penalty of Rs. 0.74 million redemption fine. We have filed appeal before CESTAT. The Hon'ble CESTAT vide Order No.M/1408/WZB/AHD/07, M/1347/WZB/AHD/07 dated December 4, 2007 dispensed with the condition of pre-deposit of balance amount of duty and penalty. We have paid Rs. 0.20 million against appeal.	1.28
4.	Order No. C3/689/0/2005-SEA(C.Cus107/06) dated February 20, 2006 passed by Commissioner of Customs (Appeals), Chennai.	CESTAT, Chennai	PFA matter. As our imported 43.47 MT HVO is not as per PFA standard, we want to re-export the same. The Joint Commissioner, Chennai vide its	The Commissioner of Customs (Appeals), Chennai vide its order dated February 20, 2006 rejected our appeal. We have filed appeal before CESTAT, Chennai. The matter is pending for hearing.	0.67

Sr. No.	SCN No. / File No.	Adjudicating Authority	Issue involved in the matter	Remarks	Balance (In Rs. Million)
			order impose redemption fine of Rs 0.45 million and penalty of Rs. 0.22 million, which was confirmed by the Commissioner of Customs (Appeals), Chennai.		
5.	Appeal against OIO No.KDL/COMMR/19/2007 dated 29.03.2007 passed by the Commissioner of Customs, Kandla. [SCN F. No. DRI/GRU/INQ-17/2005 dated 15.06.06] Appeal Nos.C/138/07 & C/139/07	CESTAT, Ahmedabad	Mis-declaration of goods. HVO We have imported 3 consignments of 7000.220, 1277.320 & 5699.723 Mts of HVO, totaling 13977.263 Mt. By MT. Theressa II, MT. Tirta Niaga and MT. Monalisa under CTH 15162091 attracting basic duty of 30% and 2% education cess. The allegation of the department is that the material imported by us is not HVO but it is Refined Palm Oil, attracting basic duty of 90% and 2% education cess. Demand Rs. 173.19 million with interest and penalty.	Order No.M/1370 - 1371/WZB/AHD/07 dated 11.7.2007 / 19.12.2007 has been passed by the Hon'ble Tribunal. Since there is difference of opinion in the matter between the Hon'ble Members of the Tribunal, the matter has been referred to the Third Member of the Hon'ble Tribunal. Against the liability Bank Guarantee of Rs. 22.2 Crore has been Given Balance to be paid The appeal has been decided in our favour.	-
6.	F. No B/E. F-706/18.09.01/IMP/DSBO dated September 25, 2002 issued by Deputy Commissioner of Customs, GAPL, Mundra	Deputy Commissioner of Customs, GAPL, Mundra	Valuation matter. We filed B/Es. for Soyabean Oil for US $ 310 PMT CIF, whereas the Department of the basis of Contemporaneous report enhanced the price US $ 415.00.	The matter is pending for hearing/order.	37.65
7.	F.No. B/E. No. 1312/08.01.04 dated October 1, 2004 issued by Assistant Commissioner of Customs, GAPL, Mundra	Asst. Commissioner of Customs, GAPL, Mundra	We have cleared 1000 Mt. Crude Palm Oil under DEPB Licence No. 0310234856 dated 17.12.2003, which was found to be forged. The Department asked us to pay Rs. 2.30 million along with interest @15%.	The matter is pending for hearing.	2.30

Sr. No.	SCN No. / File No.	Adjudicating Authority	Issue involved in the matter	Remarks	Balance (In Rs. Million)
8.	Appeal against OIA No. 134 to 146/JMN/2005 dated July 27, 2005 issued by Commissioner of Customs (Appeals), Jamnagar Appeal Nos. C/1317 to 1329/05 Stay Application Nos. C/S/3194 to 3206/05	CESTAT, Mumbai	On the basis of Order of A.C., Mundra, we received refund against difference in quantity of ullage survey and shore out turn report. Against which department filed appeal before C.C. (Appeals), Jamnagar. The C.C. (Appeals) Jamnagar set aside our refund claim and direct the lower authority to provide us final assessment order and finally assessed Bill of Entry. Against this order we filed appeal before CESTAT, Mumbai	The CESTAT vide its order No. S/151 - 163/WZB/2006/CSTB CII dated February 01, 2006 dismissed our stay application as infructuous because no quantification of any amount. The matter is pending for final hearing.	-
			981.102 Mt. Of Degummed Soyabean Oil		0.29
			734.892 Mt. Of Degummed Soyabean Oil		0.40
			729.280 Mt. Of Degummed Soyabean Oil		0.68
			498.997 Mt. Of Cotton Seed Oil		0.38
			1501.217 Mt. Of Degummed Soyabean Oil		0.65
			501.042 Mt. Of Sunflowerseed Oil (Edible Grade)		0.39
			1001.19 Mt. Of Degummed Soyabean Oil		0.23
			1502.906 Mt. Crude Palm Olein		0.6
			1500.074 Mt. Of Degummed Soyabean Oil		0.35
			500 Mt. Crude Palm Olein		0.12
			540.159 Mt. Of Degummed Soyabean Oil		0.67
			519.329 Mt. Crude Palm Olein		0.03

Sr. No.	SCN No. / File No.	Adjudicating Authority	Issue involved in the matter	Remarks	Balance (In Rs. Million)
			604.969 Mt. Of Degummed Soyabean Oil		1.26
9.	F. No. B/E. No. F-385/24.06.04	Deputy Commissioner of Customs, GAPL, Mundra	Finalisation of Bill of Entry for 1000 Mt. Crude Sunflower Seed Oil	We have filed our reply. The matter is pending for hearing. Approx. Liability pr Rs. 0.30 million.	0.30
10.	SCN No.V.BHUJ/AR-1/ADDCOMMR/41/2007/04.05.07	Addl. Commissioner, Excise Rajkot	CENVAT Credit Utilised on Banking Service (Service Tax) Disallowed Rs. 3.69 million on Excise of Sulphuric Acid Rs. 0.05 million by department.	We have appeared for hearing and the order is pending. On the same matter for previous period we are succeeded in appeal.	3.74
11.	I.A. No.180/07 in O.S. No.148/07	Court of Addl. Senior Civil Judge, Kurnool.	Suit has been filed by AWL with a prayer to prohibit the defendant from disconnecting Electricity Service connection of Adani Wilmar Limited in pursuance of the notice dated February 19, 2007 of the defendant asking AWL to pay the Consumption Deposit of Rs. 5.48 million and Rs. 0.87 million towards interest on Consumption deposit within 15 days, otherwise services will be disconnected.	The Hon'ble Court vide order dated April 2, 2007 granted ad-interim injunction from disconnecting the Electricity Service connection of Adani Wilmar Ltd at Tungabhadra.	6.36
12.	Case No. 18/2004	WCC Court Bundi	Ms Sugnabai W/o Ramprasad V/s AWL, Mr. Ramprasad was working with M/s Nanulal, we have paid Rs. 0.197 million as per act. Wife of Mr. Ramprasad is demanding Rs. 0.41 million + interest.	Case is pending	0.21
13.	Mrs. Sunita Bachhan W/o Late Lal Bachhan V/s AWL	WCC Court Bundi	We have to pay Rs. 0.25 million, as per Act, for accident on October 11, 2006.	Insurance company has paid Rs. 0.05 million to Mrs. Sunita Bachhan and for balance amount the matter is still under litigation	0.20
14.	Sales Tax Ass. 2004-05 & 2006-07	Dy. Comm. (Comm. Tax), Ghaziabad	The Deputy Commissioner had assessed Bakery shortening as raw	We have deposited Rs. 1.10 million for appeal. The appeal is pending before JC (Appeal).	11.33

Sr. No.	SCN No. / File No.	Adjudicating Authority	Issue involved in the matter	Remarks	Balance (In Rs. Million)
			material of bakery items, whereas we had cleared the same as Vanaspati. Disputed amount (Rs. (1.13+10.87+0.43) million)		

Litigations by Adani Wilmar Limited

Nil

Contingent liabilities as on March 31, 2007

Contingent liabilities not provided for -

a) The Company has imported plant and machinery for their Refinery Project under EPCG Scheme for which:

ii) Export Obligation though completed but procedural relinquishment are pending of Rs. 225.77 million before DGFT (Previous Year Rs. Nil) and of Rs. 1 .54 million before Customs (Previous Year Rs. 21 0.76 million),

ii) Export Obligation of Rs. 4.05 million (Previous Year Rs. 28.51 million) is pending which is equivalent to 8 times of duty saved Rs. 0.51 million (Previous Year Rs. 0.19 million) for which 50 % export to be made in first block of six years and balance in next two years.

b) Bank Guarantees Favoring. Rs. Mn
Customs against disputed custom duty Rs. 234.24 million
Customs against EPCG obligation Rs.6.98 million
WBSEB Rs.7.36 million

c) Letter of Credit
Secured by hypothecation of tangible movable assets (both present and future) and a second charge on all immovable Properties (both present and future): Rs. 130.18 million

d) Foreign bill discounting Rs.5.06 million

e) The Disputed Custom Duty (gross) is Rs. 573.00 million. After deduction of Bank Guarantee given {net of BG given to custom department shown in (b)} of Rs. Rs. 234.24 million, the net amount is Rs. 338.76 million.

f) Other Disputed matters:

Excise Rs. 0.97 million
Sales Tax Rs. 4.13 million
Electricity (APCPDCL) Rs. 6.36 million
Labour Act Rs. 0.46 million

g) Contingent liabilities of Rs.16.52 million which was paid but disputed by the Company under relevant laws in the preceding years was charged to respective years Profit & Loss Account by the Company taking conservative approach, however the matters are still under appeal and pending for final judgement, any further liability on these disputes are presently unascertainable.

27. B2B India Private Limited

Litigation against B2B India Private Limited: Nil
Litigation by B2B India Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

28. Columbia Chrome (India) Private Limited

Litigation against Columbia Chrome (India) Private Limited: Nil
Litigations by Columbia Chrome (India) Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

29. Gujarat Adani Aviation Private Limited

Litigation against Gujarat Adani Aviation Private Limited: Nil
Litigation by Gujarat Adani Aviation Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

30. Inland Conware Private Limited

Litigation against Inland Conware Private Limited: Nil
Litigation by inland Conware Private Limited: Nil
Contingent liabilities as on December 31, 2007: Rs. 235.3 million, for Bank Guarantee Rs. 0.1 million

31. Inland Conware (Ludhiana) Private Limited

Litigation against Adani Conware (Ludhiana) Private Limited: Nil
Litigation by Adani Conware (Ludhiana) Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

32. Libra Shipping PTE Limited

Litigation against Libra Shipping PTE Limited: Nil
Litigations by Libra Shipping PTE Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

33. Miraj Impex Private Limited

Litigation against Miraj Impex Private Limited: Nil
Litigations by Miraj Impex Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

34. MPSEZ Utilities Private Limited

Litigation against MPSEZ Utilities Private Limited: Nil
Litigation by MPSEZ Utilities Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

35. Mundra Aviation Private Limited

Litigation against Mundra Aviation Private Limited: Nil
Litigation against Mundra Aviation Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

36. **Mundra Port and Special Economic Zone Limited**

Litigation against Mundra Port and Special Economic Zone Limited ("MPSEZL")

1. The Commissioner of Customs (Preventive) Jamnagar has issued a show cause notice dated July 29, 2005 to MPSEZL (erstwhile Gujarat Adani Port Limited) for recovery of customs duty amounting to Rs. 20.71 million and penalty on the import of a tug and bunkers by MPSEZL. MPSEZL has filed its reply and has denied the allegations. The Commissioner of Customs, Kandla vide order dated December 31, 2007 confirmed the demands of Customs duties of Rs. 10.29 million and Rs.10.41 million on Gujarat Adani Port Limited and imposed fine of Rs.3.5 million and penalty of Rs. 20.71 million on Gujarat Adani Port Limited. The Commissioner has also imposed penalty of Rs. 0.1 million each on Mr. Debasis Mitra, Mr. Dinesh Bansal, Mr. Anil K. Singh and Mr. Kinthada Vara Venkata Prasad. MPSEZ has filed appeal before CESTAT, Ahmedabad, against the said order of the Commissioner of Customs, Kandla. The appeal is currently pending.

2. The Assistant Commissioner of Customs, Mundra by his letter dated March 21, 2003 has asked MPSEZL to pay customs duty amounting to Rs. 1.42 million on 73.159 million tonnes of Acrylonitrile. The Assistant Commissioner of Customs further issued a show-cause notice dated July 3, 2003 asking MPSEZL to explain as to why customs duty on 73.159 million tonnes of Acrylonitrile should not be recovered as per the provisions of the Customs Act, 1962. The matter is currently pending for hearing

3. The Additional Director General, Directorate of Revenue, Intelligence, Ahmedabad issued a show-cause notice dated November 4, 2004 asking MPSEZL as to why Rs. 2.66 million should not be demanded and recovered from it as customs duty on 457.54 million tonnes of crude petroleum oil. The Commissioner of Customs (Preventive), Jamnagar by his order dated December 27, 2005 confirmed the demand for duty. MPSEZL has filed an appeal against the said order before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai. In the meanwhile, MPSEZL along with the importers filed an application before the Tribunal and the Tribunal by its order dated September 6, 2006 held that the duty and penalties imposed on MPSEZL is not maintainable and must be waived. The appeal is currently pending.

4. 17 show-cause notices dated December 1, 2006 were issued asking MPSEZL to pay duty as it was involved in the short delivery of goods and quantity to the 17 importers, for whom MPSEZL had been appointed as the custodian. The Joint Commissioner of Customs by his order dated March 31, 2007 decided the 17 show causes by a common order and confirmed the demand for differential duty amounting to Rs. 0.24 million. MPSEZL has filed an appeal with the Commissioner of Customs (Appeals), Ahmedabad dated June 3, 2007. The Commissioner of Customs (Appeals), Ahmedabad passed an ex-parte stay order dated March 12, 2008 directing MPSEZ to deposit 50% of duty, interest and penalty involved. MPSEZ has filed an application before the Commissioner of Customs (Appeals), Ahmedabad for modification of the said ex-parte stay order, which is currently pending.

5. 31 show-cause notices dated September 1, 2006 were issued to MPSEZL under Section 17 of the Customs Act, 1962. The Joint Commissioner of Customs passed an order dated January 31, 2007 and imposed a penalty of Rs. 0.05 million in respect of the 31 show cause notices. An appeal was filed before the Commissioner (Customs) dated April 10, 2007. The matter is currently pending for hearing. The Commissioner of Customs (Appeals), Ahmedabad, passed an ex-parte order dated March 17, 2008 by rejecting the appeal filed by MPSEZ.

6. Three 'less charge' demand notices bearing number F.NO.VII/48-07/CRA/MP & SEZ/2006 dated December 7, 2006 were issued directing the cash-remittance of Rs. 0.098 million, Rs. 0.29 million and Rs. 0.057 million towards education cess against import of steel sole plates by MPSEZL. A reply to the above mentioned notices was filed with the Deputy Commissioner of Customs, Mundra on 29 May, 2007. The matter is currently pending.

7. Show-cause notice dated January 3, 2008 issued by Assistant Commissioner Of Customs, Air Cargo Complex, Old Airport, Ahmedabad with respect to import of dredger by MPSEZL stating that the classification made by MPSEZL is incorrect and thereby benefit under the notification no. 54/2003 is not available to MPSEZL and hence imposed a differential duty of Rs. 0.12 million. MPSEZL filed its reply on February 13, 2008 and the matter is currently pending.

8. Show-cause notice (no. VST/AR G.dham/commr/ 140/2007) dated November 2, 2007 has been issued by Commissioner, Customs and Central Excise, Rajkot against incorrect availment of CENVAT Credit on Steel, Cement, Air Conditioner, CHA Services, Rent –A-Cab, Mobile Phone, Surveyors Services and other inputs and services during the period October, 2006 to March, 2007 by MPSEZL and have demanded a differential duty amounting Rs. 1.40 million. MPSEZL has replied to the show-cause notice on January 7, 2008. The matter is currently pending.

9. Maheshwari Handling Agency Private Limited ("MHAPL") has filed a suit (Special Civil Suit No. 75/02) in the Court of Civil Judge (Senior Division), Gandhidham against the MPSEZL for recovery of damages caused to its machinery in an earthquake. The amount claimed against MPSEZL is Rs. 3.71 million. MPSEZL has filed the written statement and the suit is currently pending.

10. Deepak Fertilizers and Petrochem Corporation has filed a suit (Special Civil Suit No. 9/04) before the Civil Judge, Bhuj against MPSEZL for recovery of Rs. 9.44 million on account of damages caused to its cargo stored in MPSEZL's godown. MPSEZL has denied the charge and has made a counter claim of Rs. 6.09 million. The plaintiff has filed an application for the settlement of dispute by way of arbitration. The matter is currently pending.

11. Louis Dreyfus India (P) Limited has filed a suit (Special. Civil Suit No. 47/04) in the court of Civil Judge (Senior Division), Bhuj-Kutch against MPSEZL for the damages incurred due to mishandling of wheat cargo. The amount claimed aggregates to Rs. 62 million. The suit is currently pending.

12. Bina Balakrishnan has filed a suit (Suit No. 1313 of 2006) against one Mr. P K Das and MPSEZL before the Bombay High Court for recovery of Rs. 0.27 million as pending consultancy charges from P K Das for her work towards the special economic zone. The plaintiff has prayed that the amount payable from MPSEZL to P K Das be withheld. No other relief has been claimed against MPSEZL. The matter is pending.

13. Mundra Port & Special Economic Zone Limited ("MPSEZL") has received a notice from Mundra International Container Terminal Private Limited's (MICT) Advocates on August 24, 2007, under the Sub Concession Agreement ("SCA") entered into by MPSEZL with MICT. MICT alleged that MPSEZL had breached the provisions of the SCA by developing Second Stage Assets at the Mundra Port. Subsequently, MICT filed an application before the City Civil Court at Ahmedabad, under Section 9 of the Arbitration and Conciliation Act, 1996 read with Section 151 of the Code of Civil Procedure, 1908, for the resolution of a dispute and alleging that MPSEZL were in breach of the Framework Agreement dated November 8, 2002 and as amended from time to time ("FA") entered into among Adani Exports Limited, Adani Infrastructure Services Private Limited, Adani Agro Private Limited, Mr. Gautam S. Adani, his family members and MICT, Adani Port Limited, P&O Ports (Mundra) Limited, P&O Ports Private Limited and MPSEZL. The FA, inter alia, provided for the parties to enter into the SCA. MICT has alleged that the construction of the Second Stage Assets was in violation of the Framework Agreement and the SCA, based on the non-compete clauses laid down in the two agreements. MICT requested the Court to grant an interim injunction against MPSEZL in relation to the development of the Second Stage Assets. The City Civil Court by its order dated September 13, 2007 refused to grant an interim injunction on the grounds that the

amendment to the SCA dated April 17, 2003 overrides the FA and that MPSEZL was not in violation of the provisions relating to the non-compete clause of the SCA dated April 17, 2003. The arbitration proceedings are pending for resolution of the dispute. MICT has filed an appeal against the order of the City Civil Court before the High Court at Ahmedabad and notice of the same was received by MPSEZL on October 18, 2007. The Hon'ble Court has vide its order dated February 1, 2008 disposed off the appeal.

14. Mundra International Container Terminal Private Limited (MICT) has also filed an Special Civil Application (no.29265 of 2007) with prayer to issue order/ direction to Gujarat Maritime Board to withdraw and cancel its letter dated November 3, 2007 directing GAPL (now known as Mundra Port and Special Economic Zone Limited) to initiate necessary legal action for termination of SCA with MICT as per procedure set out in CA/ SCA and the consequential letter dated November 8, 2007 of Mundra Port and Special Economic Zone Limited giving notice to MICT for termination of Special Civil Application. The High Court vide order dated January 7, 2008 rejected the Special Civil Application filed by MICT.

15. Mundra International Container Terminal Private Limited (MICT) has filed a Civil Suit (no. 282 of 2008) along with an application for interim injunction before the City Civil Court at Ahmedabad, challenging the cancellation of Sub Concession Agreement dated January 7, 2003 by letters dated November 3, 2007 and /or November 8, 2007. They have also prayed for order and injunction restraining MPSEZL from taking any steps or measures against MICT in furtherance of letter dated November 3, 2007 and/or the consequential letter dated November 8, 2007 and also using the Second Stage Assets by MPSEZL. The hon'ble City Civil Court vide order dated February 6, 2008 rejected the application for interim injunction filed by MICT. MICT filed an appeal against the said order of City Civil Court (no. 31 of 2008), before the High Court of Gujarat. The High Court vide order dated February 18, 2008 dismissed the appeal filed by the MICT. MICT filed Special Leave Petition (C) No. 4619 of 2008 before Supreme Court of India against the order dated February 18, 2008 passed by the High Court of Gujarat. The Supreme Court vide order dated February 29, 2008 disposed off the SLP filed by MICT, wherein it has been made clear that the City Civil Court shall decide the amendment application filed by MICT making Gujarat Maritime Board as a party on March 05, 2008 without granting any adjournment and that status quo granted by the Supreme Court on February 21, 2008 shall continue till March 05, 2008. The Supreme Court, further, stated that the City Civil Court shall decide the case on merits uninfluenced by any observation made by this Court or by the High Court. In the meantime, MICT has made amendment in the suit no. 282 of 2008 as well as the interim injunction application filed by them before Ahmedabad City Civil Court, making GMB as a Party. Thereafter, the interim injunction application was heard by the Court on March 5, 2008 and the same was rejected by the Court vide order dated March 7, 2008. MICT preferred an appeal being (no.95 of 2008), before the High Court of Gujarat, which is currently pending.

16. Sameja Osman Ishak and 22 ors. have filed SCA against the State of Gujarat, MPSEZL with prayer to set aside the order dated July 15, 2005 passed by the Collector as also the resolution dated June 27, 2005 passed by the department of Revenue, State Government and also prayed for issuing direction for following order of Hon'ble High Court of Gujarat dated June 14, 2006. The matter is currently pending.

17. Mr. Ramniklal Ramji Chheda and Mr. Nitin Ramji Chheda have filed a Special Civil Application (no. 2129 of 2008) against Special Land Acquisition Officer, Bhuj, State of Gujarat, Union of India, Chairman – Group of Ministers on Special Economic Zones, Mundra Port and Special Economic Zone Limited challenging the Notifications dated October 19, 2006 and July 31, 2006 issued under Section 4 and Section 6 of the Land Acquisition Act respectively and also notice dated October 3,

2007 issued under Section 9 of Land Acquisition Act for acquisition of land of the petitioners for Special Economic Zone. The matter is currently pending.

Litigation by Mundra Port and Special Economic Zone Limited

1. Fair Deal Supplies Private Limited ("FDSPL") has filed a suit (No 2373 of 2005) in the City Civil Court, Ahmedabad against Elementis Coke Private Limited ("ECPL") and others for a declaration that ECPL does not have a right to take delivery of coking coal lying in the custody of MPSEZL without paying the amount owed by it to FDSPL. It also sought an injunction against MPSEZL restraining delivery of the coal to ECPL. The Court by its order dated December 28, 2005 granted the injunction. Subsequently, FDSPL and ECPL filed a consent term dated February 1, 2006 before the Court. The Court passed its judgment and decree on February 8, 2006 on the basis of the consent term. ECPL has subsequently filed application no. 260 of 2006 for setting aside the aforesaid decree on the ground that consent was obtained through coercion. MPSEZL has filed its reply claiming lien over the coal lying in the Port and has prayed for the permission to sell it and set off the sale proceeds against the pending dues amounting to Rs. 1.36 million. The suit and the application are pending.

2. MPSEZL has filed a suit (Admiralty Suit No. 9 of 2006) in the Gujarat High Court, Ahmedabad against M.V. Bahia Blanca ("MVBB") seeking damages worth Rs. 67.2 million on account of collision of ship belonging to MVBB with the mooring dolphin files and the jetty at Mundra Port. The Court in its order dated October 19, 2006 had asked the Registrar of the High Court to issue warrant for the arrest of the ship. By a subsequent order on October 24, 2006 the Court directed the Registrar to release the ship upon MVBB furnishing a bank guarantee of Rs. 67.2 million. MVBB furnished the bank guarantee and the Registrar by his order dated November 27, 2006 has released the ship. MVBB has filed a counter claim of Rs.17.53 million as also filed an application for reduction of bank guarantee. MPSEZL has replied to the application for reduction of bank guarantee. The High Court has recently dismissed the application for reduction of Bank Guarantee filed by MVBB.

3. MPSEZL has filed a suit (Special Civil Suit No. 57/04) in the Court of Civil Judge (Senior Division), Bhuj-Kutch against Duncan Industries Limited for recovery of Rs.5.77 million. MPSEZL was awarded the work of stevedoring, clearing and forwarding the cargo of fertilisers at Mundra Port by the defendant, in return for which the said amount allegedly remains unpaid. The defendant has filed the written statement and an application seeking the dismissal of the suit. The Company has filed its reply to the application. The framing of issues has completed. The suit and the application are currently pending.

4. MPSEZL has filed an application before the High Court of Gujarat against the Government of Gujarat and the Chief Revenue Controlling Authority seeking the quashing of show cause notices issued by the Chief Revenue Controlling Authority dated January 5, 2007 and January 25, 2007. The show cause notice is in relation to payment of stamp duty on a debenture trust deed dated June 20, 2000 between MPSEZL and UTI Bank Limited. The Company has submitted that the stamp duty on the debenture trust deed was paid after adjudication by the Collector and Additional Superintendent of Stamps and that the show cause notice is illegal as it is barred by limitation. The matter is pending.

5. MPSEZL has filed a Civil Suit (no.11 of 2008) before the Court of Civil Judge, Senior Division, Bhuj, *inter alia*, praying for an order and decree against Mundra International Container Terminal Private Limited ("MICT") to handover vacant and peaceful possession of the entire property occupied by them under the Sub-Concession Agreement dated January 7, 2003 and appointment of Commissioner to ascertain the amounts, if any, payable by MPSEZL to MICT. MPSEZL has also filed an application for interim injunction before the Court of Civil Judge, Senior Division, Bhuj, praying *inter alia*, for an order and injunction to restrain MICT from operating

the Container Terminal. Further, MPSEZL has filed an application *inter alia*, praying for appointment of Court Receiver with powers to dispossess MICT and handover the Container Terminal and all other assets to MPSEZL. Meanwhile, MICT filed a Miscellaneous Civil Application (no.798 of 2008) before High Court of Gujarat for transfer of Civil Suit (no.11 of 2008) pending before Civil Judge (SD), Bhuj, to the City Civil Court at Ahmedabad, where Civil Suit (no .282 of 2008) filed by MICT is pending. The High Court vide order dated February 25, 2008 dismissed the MCA filed by MICT. Against the said order dated February 25, 2008, MICT filed a special leave to appeal (civil) (no. 5456 of 2008) before Supreme Court of India. The Supreme Court, by mutual consent of both parties, vide order dated March 14, 2008 set aside the order of the High Court and allowed the transfer petition filed by MICT. The Supreme Court also directed to transfer the suit no. 11 of 2008 from Bhuj Court to City Civil Court at Ahmedabad where Civil Suit no. 282 of 2008 is pending, to be tried together. Now, the suit has been registered as Civil Suit no. 591 of 2008 (titled, Mundra Port & Special Economic Zone Limited vs. Mundra International Container Terminal Private Limited) before City Civil Court, Ahmedabad. MICT sought adjournment of hearing before City Civil Court in Civil Suit No.591 of 2008 and the same was granted by the Court. Now, the matter will be taken up by the Court only after the appeal from order no. 95/08 filed by MICT before High Court of Gujarat, is decided. Meanwhile, MICT has also filed an Special Civil Application (no. 5124 of 2008) before the High Court of Gujarat with prayer to call for the record and proceedings in Civil Suit no. 591 of 2008 pending in City Civil Court and to grant application for injunction filed in City Civil Court by directing City Civil Court to adjourn the hearing of the applications for interim injunction and application for appointment of receiver filed by MPSEZ till the order dated March 7, 2008 passed by the City Civil Court, Ahmedabad, in notice of motion in civil suit (no. 282 of 2008) reaches finality and pending hearing and final disposal of the Special Civil Application, stay further proceedings of civil suit no. 591 of 2008. The said Special Civil Application and Civil Suit no. 591 of 2008 are pending.

Contingent liabilities as on March 31, 2007:

(Amount in Rs Million)

Sr. No.	Particulars	Year ended March 31, 2007
1	Corporate Guarantee given by the Company against credit facility availed by a body corporate	750.00
2	In earlier years, some contractors of the Company had filed civil suits against the Company for recovery of damages caused to its machinery in an earthquake Rs 3.71 Million (Previous Year Rs 3.71 Million), to its cargo stores in Company's godown Rs 9.44 Million (Previous Year Rs 3.71 Million) and due to mishandling of wheat cargo by the Company Rs 62 Million (Previous Year Rs 62 Million). Above civil suits are currently pending with Civil Judge (Senior Division), Gandhidham, Civil Judge, Bhuj and Civil Judge (Senior Division), Bhuj, respectively. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	75.15
3	In earlier years, the Company had received show cause notices from the Custom Authorities for recovery of custom duty and penalty on the import of a tug and bunkers by the Company Rs 20.71 Million (Previous Year Rs 20.71 Million), import of Acrylonitrile Rs 1.42 Million (Previous Year Rs 1.42 Million), import of Crude Petroleum Oil Rs 2.66 Million (Previous Year Rs 2.66 Million) and for recovery of education cess and penalty on the import of Steel Sole Plates by the Company Rs 0.44 Million (Previous Year Rs Nil). Above mentioned cases are currently pending with the Commissioner of Customs (Preventive), Jamnagar, Assistant	25.23

Sr. No.	Particulars	Year ended March 31, 2007
	Commissioner of Customs, Mundra, Customs, Excise and Service Tax Appellate Tribunal, Mumbai and Deputy Commissioner of Customs Gujarat, respectively. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	
4	Joint Commissioner Customs, Mundra has held the Company liable for short delivery of imported goods namely, H.M.S. through Mundra Port to various customers. The Company has been directed to remit the differential duty of Rs. 945,980/- and penalty of Rs. 75,000/- under section 117 of the Customs Act has been imposed. MPSEZL has preferred to challenge the said Orders which are pending before Ld. Commissioner (Appeals), Customs at Ahmedabad.	1.02

37. Mundra SEZ Textile and Apparel Park Private Limited

Litigation against Mundra SEZ Textile and Apparel Park Private Limited: Nil
Litigation by Mundra SEZ Textile and Apparel Park Private Limited: Nil
Contingent liabilities as on December 31, 2007:
Contract remaining to be executed on capital account (net of securities deposit): Rs. 228.7 million.

38. Parsa Kente Collieries Limited

Litigation against Parsa Kente Collieries Limited: Nil
Litigations by Parsa Kente Collieries Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

39. Pride Trade and Investment Private Limited

Litigation against Pride Trade and Investment Private Limited: Nil
Litigations by Pride Trade and Investment Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

40. PT Adani Global

Litigation against PT Adani Global: Nil
Litigations by PT Adani Global: Nil
Contingent liabilities as on December 31, 2007: Nil

41. Radiant Trade and Investment Private Limited

Litigation against Radiant Trade and Investment Private Limited: Nil
Litigations by Radiant Trade and Investment Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

42. Rajasthan SEZ Private Limited

Litigation against Rajasthan SEZ Private Limited: Nil
Litigations by Rajasthan SEZ Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

43. Shantigram Estate Management Private Limited

Litigation against Shantigram Estate Management Private Limited: Nil
Litigations by Shantigram Estate Management Private Limited: Nil
Contingent liabilities as on March 31, 2007: Nil

44. Shantikrupa Services Private Limited

Litigation against Shantikrupa Services Private Limited: Nil
Litigation by Shantikrupa Services Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

45. Shantikrupa Estates Private Limited

Litigation against Shantikrupa Estates Private Limited: Nil
Litigation by Shantikrupa Estates Private Limited: Nil
Contingent liabilities as on March 31, 2007: Nil

46. Swayam Realtors and Traders Limited

Litigation against Swayam Realtors and Traders Limited: Nil
Litigations by Swayam Realtors and Traders Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

47. Trident Trade and Investment Private Limited

Litigation against Trident Trade and Investment Private Limited: Nil
Litigations by Trident Trade and Investment Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

48. Ventura Trade and Investment Private Limited

Litigation against Ventura Trade and Investment Private Limited: Nil
Litigations by Ventura Trade and Investment Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

49. Vishakha Polyfab Private Limited

Litigation against Vishakha Polyfab Private Limited: Nil
Litigations by Vishakha Polyfab Private Limited: Nil

Contingent liabilities as on March 31, 2007:

(a) Income Tax liability disputed in Appeal not provided in the accounts of Rs. 0.38 million (Previous Year Rs. NIL).
(b) Sales Tax liability (including Penalty & Interest of Rs. 0.37 million) disputed in Appeal not provided in the accounts of Rs. 0.77 million (Previous Year Rs. Nil).

50. Vyom Tradelinks Private Limited

Litigation against Vyom Tradelinks Private Limited: Nil
Litigations by Vyom Tradelinks Private Limited: Nil
Contingent liabilities as on December 31, 2007: Nil

51. Adani Investments

Litigation against Adani Investments: Nil
Litigations by Adani Investments: Nil
Contingent liabilities as on December 31, 2007: Nil

52. Adani Textiles Industries

Litigation against Adani Textiles Industries: Nil
Litigations by Adani Textiles Industries: Nil

Contingent liabilities as on December 31, 2007: Nil

53. Ezy Global

Litigation against Ezy Global: Nil
Litigations by Ezy Global: Nil
Contingent liabilities as on December 31, 2007: Nil

54. Shanti Builders

Litigation against Shanti Builders: Nil
Litigations by Shanti Builders: Nil
Contingent liabilities as on December 31, 2007: Nil

55. Gautam S. Adani Family Trust

Litigation against Gautam S. Adani Family Trust: Nil
Litigation by Gautam S. Adani Family Trust: Nil
Contingent liabilities as on December 31, 2007: Nil

56. Mahasukh S. Adani Family Trust

Litigation against Mahasukh S. Adani Family Trust

1. SEBI has filed a criminal complaint (CC 686/Misc/2004) against Mahasukh S. Adani Family Trust and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Adani Enterprises Limited' on page 297 of this Draft Red Herring Prospectus.

Litigation by Mahasukh S. Adani Family Trust

Nil

Contingent liabilities as on December 31, 2007

Nil

57. Rajesh S. Adani Family Trust

Litigation against Rajesh S. Adani Family Trust

1. SEBI has filed a criminal complaint (CC 686/Misc/2004) against Rajesh S. Adani Family Trust and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Adani Enterprises Limited' on page 297 of this Draft Red Herring Prospectus.

Litigation by Rajesh S. Adani Family Trust

Nil

Contingent liabilities as on December 31, 2007: Nil

58. Shantilal Bhudarmal Adani Family Trust

Litigation against Shantilal Bhudarmal Adani Family Trust: Nil
Litigation by Shantilal Bhudarmal Adani Family Trust: Nil
Contingent liabilities as on March 31, 2007: Nil

59. Vasant S. Adani Family Trust

Litigation against Vasant S. Adani Family Trust

SEBI has filed a criminal complaint (CC 686/Misc/2004) against Vasant S. Adani Family Trust and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Adani Enterprises Limited' on page 297 of this Draft Red Herring Prospectus.

Litigation by Vasant S. Adani Family Trust

Nil

Contingent liabilities as on December 31, 2007

Nil

60. Vinod S. Adani Family Trust

Litigation against Vinod S. Adani Family Trust

SEBI has filed a criminal complaint (CC 686/Misc/2004) against Vinod S. Adani Family Trust and others before the Additional Chief Metropolitan Magistrate, Mumbai. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Adani Enterprises Limited' on page 297 of this Draft Red Herring Prospectus.

Litigation by Vinod S. Adani Family Trust

Nil

Contingent liabilities as on December 31, 2007

Nil

61. Gautam S. Adani HUF

Litigation against Gautam S. Adani HUF: Nil
Litigation by Gautam S. Adani HUF: Nil
Contingent liabilities as on December 31, 2007: Nil

62. Mahasukh S. Adani HUF

Litigation against Mahasukh S. Adani HUF: Nil
Litigation by Mahasukh S. Adani HUF: Nil
Contingent liabilities as on December 31, 2007: Nil

63. Rajesh S. Adani HUF

Litigation against Rajesh S. Adani HUF: Nil
Litigation by Rajesh S. Adani HUF: Nil
Contingent liabilities as on March 31, 2007: Nil

64. Vasant S. Adani HUF

Litigation against Vasant S. Adani HUF: Nil

Litigation by Vasant S. Adani HUF: Nil
Contingent liabilities as on December 31, 2007: Nil

65. Vinod S. Adani HUF

Litigation against Vinod S. Adani HUF: Nil
Litigation by Vinod S. Adani HUF: Nil
Contingent liabilities as on December 31, 2007: Nil

Material Developments

Since the date of the balance sheet and other than as disclosed in this Draft Red Herring Prospectus, there have been no other material developments.

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Incorporation Details

A. Adani Power Limited

1. Certificate of Incorporation dated August 22, 1996 issued to the Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

2. Certificate of Commencement of Business dated September 4, 1996 issued to the Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

3. Fresh Certificate of Incorporation dated June 3, 2002 issued, on conversion of the Company to a private limited company and the consequent change of name to Adani Power Private Limited, by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

4. Fresh Certificate of Incorporation dated April 12, 2007 issued, on conversion of the Company to a public limited company and the consequent change of name to Adani Private Limited, by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

B. Adani Power Maharashtra Private Limited

1. Certificate of Incorporation dated April 11, 2007 issued to Adani Power Maharashtra Private Limited by the Registrar of Companies, Maharashtra.

C. Adani Power Rajasthan Private Limited

1. Certificate of Incorporation dated January 25, 2008 issued to Adani Power Rajasthan Limited by the Registrar of Companies, rajasthan.

D. Adani Power Dahej Private Limited

1. Certificate of Incorporation dated February 6, 2006 issued to Adani Power Dahej Private Limited by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

II. Approvals in relation to the Issue

1. In-principle approval from the National Stock Exchange of India Limited dated [•].

2. In-principle approval from the Bombay Stock Exchange Limited dated [•].

III. Approvals in relation to our Projects

We are required to obtain certain approvals from the concerned Central / State government departments and other authorities for setting up our projects and operating the same. These include:

- Approvals from various departments of the Government of India depending on the nature of the project. For example, approval from the Ministry of Coal related to development of captive coal block, environmental approvals from the Ministry of Environment and Forests, and chimney height approvals from the Ministry of Defence and Ministry of Civil Aviation;

- Approvals such as consents to establish and operate a project, environmental clearances and authorisations to draw water, from concerned departments of state governments;

- Approvals from Ministry of Power to obtain benefits associated with mega power project status, depending upon the nature and size of the project; and

- Any other approvals that may be required by local authorities on a case to case basis.

We apply for approvals, licenses and registrations at the appropriate stage of development of each project. We have listed key approvals that have been obtained or applied for by us. We have also identified the following significant approvals that we have identified at this time and that will need to be applied for on a project-by-project basis:

Approval Required	Agency	Projects for which approval not yet applied for			
Environmental approval for power plant	MoEF	Mundra Phase IV Power Project	Phase II of Tiroda Power Project	Dahej Power Project	Kawai Power Project
NOC for Chimney Height	AAI	Mundra Phase IV power Project	Phase II of Tiroda Power Project	Dahej Power Project	Kawai Power Project
Water Supply / Irrigation Department	Maritime Board/ State Government	Mundra Phase IV Power Project	-	Dahej Power Project	Kawai Power Project
Carbon Credit	CDM	Mundra Phase IV Power Project	Phase I and II of Tiroda Power Project	Dahej Power Project	Kawai Power Project
Benefit of power SEZ/MPP	Ministry of Power, Government of India	Mundra Phase IV Power Project	-	Dahej Power Project	Kawai Power Project
NOC - Pollution Control Board	State Government	-	Phase II of Tiroda Power Project	Dahej Power Project	Kawai Power Project
Coastal Regulation Zone	MoEF / State Government	-	-	Dahej Power Project	-

The failure to obtain these approvals can result in delays or prevent a project from being commissioned. See "Risk Factors" on page xiii of this Draft Red Herring Prospectus.

A. Mundra Power Projects

Approvals received

1. Approval dated December 19, 2006 issued by the Ministry of Commerce and Industry, Government of India for setting up of a sector specific SEZ at villages Tunda and Siracha, Taluka Mundra, District Kutch, Gujarat.

2. Consent no. GPCB/CCA-KUTCH-444/3040 ("NoC") under Section 25 of the Water (Prevention and Control of Pollution) Act 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 dated January 29, 2007 issued by the Gujarat Pollution Control Board for Mundra Phase I Power Project. The NoC was amended through letter no. GPCB/CCA-KUTCH-444/6686 dated February 27, 2007 issued by the Gujarat Pollution

Control Board.

3. Notification (F. No. 2/487/2006-SEZ) dated May 10, 2007 in the Gazette of India notifying the specified areas in villages Tunda and Siracha, Taluka Mundra, District Kutch, Gujarat as sector specific SEZ pursuant to a proposal by the Company.

4. Approval (No. F.2/487/2006-SEZ) dated June 19, 2007 granted by the Ministry of Commerce and Industry, Government of India for authorised operations to be carried out in power sector SEZ at villages Tunda and Siracha, Taluka Mundra, District Kutch, Gujarat.

5. Certificate (No. KFTZ/P&C/4/140/06/3309) dated June 28, 2007 issued by the Development Commissioner, Kandla Special Economic Zone certifying that the Company is a developer for setting up a sector specific special; economic zone for power sector at Mundra, district Kutch. The Certificate was issued for availing service tax benefits in accordance with the provisions of service tax notification no. 4/2004-Service Tax dated March 31, 2004.

6. Approval (No. F.2/487/2006-SEZ) dated August 16, 2007 by Ministry of Commerce and Industry, Government of India for increasing the power generation capacity of the sector specific special economic zone at Mundra, Gujarat from 2,000 MW to 2,640 MW.

7. No Objection Certificate (No. GMB/N/PVT/501/687/11485) dated February 20, 2007 ("NoC") issued by the Gujarat Maritime Board permitting sea water drawal (intake) and discharge and discharge of water into the sea from the power plant being set up by the Company. The Company has, further submitted an Application (no. PP/APL/GMB/13-03/08) dated March 13, 2008 to the Gujarat Maritime Board for approval for sea water drawal of 23,700 m^3 /hr and discharge back to the sea of 16,446 m^3/hr from the same intake point as above in view of the expansion of the project by another 1,980 MW i.e. for Mundra Phase II and III Power Projects.

Approvals applied for

1. Application (No. APL/Gov./MoCI/GJ/6) dated July 11, 2007 filed by the Company to Ministry of Commerce and Industry, Government of India seeking for increasing the power generation capacity of the sector specific special economic zone at Mundra, Gujarat from 2,000 MW to 5,040 MW.

2. Application to the Ministry of Environment and Forests, Government of India through letter dated March 3, 2008 for host country approval under Clean Development Mechanism in relation to the Mundra Project.

3. Application dated February 6, 2008 filed by the Adani Group to Principal Chief Conservator of Forest Wild Sanctuary, Gandhinagar seeking approval for crossing of a section of the Company's transmission line through wild ass sanctuary located near the Rann of Kutch.

B. Mundra Phase I and Phase II Power Project

Approvals received

1. Approval (No. KASEZ/P&C/5/74/06/397) dated July 12, 2007 of the Development Commissioner, Kandla Special Economic Zone for duty-free import/procurement of goods and services as per the specified list in accordance with SEZ Rules, 2006 for approved authorised operations within the notified SEZ area of Adani Power Limited.

2. Approval (AAI/20012/412/2006-ARI (NOC)) dated December 1, 2006 issued by Airports Authority of India for the construction of chimney to height not exceeding 226.60 meters. The approval is valid for a period of four years from the date of issue.

3. Approval (AAI/20012/903/2007-ARI (NOC)) dated January 7, 2008 issued by Airports Authority of India for the construction of chimney to height not exceeding 281.60 meters. The approval is valid for a period of four years from the date of issue.

4. Approval (No. J-13011/7/2007-IA-II (T)) dated August 13, 2007 issued by the Ministry of Environment and Forests, Government of India granting environmental clearance for Mundra Phase I Power Project. The environment clearance shall be valid for a period of five years to the start of production operations by the power plant.

5. Letter (No. J-13012/205/2007-IA.II (T)) dated December 14, 2007 issued to the Company by the Ministry of Environment and Forests, Government of India issuing terms of reference for preparing draft EIA Report for Mundra Phase II Power Project.

Approvals applied for

1. Application (Ref. No.PP/APL/RKG/ENV./06/07) dated October 29, 2007 submitting Form 1 and feasibility project report to Director, Ministry of Environment and Forests, Government of India as submitted to Ministry of Environment and Forests, Government of India.

C. Mundra Phase III Power Project

Approvals received

Nil

Approvals applied for

1. Application (Ref. No. APL/MUNDRA/2x660/PH-III/DPJ-07/0108) dated January 1, 2008 to Airports Authority of India for grant of NoC to construct 275 meters chimney.

D. Mundra Phase IV Power Project

Approvals received

Nil

Approvals applied for

Nil

E. Tiroda Power Project

Approvals received

1. Letter of Support (No. Project-2007/CR-700/NRG-4) dated February 14, 2007 issued to the Company by the Government of Maharashtra to provide administrative support.

2. Approval (No. 78 ITS V/Water Allocation) dated February 22, 2008 issued by Vidharbha Irrigation Development Corporation, Nagpur granting water allocation to the tune of 2 Lakh M^3/day (70 MCM/Year) through river Wainganga from the proposed Dhapewada-II irrigation project of Maharashtra Government.

3. Letter (No. 38011/ 1/ 2007-CA-I) dated November 6, 2007 issued by the Ministry of Coal, Government of India allocating Lohara West and Lohara Extension (E) coal block in the command rear of WCL to the Company to meet the coal requirement for its 1,000 MW power plant at Tiroda, district Gondia, Maharashtra.

4. Letter (1960/2007) dated March 28, 2007 issued by Maharashtra Industrial Development Corporation offering 205,6300 square metres of land to the Company.

Approvals applied for

1. Application (Ref. APL/Tirora/271207) dated December 27, 2007 by Adani Power Maharashtra Private Limited to Ministry of Power, Government of India for grant of Mega Power Project status.

2. Application (No. APL/LW&LE/MoEF/1) dated February 20, 2008 made by the Company to the IA Division (Coal Mining), Ministry of Environment and Forests for the issuance of Terms of Reference in relation to the Lohara (West) and Lohara Extension Coal Blocks, district Chandrapur, Maharashtra.

3. Application (No. APPL:DLI:SS:YR:2007-08/08) dated January 14, 2008 filed by the Company to Ministry of Coal, Government of India seeking transfer of the allocation of Lohara West and Lohara Extension coal block from the Company to its subsidiary Adani Power Maharashtra Private Limited.

4. Application dated November 30, 2007 made by Adani Power Maharashtra Private Limited to the Airports Authority of India for grant of NoC to construct thermal power project (with chimney).

5. Application (No. APMPL:DLI:SS:2007-08) dated November 23, 2007 filed by Adani Power Maharashtra Private Limited to the Standing Committee (Long Term) Ministry of Coal, Government of India for additional coal linkage to meet the requirements of the Tiroda Power Project.

F. Dahej Power Project

Approvals received

Nil

Approvals applied for

1. Application (Ref: AEL/Dahej Power Pro./Corp. Affs./Dahej.Govt.Land) dated February 10, 2006 filed by Adani Enterprises Limited (erstwhile Adani Exports Limited) for the allotment of approximately 1,515 hectare government land for establishment of 2,000 MW power project at various villages of Vagra Taluka, district Bharuch, Gujarat.

G. Kawai Power Project

Approvals received

Nil

Approvals applied for

1. Letter dated July 27, 2007 submitted by the Adani Group to the Chief Minister, Government of Rajasthan seeking support for facilitating the establishment 1,000/1,200 MW merchant thermal power. The support sought includes: (a) allocation of suitable site; (b) allocation of water to support 1,200 MW power plant; (c) support for sourcing fuel; (d) power evacuation system; and (e) any fiscal benefits/incentives that may be available for new investments in the state.

2. Letter dated November 25, 2007 submitted by the Company to Department of Energy, Government of Rajasthan for allotment of land preferably at Kawai, Rajasthan for setting up of 1,000-1,200 MW super thermal power plant. Additionally, the Company has sought tie up/support, *inter alia*, for: (a) exemption from taxes and other government charges; (b) 50 million M^3 p.a. water from the proposed dam to be constructed on the Lhasi and Andheri river; (c) help in getting coal linkage/coal block from the Central Government or other source; and (d) water and power for construction.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated March 31, 2008.

The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on April 25, 2008.

We shall apply to the FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group (other than as disclosed in this Draft Red Herring Prospectus), the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines, which states as follows:

"*2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:*

(a) (i) *The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

OR

(a)(ii) *The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded*

AND

(b) (i) *The minimum post-issue face value capital of the company shall be Rs. 10 crores.*

OR

(b) (ii) *There shall be a compulsory market-making for at least 2 years from the date of listing of the shares , subject to the following:*

(a) *Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*

(b) *Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*

(c) *The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)*"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are therefore required to meet both the conditions detailed in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Net Issue are proposed to be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-issue face value capital of the Company shall be Rs. [●] million which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allotees to whom the Equity Shares will be allotted will be not less than 1,000.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2 million Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;

- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building method with allocation of at least 60% of the Net Issue size to QIBs as specified by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR 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 RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN 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 RED HERRING PROSPECTUS, THE BOOK RUNNING 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 BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED

APRIL 30, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS 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 PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (c) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF 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 PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, 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 RED HERRING PROSPECTUS.

7. **WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST 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 PROMOTER'S 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. **WHERE THE REQUIREMENT OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.**

9. **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.**

10. **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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**

11. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**

12. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**

    (a) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND**

    (b) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY**

THE BOARD FROM TIME TO TIME.”

The SEBI registrations of the Global Coordinator and Book Running Lead Manager to the Issue, DSP Merrill Lynch Limited and one of the Book Running Lead Managers to the Issue, SBI Capital Markets Limited are valid up to July 31, 2008. The applications for renewal of the respective certificates of registration in the prescribed manner have been made by DSP Merrill Lynch Limited and SBI Capital Markets Limited on April 30, 2008 and April 29, 2008, respectively to SEBI, three months before the expiry of the period of certificate as required under Regulation 9(1) of the SEBI (Merchant Bankers) Regulations, 1992. The approval of SEBI in this regard is awaited.

The filing of the Draft Red Herring Prospectus 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 and/or other clearances 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 Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in terms of section 56, section 60 and section 60B of the Companies Act.

Caution - Disclaimer from the Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.adanipower.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters 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 will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, "US persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to non-US persons in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser acquiring the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Draft Red Herring Prospectus and such other information, as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from the Company or an affiliate thereof in the initial distribution of the Equity Shares;

4. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

5. the purchaser is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act; and

6. the purchaser acknowledges that the Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser acquiring the Equity Shares within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

3. the purchaser (i) is a qualified institutional buyer (as defined in Rule 144A under the Securities Act), (ii) is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

4. the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. the Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions; and

9. the purchaser acknowledges that the Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States 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 Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at ROC Bhavan, CGO Complex, Opposite Rupal Park Society, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) 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."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to Issuer and Legal Counsels to the Underwriters, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, Deloitte Haskins & Sells, Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expert to the Issue

Other than as stated above, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

(In Rs. Million)

Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (Monitoring agency fees, Registrar's fee, legal fee, listing fee, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as per the engagement letter dated [●] with the BRLMs, issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated [●].

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO Grading

This Issue has been graded by [●] and has been assigned a grade of [●] indicating [●], through its letter dated [●]. For details in relation to the Report of the Grading Agency, please refer to "Annexures" beginning on page [●] of this Draft Red Herring Prospectus.

Disclaimer of IPO Grading Agency: [●]

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

We have not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 29 of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Promise v. performance – Promoter Group

For details in relation to promise v. performance of the promoter group, please see "Our Promoters" on page 158 and "Promoter Group" on page 163 of this Draft Red Herring Prospectus.

Outstanding Debentures, Bond Issues, or Preference Shares

We have issued certain Cumulative Compulsorily Convertible Participatory Preference Shares (""CCCPS") of face value Rs. 10 each aggregating to Rs. 1500 million. The same were converted into Equity Shares on April 25, 2008. For further details of CCCPS, please see section titled "Capital Structure" beginning on page 29 of this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue 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 name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Digish Shah, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

6th Floor, Sambhaav Press Building
Near Judges Bungalow Road
Vastrapur
Ahmedabad 380 015
Tel: (91 79) 2555 7139
Fax: (91 79) 2555 7177
Email: ipo@adanipower.com

Change in Auditors

The following are the changes in the auditors of the Company in last three years:

Name of the Auditor	Date of appointment	Date of resignation	Reason
Dharmesh Parikh and Co.	August 22, 1996	September 30, 2006	Resigned
C. C. Chokshi and Co.	September 30, 2006	September 21, 2007	Resigned
Deloitte Haskins & Sells	September 21, 2007	N.A.	N.A.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in this Draft Red Herring Prospectus.

Revaluation of Assets

We have not re-valued our assets in the last five years.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

The Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, conditions of the FIPB approval, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated March 31, 2008 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an extraordinary general meeting of the shareholders of our Company held on April 25, 2008.

We shall apply to the FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 375 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the Price Band is Rs. [•] per Equity Share and at the higher end of the Price Band is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders 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 on a poll either 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 of free transferability; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 375 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad, Gujarat.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/ Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or

- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "Main Provisions of our Articles of Association" on page 375 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of 296,948,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million. The Issue comprises of a Net Issue of [●] Equity Shares to the public and a reservation of 4,000,000 Equity Shares for Eligible Employees. The Issue and the Net Issue will constitute 14.35% and [●]% respectively of the post Issue paid up capital of the Company

The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up capital being offered to the public.

The Issue is being made through the 100% Book Building Process.

	QIBs	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion**
Number of Equity Shares*	[●] Equity Shares	[●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	[●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 4,000,000 Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 60% of Net Issue being allocated. However, not less than 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or Net Issue available for allocation less allocation to QIB and Retail Individual Bidders	Not less than 30% of Net Issue or Net Issue available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 4,000,000 Equity Shares.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares	[•] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.
Allotment Lot	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)	Eligible Employee

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and National Investment Fund.			
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member. ***	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member, depending upon the Payment Method.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member, depending upon the Payment Method..	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member, depending upon the Payment Method..
Margin Amount	At least 10% of Bid Amount	In case of Bidders opting for Payment Method I – Rs. [●] per Equity Share and in case of Bidders opting for Payment Method II - Full Bid Amount on bidding	In case of Bidders opting for Payment Method I – Rs. [●] per Equity Share and in case of Bidders opting for Payment Method II - Full Bid Amount on bidding	In case of Bidders opting for Payment Method I – Rs. [●] per Equity Share and in case of Bidders opting for Payment Method II - Full Bid Amount on bidding

Amount Payable per Equity Share	Payment Method-I			Payment Method-II		
	Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees			Any Category		
	Face Value	Premium	Total	Face Value	Premium	Total
	(per share)					
On Application	2.5	[●]	[●]	10.0	[●]	[●]
By Due Date for Balance Amount Payable	7.5	[●]	[●]	-	-	-
Total	10.0	[●]	[●]	10.0	[●]	[●]

* Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the

Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under-subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**[●], 2008**
BID/ISSUE CLOSES ON	**[●], 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not less than 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or their affiliate syndicate members. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Employee Reservation Portion, Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employees	Pink

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- National Investment Fund; and
- Eligible Employees.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at our Registered Office and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Non-Residents Indians cannot subscribe to partly paid up Equity Shares under Payment Method-1.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of 296,948,000 Equity Shares of Rs. 10 each). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

(c) **For Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category cannot exceed [●] Equity Shares. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut off Price.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Bidders should refer to the section "Key Features of the Payment Method" on page 14 of this Draft Red Herring Prospectus.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Gujarati newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Gujarati newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page [●] of this Draft Red Herring Prospectus.

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price Band and Rs. [●] being the Cap Price. The Bidders can bid at any price with in the Price Band, in multiples of Re.1 (One).

(b) Our Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

(c) Our Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(d) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Payment Method based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) Only those Bidders who opted for the Payment Method-2 shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000 the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to the revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(i) During the Bidding/ Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(j) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(k) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(l) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(m) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(n) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White colour for Resident Indians, Blue colour for NRIs and FIIs and applying on repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

(f) Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding/ Issue Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis. On the Bid/ Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of bids typically experienced on the last day of bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the bidder
- Investor Category – Individual, Corporate, NRI, FII, or Mutual Fund etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount, as applicable, has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/ Allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, Bids would not be rejected except for grounds listed on page 361 of this Draft Red Herring Prospectus.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/ or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, our Promoter, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

(j) Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the Members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

(i) While revising the Bid, the Bidder shall not change the Payment Method indicated originally.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Read all the instructions carefully and complete the applicable Bid cum Application Form;

(c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(e) Ensure that you have been given a TRS for all your Bid options;

(f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(g) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act;

(h) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

(i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form 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 Bid cum Application Form.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders and Eligible Employees where Bid Amount exceeds Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

(i) Non-Residents cannot subscribe to partly paid up Equity Shares under Payment Method-1.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/ or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM 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 BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/ Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder 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.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs 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 Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company and the BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, and the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/ or on allocation/ Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Bidders in the Reservation Portion, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form, in accordance with the Payment Method chosen, by drawing a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 342 of this Draft Red Herring Prospectus. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

2. Subject to the Payment Method Chosen, where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price payable on application, any difference between the amount payable by the Bidder for Equity Shares allocated/ allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of Resident QIB Bidders: "[●]"
    - In case of Non-Resident QIB Bidders: "[●]"
    - In case of Resident Bidders: "[●]"
    - In case of Non Resident Bidders: "[●]"
    - In case of Eligible Employees: "[●]"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence

in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.

7. On the Designated Date and no later than 15 days from the Bid/ Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/ Allotment to the Bidders.

8. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

Different Payment Methods:

For Illustration of the Payment Methods available to the investors for applying in this Issue see "The Issue" on page 13 of this Draft Red Herring Prospectus.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.

ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

RIGHT TO REJECT BIDS

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, the Company have a right to reject Bids based on technical grounds.

GROUNDS FOR REJECTIONS

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional, QIB Bidders and Eligible Employees where Bid Amount exceeds Rs. 100,000;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole and/ or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs, or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Bids not duly signed by the sole/ joint Bidders;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all

applicable laws, rules, regulations, guidelines, and approvals;

- Bids or revisions thereof by QIB Bidders, Non Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 5.00 pm on the Bid/ Issue Closing Date;

- Bids by Non-Residents for partly paid shares applying under Payment Method-1.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLMs shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price. The Allocation under the Employee Reservation Portion shall be on a proportionate basis, in the manner specified under the SEBI Guidelines and the Red Herring Prospectus, subject to valid Bids being received at or above Issue Price, and is approved by the Designated Stock Exchange.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) / Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed ‘Prospectus’. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price as may be called by the Company for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount payable on application into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/ Allotted Equity Shares and who have already paid the Bid Amount payable on application into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price as may be called by the Company for Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth herein.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/ Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to [●], 2008, indicating the number of Equity Shares that may be Allotted to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. It is not necessary that a revised CAN will be sent. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price as may be called by the Company for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/ Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allotees shall be within two working days of the date of Allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued, and Allotment shall be made only in the dematerialised form to the allotees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

(c) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum [•]. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Issue less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to [●] Equity Shares (the "Mutual Funds Portion"), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e., after excluding the Mutual Funds Portion). If the valid Bids by Mutual Funds are for less than [●] Equity Shares, the remaining Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to at least 60% of the Net Issue size, i.e. [●] Equity Shares.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceed 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds, shall be available to all QIB Bidders as set out in (b) below;

  (b) In the second instance allocation to all QIBs shall be determined as follows:

    (i) The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

    (ii) The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

  (c) Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.

  (d) The aggregate allocation to QIB shall be at least [●] Equity Shares.

D. For Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees are eligible to apply under Employee Reservation Portion.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 crores equity shares
2	Allocation to QIB (50%)	100 crores equity shares
	Of which:	
	a. Allocation to MF (5%)	5 crores equity shares
	b. Balance for all QIBs including MFs	95 crores equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 crores equity shares

B. Details Of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in crores)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

 # A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

Number of equity shares in crores

Type of QIB bidders	Shares bid for	Allocation of 5 crores Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 crores Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1.2	7.48	8.48
MF2	40	1.2	7.48	8.48
MF3	80	2.4	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in this Prospectus in the section titled "Issue Structure" beginning on page 342 of this Draft Red Herring Prospectus.

2. Out of 100 crore Equity Shares allocated to QIBs, 5 crores (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 95 crore Equity Shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 95 crores Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 95 / 495

   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495

   - The numerator and denominator for arriving at allocation of 1,140 lacs shares to the 10 QIBs are reduced by 5 crore shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres 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 applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 10 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. 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 applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (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 applicants 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 applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched 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 on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 68 centres where clearing houses are managed by the RBI and other banks, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/ Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Bid/ Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/ Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/ Issue Closing Date would be ensured; and

- The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/ 8/ S/ 79 dated July 31, 1983, as amended by their letter No. F/ 14/ SE/ 85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board certifies that:

- All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

  The Board of Directors further certifies that:

  (a) the utilisation of monies received under Promoter Contribution and the Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilised; and

  (b) the details of all unutilised monies out of the funds received under Promoter Contribution and the Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilised monies have been invested.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime, including after the Bid/Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;

b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

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. Foreign investment limit is allowed up to 100% under automatic route in our Company.

In light of the above, we will apply to FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

Further, Non-Residents cannot bid for partly paid Equity Shares under Payment Method-1.

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.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company.

Pursuant to Schedule II of the Companies Act and the DIP Guidelines, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

Table "A" excluded

Article 1 provides that,

The Regulations contained in Table "A" in Schedule I of the Companies Act, 1956 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles of by the said Act.

Amount of Capital

Article 2A provides that,

The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with powers to increase or reduce the Share Capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or such other rights, privileges or conditions as may be determined in accordance with the regulations of the Company and to vary, modify, abrogate, any such rights, privileges or conditions, and to consolidate or sub-divide the shares and issue shares of higher of lower denomination in such manner as may be provided by the regulations of the Company.

Article 5 provides that

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfer, transmission, forfeiture, lien, surrender, voting and otherwise.

Redeemable Preference Shares

Article 3 provides that,

Subject to the provisions of Sections 80 and 80A of the Act, the Company is authorised to issue redeemable shares on such terms and conditions as the Company in General Meeting, any prescribe.

Buy back of shares

43A. Notwithstanding anything contained in any other Articles of the Association, but subject to the provisions of Section 77A and 77B of the Act and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resale any of its own fully/partly paid or redeemable shares and any other security as may be specified under the Act, Rules and Regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the board may in its discretion decided and deem fit. Such shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.

Reduction of Capital

Article 51 provides that

The Company may, by special resolution, reduce in any manner and with, and subject to any incident authorised any consent required by law:

(a) Its share capital
(b) Any capital redemption reserve account;
(c) Any share premium account.

Sub-division Consolidation and Cancellation of Shares

Article 12 provides that,

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its shares.

Modification of Rights

Article 7 provides that,

(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class may, subject to the provisions of Section 106 and 107 and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issue shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(2) To every such separate meeting, the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issue shares of the class in question.

Register and Index of Members

Article 51D provides that,

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the resident in that state or country.

Further Issue of Capital

Article 4A provides that

(1) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:

(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the company in general meeting, or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:

(i) To convert such debentures or loans into shares in the company; or

(ii) To subscribe for shares in the company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

a. Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

b. In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

Share under control of Directors

Articles 2 provides that,

Subject to the provisions of these Articles and of the Act, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions, and either at a premium or at par or (subject to compliance with section 79 of the Act) at a discount and at such times, as the Board think fit, and with sanction of the Company in General Meeting to give any person or persons the option or right to call of any shares either at par or at a premium during such time, and for such consideration as the Board think fit, provided that option or right to call of shares shall not be given to any person or persons without the sanction for the Company in General Meeting.

Articles 4 provides that

Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.

Acceptance of shares

Article 9 provides that,

An application signed by or on behalf of an applicant for shares in the company, followed be an allotment of any shares therein shall be acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is one the Register of Members shall for the purpose of these Articles be a member.

Share Certificates

Article 12 provides that,

Every member shall be entitled without payment to one or more certificates in marketable lots, for all the shares if each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holder.

The Company shall not be bound to register more than three persons as the joint holders of any shares.

Renewal of Share Certificates

Article 13 provides that

If a share certificate is worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if the certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on the execution of such indemnity as the Company may deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without the payment of fees of the Directors so decide, or on the payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors may prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act,1956 or any other Act, or rules applicable thereof in this behalf.

Company not bound to recognize any interest in share other than that of registered holder

Article 10 provides that,

Save as herein provided, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as required by law) be bound to recognize any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such on the part of any other person whether or not in shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

Funds of the Company may not be applied in the purchase of the shares of the Company

Article 43A provides that

Notwithstanding anything contained in any other Articles of the Association, but subject to the provisions of Section 77A and 77B of the Act and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resale any of its own fully/partly paid or redeemable shares and any other security as may be specified under the Act, Rules and Regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the board may in its discretion decided and deem fit. Such shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.

Interest may be paid out of capital

Article 108 provides that,

(a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

Directors may make the call

Article 19 provides that,

19. (1) Subject to the terms and conditions of issue, the Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the share or by way of premium).

(2) Each member shall, subject to receiving a notice specifying the time or times and place of payment, pay to the Company, at the times and place so specified, the amount called on his shares.

(3) A call may be revoked or postponed at the discretion of the Board.

Calls to date from resolution

Article 20 provides that,

A call shall be deemed to have been made at the time when the resolution of the Board authorising the Call was passed and may be required to be paid by installments.

Calls to carry interest

Article 22 provides that

(1) If a sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the date appointed for payment thereof to the time of actual payment at such rate, as the Board may determine.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Payment in anticipation of calls may carry interest

Article 24 provides that

The Board:

(a) May, if it thinks fit, subject to section 92 of the Act, agree to and receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for; and

(b) Upon all the moneys so paid or advanced, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, may pay interest at such rate, as may be agreed upon between the Board and the member paying the sum in advance. Provided that the amount paid in advance of calls shall not confer a right to dividend or to participate in profits.

(c) May repay at any time the moneys so advanced until the same would but for such advance, become presently payable.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

Company to have lien on shares

Article 15 provides that,

The Company shall have first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this Article 15 hereof will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause.

Form of Transfer

Article 26 provides that,

The instrument of transfer shall be in writing and subject to the provisions of Section 108 the shares in the company shall be transferred in the form prescribed in sub-section (1-A) and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Article 26A provides that,

The Company shall use a common form of transfer.

Directors may refuse to register transfer

Article 27 provides that

Subject to the provision of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission of operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground that the transferor is, either alone or jointly with any other persons or persons, indebted to the Company on any account whatsoever except where the Company has a lien on the shares.

Nomination of Shares

Article 31A provides that

(1) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(4) Where the nominee is a minor, it shall be lawful for the holder of the shares of debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

Fee on transfer or transmission of shares

Article 31 provides that,

No charge will be made for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certification of Death or Marriage or similar other documents.

Payment or repayment of moneys borrowed

Article 82 provides that,

The Director may borrow, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture-stock or any mortgage or charge or other security on the undertaking of the whole of any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Shares may be converted into stock

Article 45 provides that,

The Company may, by ordinary resolution:

(a) Convert any paid up share into stock; and

(b) Reconvert any stock into paid up share of any denomination.

Article 46 provides that,

The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Annual General Meeting

Article 52 provides that,

All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Extra- ordinary General Meeting

Article 53 provides that,

(1) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

(2) If at any time there are not within India, Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Quorum at General Meeting

Article 54 provides that,

(1) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(2) Save as herein otherwise provided, five members present in person, shall be quorum.

Chairman of the General Meeting

Article 55 provides that,

The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.

Article 56 provides that,

If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their member to be Chairman of the meeting.

Article 57 provides that

If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairman of the meeting.

Question in General Meeting how decided

Article 62 provides that,

Subject to any rights of restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands, every member present in person shall have one vote; and

(b) On a poll, the voting rights of members shall be as laid down in Section 87 of the Act.

Polls to be taken, if demanded

Article 66 provides that,

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Voting in person or proxy

Article 63 provides that,

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

Article 64 provides that,

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Article 67 provides that,

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument propose to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Article 68 provides that,

An instrument appointing a proxy shall be in either of the forms, as in Schedule IX to the Act or a form as near thereto as circumstances admit. Proxy forms shall be sent by the Company to the shareholders and debentures holders, as the case may be, in all cases.

Article 69 provides that,

A vote given in accordance with the terms of an instrument of proxy shall be valid, not withstanding the previous death or insanity of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

Article 70 provides that,

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Number of Directors

Article 71 provides that

(1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the Number of Directors shall not be less than three nor more than twelve.

(2) The First Directors of the Company shall be:

1. Gautam S. Adani
2. Rajesh S. Adani
3. Vasant S. Adani

Alternate director

Article 78 provides that,

(a) Subject to the provisions of the Act, particularly of Section 313, the Board may appoint an Alternate Director to act for a Director during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.

(b) One person may be appointed as an Alternate Director for two or more Directors.

Director's power to add to the Board

Article 78 provides that,

(1) The Board shall have power at any time, and from time to time, so appoint a person as an additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.

(2) Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at the Meeting subject to the provisions of the Act.

Remuneration of directors

Article 72 provides that,

(1) Any Director willing may be called upon to perform extra service or to make any special exertion in going or residing elsewhere or otherwise for any of the purposes of the Company. The Company may, subject to the provisions of the Act, remunerate such Director, either by way of a fixed sum or by way of percentage of profits, or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution of other fees and allowances mentioned in these Articles.

(2) In addition to the remuneration payable to them in pursuance of the Act, the Director be paid all traveling hotel and other expenses property incurred by them:

(a) In attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company; or

(b) In connection with the business of the company.

When office of the Directors to become vacant

Article 86 provides that,

A Director may resign from him office upon giving notice in writing to the Company.

Directors may contract with the Company

Article 83 provides that,

Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors of the Company are, in any manner, interested.

Disclosure of Interest

Article 84 provides that,

A Director, Managing Director, officer or employee of the Company may be or become a Director, of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.

Board may appoint Managing Director or Managing Directors etc.

Article 98 provides that,

(1) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime Directors and/or Special Director like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may be resolution vest in such Managing Director or Managing Directors/Wholetime Director(s), Technical Director(s), Financial Director(s) and Special Director(s) such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

(2) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors" as the case may be.

(3) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

Meetings of the Board

Article 87 provides that,

(1) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(2) A Director may and the Manager or Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

Division of profits

Article 104 provides that,

The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

The Company in the General Meeting may declare the dividends

Article 109 provides that,

The Company in annual general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Interim Dividends

Article 113 provides that,

The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

No interest on dividends

Article 115 provides that,

Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

Capitalisation

Article 122 states that

(1) The company in General Meeting may, upon the recommendation of the Board, resolve:

  (a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

  (b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards:

  (i) Paying up any amounts for the time being unpaid on any shares held by such members respectively;

  (ii) Paying up in full, unissued shares of the company to be allotted and distributed and credited as fully paid up, to and amongst such members in the proportions aforesaid; and

(iii) Partly in the way specified in sub-clause (i) and partly in the way specified in sub clause (ii)

(3) A share premium account and (a capital redemption reserve account) may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

(4) The Board shall give effect to the resolution passed by the company in pursuance of this Article.

Article 123 provides that,

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) Make all appropriations and applications of the undivided profits resolved to the capitalised thereby, and all allotments and issues of full paid shares, if any; and

(b) Generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

(a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise, as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and also

(b) To authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively. Credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effected and bind on all such members.

As to the inspection of Accounts or books by Members

Article 121 provides that,

(1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being Directors.

(2) No member (not being a Director) shall have any right to inspect any accounts or books or documents of the company except as conferred by law or authorised by the Board or by the company in General Meeting

OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts of the Company

1. Investment Agreement between the Company, Adani Enterprises Limited and 3i Power Investments A1 Limited dated September 28, 2007.

2. Shareholders' Agreement between the Company and Millennium Developers Private Limited dated January 15, 2008.

3. Infrastructure Use Agreement between the Company and Mundra Special Economic Zone Private Limited dated December 28, 2006.

4. Award of Assignment for the services of Owner's Engineers by the company to Fitchner Consulting Engineers (India) Private Limited dated December 3, 2004.

5. Lease Deed between Mundra Port and Special Economic Zone Limited and the Company dated December 28, 2006.

6. Letter of Award from the Company to Sichuan Machinery and Equipment Import and Export Company Limited for the supply of 2x330 MW thermal power plant equipment dated June 30, 2006.

7. Service Contract between the Company and Sichuan Fortune Project Management Limited for Mundra Phase I Power Project dated August 2, 2006.

8. Agreement between the Company and Kowa Company Limited dated March 1, 2007.

9. Coal Supply Agreement between Adani Enterprises Limited and the Company dated December 8, 2006 and all amendment agreements thereto.

10. Purchase Order issued by the Company to Ion Exchange (India) Limited dated July 4, 2007.

11. Power Purchase Agreement between Gujarat Urja Vikas Nigam Limited and the Company dated February 6, 2007.

12. Supplemental Power Purchase Agreement between Gujarat Urja Vikas Nigam Limited and the Company dated April 18, 2007.

13. Agreement for the supply of tower, tower accessories and conductor accessories, earthwire and its accessories for 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam between the Company and Kalpataru Power Transmission Limited dated June 4, 2007.

14. Agreement for the Construction/Erection of 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam between the Company and Kalpataru Power Transmission Limited dated June 4, 2007.

15. Agreement for the supply of tower, tower accessories and conductor accessories, earthwire and its accessories for 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam between the Company and Jyoti Structures Limited dated June 4, 2007.

16. Agreement for the Construction/Erection of 400 KV D/C Mundra Power Station – PGCIL S/S Dehgam between the Company and Jyoti Structures Limited dated June 4, 2007.

17. Agreement between the Company and SEPCO III Electric Power Construction Corporation Shandong, P.R. China dated September 6, 2007.

18. Service Contract between the Company and Shandong Tiejun Electric Power Engineering Company Limited dated September 7, 2007.

19. Power Purchase Agreement between Gujarat Urja Vikas Nigam Limited and the Company dated February 2, 2007.

20. Supplemental Power Purchase Agreement between the Company and Gujarat Urja Vikas Nigam Limited dated February 2, 2007.

21. Contract between the Company and VA Tech Wabag Limited dated February 16, 2008.

22. Agreement between the Company and SEPCOIII Electric Power Construction Corporation Shandong, PR China dated January 30, 2008.

23. Agreement to lease between Adani Power Maharashtra Private Limited And Maharashtra Industrial Development Corporation dated February 1, 2008.

24. Agreement between Adani Power Maharashtra Private Limited and Sichuan Machinery & Equipment Import & Export Company Limited dated February 28, 2008.

25. Sanction letter dated January 15, 2008 issued by the State Bank of India for Rupee Term Loan alongwith letter of credit facilities of Rs. 10,000 million in respect of the Tiroda Project.

26. Sanction letter dated January 30, 2008 issued by the State Bank of Mysore for Rupee Term Loan alongwith letter of credit facilities of Rs. 1,000 million in respect of the Tiroda Project.

27. Sanction letter dated March 5, 2008 issued by the State Bank of Saurashtra for Rupee Term Loan alongwith letter of credit facilities of Rs. 500 million in respect of the Tiroda Project.

28. Sanction letter dated March 31, 2008 issued by UCO Bank for Rupee Term Loan alongwith letter of credit facilities of Rs. 5,000 million in respect of the Tiroda Project.

29. Sanction letter dated March 31, 2008 issued by the State Bank of Indore for Rupee Term Loan alongwith letter of credit facilities of Rs. 500 million in respect of the Tiroda Project.

30. Sanction letter dated March 20, 2008 issued by IFCI Limited for Rupee Term Loan alongwith letter of credit facilities of Rs. 1,000 million in respect of the Tiroda Project.

31. Sanction letter dated April 8, 2008 issued by the Corporation Bank for Rupee Term Loan alongwith letter of credit facilities of Rs. 1,000 million in respect of the Tiroda Project.

32. Sanction letter dated April 17, 2008 issued by the State Bank of Bikaner and Jaipur for Rupee Term Loan alongwith letter of credit facilities of Rs. 1,000 million in respect of the Tiroda Project.

33. Sanction letter dated April 19, 2008 issued by the Union Bank of India for Rupee Term Loan alongwith letter of credit facilities of Rs. 1,500 million in respect of the Tiroda Project.

34. Sanction letter dated April 21, 2008 issued by Punjab National Bank for Rupee Term Loan alongwith letter of credit facilities of Rs. 5,000 million in respect of the Tiroda Project.

35. Sanction letter dated April 22, 2008 issued by the State Bank of Patiala for Rupee Term Loan alongwith letter of credit facilities of Rs. 1,500 million in respect of the Tiroda Project.

36. Underwriting letter dated March 4, 2008 issued by the Sate Bank of India for underwriting Rupee Term Loan alongwith letter of credit facilities of Rs. 16,300 million in respect of the Tiroda Project.

37. Underwriting letter dated April 15, 2008 issued by the State Bank of India for underwriting Rupee Term Loan alongwith letter of credit facilities of Rs. 35,400 million in respect of the Kawai Project.

38. Underwriting letter dated April 29, 2008 issued by the State Bank of India for underwriting Rupee Term Loan alongwith letter of credit facilities of Rs. 53,800 million in respect of the Mundra Phase IV Project.

39. In-principle sanction letter dated March 19, 2008 issued by the State Bank of India to underwrite the debt requirements of Dahej Project not exceeding Rs. 53,250 million.

40. The shareholders' resolution passed at the Extra Ordinary General Meeting of the Company held on April 25, 2008 appointing Mr. R. K. Gupta as Whole Time Director of the Company.

41. The shareholders' resolution passed at the Extra Ordinary General Meeting of the Company held on April 25, 2008 appointing Mr. Rajesh S. Adani as Managing Director of the Company.

Material Contracts to the Issue

1. Engagement letter dated April 30, 2008 from our Company appointing the BRLMs.

2. Memorandum of Understanding between our Company and the BRLMs dated April 30, 2008.

3. Memorandum of Understanding between our Company and the Registrar to the Issue dated [●], 2008.

4. Escrow Agreement dated [•] between the Company, the BRLMs, the Escrow Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [•] between the Company, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [•] between the Company, the BRLMs and the Syndicate Members.

7. Monitoring Agency Agreement dated [●] between the Company and the Monitoring Agent.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our certification of incorporation.

3. Board resolutions and IPO Committee resolutions in relation to the Issue.

4. Board and Shareholder resolutions in relation to the appointment of Managing Director and Whole-time Director.

5. Shareholders' resolutions in relation to the Issue.

6. Auditor's report, including statement of tax benefits, dated April 16, 2008 on the restated,

consolidated and unconsolidated financial statements of the company by Deloitte Haskins & Sells, Chartered Accountants.

7. Copies of annual reports of our Company for the last five financial years.

8. Consent of Deloitte Haskins & Sells, Chartered Accountants, our Auditors for inclusion of their report on restated financial statements in the form and context in which they appear in the Draft Red Herring Prospectus.

9. Consents of Auditors, Bankers to the Company, Bankers to the Issue, BRLMs, Registrar to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

10. IPO Grading report dated [•] by [•].

11. Due Diligence certificate from the BRLMs dated [●], 2008.

12. Initial listing applications dated [●] filed with BSE and NSE respectively.

13. In-principle listing approval dated [•] and [•] from BSE and NSE respectively.

14. Tripartite Agreement between NSDL, our Company and the Registrar dated [●].

15. Tripartite Agreement between CDSL, our Company and the Registrar dated [●].

16. SEBI observation letter [●] dated [●] and in seriatim reply to same dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Gautam S. Adani

Mr. Rajesh S. Adani

Mr. R. K. Gupta

Mr. Ameet H. Desai

Mr. Vijay Ranchan

Mr. Surendra Kumar Tuteja

Mr. B.B. Tandon

Mr. Chinubhai R. Shah

Signed by Vice President (Finance)

Date: April 30, 2008
Place: Ahmedabad