

Our Vision

Be an entrepreneurial globally preferred business associate with responsible concern for ecology, society and stakeholders' value.

Our Mission

To develop, assimilate and manage knowledge; to apply the acquired expertise across the globe, for benefit of stakeholders'; to do so profitability.

Business of success





ADANI

■ ■ ■ BOARD OF DIRECTORS

Shri Gautam S. Adani, Chairman
Shri Rajesh S. Adani, Managing Director
Shri Vasant S. Adani
Shri Pradeep Mittal, Whole time Director
Shri C. R. Shah
Shri Jay H. Shah
Dr. Pravin P. Shah
Dr. A. C. Shah

■ ■ ■ AUDITORS

M/s. Dharmesh Parikh & Co.
Chartered Accountants
Ahmedabad.

■ ■ ■ BANKERS

State Bank of India, Ahmedabad.
Bank of India, Ahmedabad.
State Bank of Travancore, Ahmedabad.
State Bank of Hyderabad, Ahmedabad.
The Jammu & Kashmir Bank Ltd., Ahmedabad.
State Bank of Saurashtra, Ahmedabad.
Bank of Baroda, Ahmedabad.
Punjab National Bank, Ahmedabad.
Andhra Bank, Ahmedabad.
Canara Bank, Ahmedabad.
Uco Bank, Ahmedabad.
Syndicate Bank, Ahmedabad.
Oriental Bank of Commerce, Ahmedabad.
ICICI Bank Ltd., Mumbai.
Standard Chartered Bank, Mumbai.
Allahabad Bank, Ahmedabad.

■ ■ ■ REGISTERED OFFICE

'Adani House'
Nr. Mithakhali Six Road,
Navrangpura, Ahmedabad - 380009

■ ■ ■ SHARE TRANSFER AGENT

Pinnacle Shares Registry Pvt. Ltd.
Nr. Ashoka Mills Ltd., Naroda Road,
Ahmedabad - 380025
Tel. No.: +91-79 - 2220 4226, 2220 0591, 2220 0582
Fax : +91-79- 2220 2963

■ ■ ■ SHARES LISTED AT

National Stock Exchange, Mumbai.
The Stock Exchange, Mumbai.
Ahmedabad Stock Exchange



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NOTICE

NOTICE is hereby given that 15th Annual General Meeting of Adani Enterprises Limited will be held on Saturday, 29th September, 2007 at 10.00 a.m. at Hotel Le Meridian, Khanpur, Ahmedabad - 380001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2007 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm interim dividend on Equity Shares.
3. To appoint a Director in place of Dr. A.C. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vasant S. Adani who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Dharmesh Parikh and Co., Chartered Accountants, Ahmedabad, as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration (including for Certification) and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors of the Company.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Pradeep Mittal, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 be and is hereby appointed as director of the Company liable to retire by rotation.”

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) & subject to the provisions of Schedule XIII of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Pradeep Mittal as the Whole-time Director of the Company for a period of five years w.e.f 29/7/2006 on the terms and conditions including remuneration as set out in draft agreement to be entered into between the Company and Shri Pradeep Mittal a draft whereof is placed before this meeting specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Shri Pradeep Mittal.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Shri Pradeep Mittal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to take such steps as may be necessary to give effect to this Resolution.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution **as a Special Resolution:**

“RESOLVED THAT the consent of Company be and is hereby accorded for voluntary delisting of equity shares of the Company from Ahmedabad Stock Exchange Limited, Ahmedabad, subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreement(s) entered into with Stock Exchange(s), Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, or any amendment or modification thereof and subject to such other approvals, permissions and sanctions as may be necessary by any authority or authorities.

RESOLVED FURTHER THAT the authority be and is hereby accorded to the Board of Directors or any person(s) authorised by the Board, to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to the resolution.”

For and on behalf of the Board

Regd. Office :
 "Adani House"
 Near Mithakhali Six Roads, Navrangpura
 Ahmedabad - 380 009.
 Date : 21st May, 2007.

Gautam S. Adani
 Chairman

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member.
2. The instruments appointing proxy should however be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Information under clause 49 of the listing agreement(s) regarding appointment / re-appointment of directors (Item No. 3,4 and 6) and explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business (Item No.6) are annexed here to.
4. The register of member and share transfer books will remain closed from 25th September, 2007 to 28th September,2007 (both days inclusive).
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
6. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of Company on all working days between 11.00 a.m. to 1.00 p.m. prior to date of Annual General Meeting.
7. Members are requested to bring their copy of Annual Report at the meeting. Spare copies will not be available.
8. Members who have not encashed their dividend warrants may approach the Company at its registered office for revalidating the warrants or for obtaining duplicate warrants.
9. The annual listing fees of all the stock exchanges where Company's shares are listed for the year 2007-2008 have been paid.
10. Members who hold the shares in dematerialised form are requested to bring their Client ID and DP ID for easier identification of attendance at the AGM.
11. Member holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the Company or its share transfer agent.
In case their shares are held in dematerialised form then information should be passed on directly to their respective depository participant and not to the Company / share transfer agent without any delay.
12. Any request by share holders for change of bank particulars after despatch of dividend warrant should be accompanied by copy of Client Master list showing the changed bank details.
13. In terms of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. The shareholders who are desirous of availing this facility, may kindly write to Company's share transfer agent M/s. Pinnacle Share Registry Pvt. Ltd., Near Asoka Mills Ltd., Naroda Road, Ahmedabad – 380 025, for nomination form quoting their folio number.
14. Members are requested to notify change in address, if any, to the Company's share transfer agent at the address mentioned herein above in Note 12 quoting their folio number.
15. The balance lying in the unpaid dividend account of the Company in respect of dividend declared on 18th September, 2000 for the financial year 1999-00 will be transferred to the Investor Education and Protection Fund of the Central Government by 29th December, 2007. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or its share transfer agent for obtaining payments thereof.

ANNEXURE TO NOTICE : EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

Shri Pradeep Mittal was appointed as an Additional Director of the Company on 29th July, 2006, by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act 1956, notice has been received from a member signifying his intention to propose his appointment as a Director along with a deposit of Rs. 500/-. Shri Pradeep Mittal is having vast experience in handling various Energy and Mineral products. The Board considers it desirable that the Company should continue to avail itself of his services.

Except Shri Pradeep Mittal, no other Director is interested in the resolution.

ITEM NO. 7 : Appointment of Shri Pradeep Mittal as Whole-time Director

The remuneration committee of the Company at its meeting held on 29th July, 2006 and subsequently, the Board at its meeting held on 29th July, 2006 have appointed Shri Pradeep Mittal as Whole-time Director unanimously for a further period of five years with effect from 29th July, 2006 subject to the approval of the shareholders in General Meeting.

Shri Pradeep Mittal has more than 28 years of experience in trading of coal (both domestic and imported).

Shri Mittal started the Power Trading Business and also ventured into the new field of export of Mineral Ore trading and simultaneously development of captive jetty at Belekeri, Karwar for exports of Iron ore and other minerals.

Shri Mittal initiated operation of Granite quarrying and getting the blocks processed and polished for exports to Middle East, U.S.A., Europe, Australia etc.

Shri Mittal has also been instrumental for the Company's Coal Mining activities in Indonesia.

The Board of Directors felt that it is in the interest of the Company to avail services of Shri Pradeep Mittal as Whole-time Director.

The Board recommends the Resolution to the members for their approval. The brief particulars of terms and conditions of remuneration of Shri Pradeep Mittal, as Whole-time Director are mentioned herein below :

PERIOD OF APPOINTMENT : FIVE YEARS WITH EFFECT FROM 29/07/2006

SALARY : Rs. 3,00,00,000/- (Rupees Three Crore Only) gross per annum.

The Whole-time Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of Board or Committees thereof.

Shri Pradeep Mittal shall be liable to retire by rotation under section 256 of the Companies Act, 1956.

This may be treated as an Abstract of Terms of Contract for the appointment of the Whole-time Director under the provisions of Sec.302(2) of the Companies Act, 1956.

Shri Pradeep Mittal is deemed to be interested in the said resolutions as it relates to his appointment.

None of the other Directors is in any way concerned or interested in the above resolution.

ITEM NO. 8

The Company's shares are not traded on the Ahmedabad Stock Exchange Limited for the last so many years. The Company believes that no particular benefit is available to the shareholders of the Company by continuing the listing of the Equity Shares on the Ahmedabad Stock Exchange Limited. The Company is therefore contemplating the de-listing of its equity shares from the Ahmedabad Stock Exchange Limited as per the guidelines issued by the Securities and Exchange Board of India (SEBI).

As per the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, an exit opportunity need not be provided to the shareholders of the Company on delisting of its equity shares from the Stock Exchanges, provided the equity shares of the Company continue to be listed at the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The Company's equity shares listing will continue at The Bombay Stock Exchange Limited and The National Stock and Exchange Limited having nation wide trading terminals.

Pursuant to the Guidelines issued by SEBI on voluntary delisting by Companies of their securities from the Stock Exchanges, it is now proposed to seek the shareholders' approval by way of a Special Resolution as set out in the Resolution at item No. 8 of the Notice of the Meeting for voluntary de-listing of Company's equity shares from Ahmedabad Stock Exchange Limited.

Your Directors recommend the resolution for your approval. No Director is concerned or interested in the Resolution.

Regd. Office :
"Adani House "
Near Mithakhali, Six Roads, Navrangpura,
Ahmedabad- 380 009
Date : 21st May, 2007.

For and On behalf of the Board

Chairman

Name	Mr. Vasant S. Adani	Dr. A. C. Shah	Mr. Pradeep Mittal
Date of Birth	8th September, 1955	16th October, 1932	7th July, 1954
Appointed on	1st July, 1995	22nd June, 1996	29th July, 2006
Qualifications	B.A	M.A., Ph.D.(Economics)	Diploma in Marketing
Expertise in specific functional areas	With about 15 years of experience in real estate development and general management, he lends an overall corporate administrative touch to the operations of various Adani Group entities.	Dr. A. C. Shah, the erstwhile Chairman and Managing Director of Bank Of Baroda has more than thirty years of extensive banking experience. Dr. Shah has served on the Board of reputed companies like UTI Bank Ltd., Reliance Capital Ltd., Jet Airways Ltd.,Kopran and Gujarat Lease Finance Ltd. He has chaired several committees on banking, the most recent one being the RBI Committee for functioning of Non-Banking Financial Companies (NBFCs).	<p>Shri Pradeep Mittal has more than 28 years of experience in trading of coal (both domestic and imported).</p> <p>Shri Pradeep Mittal has developed business with prominent leading Power Houses. He was instrumental in signing an agreement between Mundra Port and Special Economic Zone Ltd. (Formerly known as Gujarat Adani Port Limited) and the Railway Board for laying of railway lines for transportation and rake movement, the first private railway line of 62 KM.</p> <p>Shri Mittal started the Power Trading Business and also ventured into the new field of export of Mineral Ore trading and simultaneously development of captive jetty at Belekeri, Karwar for exports of Iron ore and other minerals.</p> <p>Shri Mittal initiated operation of Granite quarrying and getting the blocks processed and polished for exports to Middle East, U.S.A., Europe, Australia etc.</p> <p>Shri Mittal has also been instrumental for the company's Coal Mining activities in Indonesia.</p>
Directorships held in other Public Companies	—	Elecon Engineering Company Ltd. S. Kumar's Nationwide Ltd. Gujarat Petro Synthesis Ltd. Benchmark Mutual Fund-Trustee Co. Goldcrest (India) Ltd.	—
Memberships/ Chairmanships of Committees across Public Companies	Shareholder's / Investors Grievances Committee: Adani Enterprises Ltd.	Audit Committee: S. Kumar's Nationwide Ltd. Elecon Engineering Company Ltd. Gujarat Petro Synthesis Ltd. Benchmark Mutual Fund-Trustee Co. Adani Enterprises Ltd. Shareholder's / Investors Grievances Committee : Adani Enterprises Ltd. Remuneration committees Adani Enterprises Ltd. Gujarat Petro Synthesis Ltd. S. Kumar's Nationwide Ltd.	— —
No. of Shares held in the Company	Nil	Nil	Nil

DIRECTORS REPORT

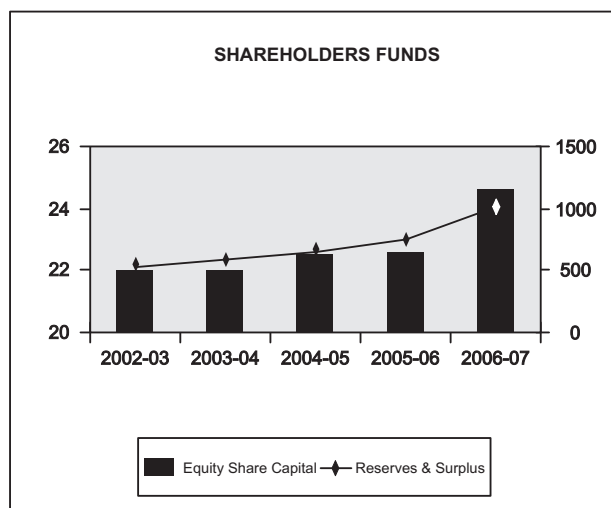
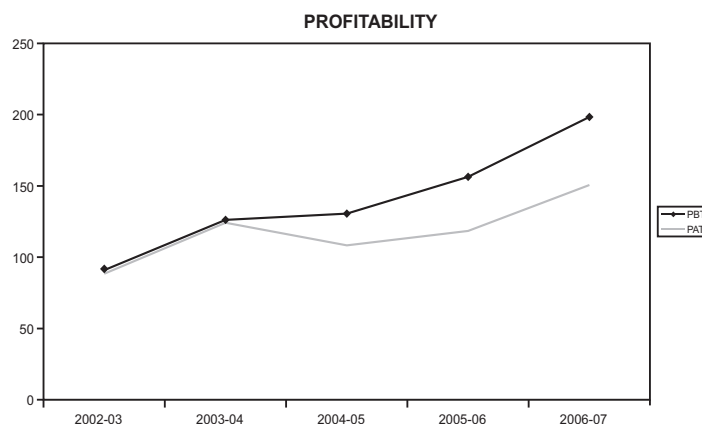
Your Directors have pleasure in placing before you their 15th Annual Report and Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

The Financial Results of your Company for the year ended 31st March, 2007, are as follows:

(Rs. In Crores)*

Year Ended March 31,	2007*	2006*
Sales and operating earnings	10151.66	9337.88
Other income	3.99	1.38
Gross Profit before Depreciation, Interest and Tax	349.54	271.82
Finance charges	143.68	126.57
Depreciation	6.90	3.21
Profit before Tax	198.96	156.45
Surplus brought forward from previous year	323.85	257.16
Balance available for appropriations	474.54	375.50
Appropriations:		
Dividend on Equity Shares:		
- Interim	11.34	
Tax on Dividend	1.59	
General Reserve	30.00	30.00
Debenture Redemption Reserve	60.00	10.00
Balance carried to Balance Sheet	371.61	323.85
Total	474.54	375.50



PERFORMANCE OF YOUR COMPANY

The various proactive measures and initiatives enable your Company to sustain yet another year of healthy growth.

The Company recorded a net sales Rs. 10151.66 Crores as compared to Rs. 9337.88 Crores in the previous financial period, registering a growth of 9%. The operating profit of the Company grew by 27% per cent on annualized basis from Rs. 156.45 Crores in the previous period to Rs. 198.31 Crores in the year under review. Earning per share was Rs. 6.35.

A detailed discussion of the performance of operations of the Company is given elsewhere in this annual report under "Management Discussion and Analysis Report".

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company prepared as per Accounting Standards 21, 23 and other applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Clause 32 of the Listing Agreement with the Stock Exchanges with its Subsidiaries, Associates and Joint Ventures are annexed and form part of the Annual Report and Accounts.

The Company's Sales and Operating income on a consolidated basis has increased by 37% to Rs. 16,949.06 Crore as compared to Rs. 12,341.48 Crores in the corresponding previous period.

The group recorded a consolidated net profit after prior period adjustment and provision for taxation of Rs. 177.35 Crores for the year under review as compared to Rs. 134.63 Crores. The networth of the group as on March 31, 2007 was Rs. 1146.95 Crores as compared to Rs. 852.10 Crores for the Company.

PUBLIC ANNOUNCEMENT BY GROUP COMPANY

Your Company has received a public announcement from Adani Infrastructure Services Pvt. Ltd. (AISPL) (the "acquirer") along with Adani Agro Pvt. Ltd. (Person Acting in Concert) on 15th February, 2007 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, specifying its intention to acquire, 1,99,65,691 Equity Shares constituting 8.10% of the paid up share capital of the Company at an offer price of Rs. 233 per share from the public shareholders.

CHANGE IN NAME OF THE COMPANY to reflect its transformation or new avatar

The name of our Company has changed to "Adani Enterprises Ltd." with effect from 10th August, 2006 pursuant to the Resolution passed by the shareholders at the Fourteenth Annual General Meeting of the Company held on 29th July, 2006 and after obtaining all requisite approvals.

The Change in name conveys evolution with a clear focus on its five SBUs viz. Power, Oil & Gas, Real Estate, Agro, Metals & Minerals with shipping forming backbone to its business.

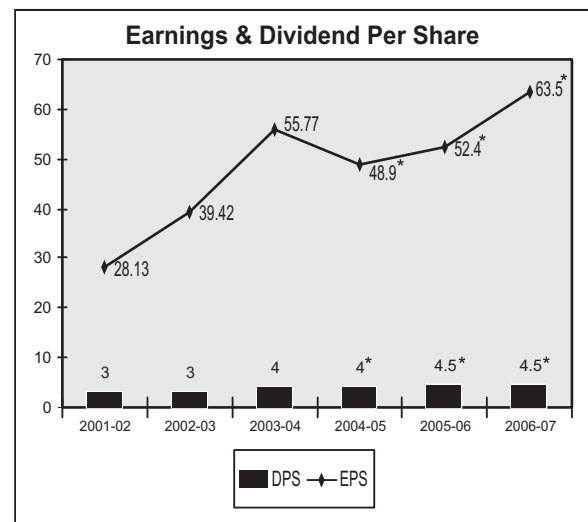
Your Company has chalked out an ambitious growth plan for all its businesses. It has enlarged its sphere of activities and embarked on large investment programmes. Your Company, leveraging on its commodity infrastructure and global exposure rewriting its future through a judicious process of asset creation. Its overall conglomerate strategy is aimed at building a large, diversified competitive organization positioned to benefit from the India advantage.

Its businesses are structured as divisions or subsidiaries considering the specific needs of value chain enhancement, competitive synergies, focus imperative and alliance opportunities.

DIVIDEND ON EQUITY SHARES

The Company has already paid interim dividend @ 45% (Re. 0.45 per share of Re. 1 fully paid-up) on the fully paid up Equity Share Capital of the Company as recommended by the Board of Directors of the Company in its meeting held on 17th March, 2007 for the year 2006-07 resulting into an outflow of Rs. 12.93 Crores (inclusive of tax).

Your Directors wish to conserve resources for future expansion and growth the Company. Hence, your Directors have decided not to declare any further final dividend for the year under review.



* Figures have been adjusted to make Comparable with previous years

SEGMENT REPORTING

Your Company is a "Five Star Export House" with operations covering a wide range of commodity groups such as Power, Oil & Gas, Real Estate, Agro, Metals & Minerals with shipping forming backbone to its business. In view of the integrated nature of business in its entirety, there are no separate segments within the Company as defined by Accounting Standard 17 (Segmental Reporting) issued by the ICAI.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

LISTING and ISIN No

The equity shares of your Company are listed at The Stock Exchange, Mumbai, National Stock Exchange and Ahmedabad Stock Exchange. The listing fee for the year 2007-08 has been paid before the due date.

● VOLUNTARY DE-LISTING

Pursuant to the SEBI Guidelines on voluntary de-listing of shares a Special Resolution for voluntary de-listing of Equity Shares of your Company from the Ahmedabad Stock Exchange, Ahmedabad has been included in the Notice calling ensuing Annual General Meeting of the Company. The Company's Equity Shares continue to be listed on Stock Exchange, Mumbai and The National Stock Exchange of India Ltd.

The Company's shares are compulsorily traded in dematerialized form. The ISIN number allotted is : INE 423A01024. The details of shareholding pattern, distribution of shareholding and share prices are mentioned separately in the Corporate Governance Report.

● SHARE CAPITAL

□ ALLOTMENT OF FURTHER SHARES UPON CONVERSION OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs).

During the period under review, your Company had received 17 (Seventeen) conversion notices for conversion of 2865 Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each into 19,612,416 equity shares of the Company.

In view of this, paid up share capital of your Company stands increased from Rs. 22,68,74,559/- to Rs. 24,64,86,975/-.

As on 31st March, 2007, all the 3800 1% Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each issued by the Company during September, 2004 have been converted into Equity Shares of the Company.

□ NEW ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs).

During January 2007, Company has successfully made issue of Foreign Currency Convertible Bonds of US\$ 250 million including the green shoe option of US\$ 30 million in the international market. The use of net proceeds will be in accordance with the end-use restrictions specified by the RBI and the Indian Government.

We are pleased to inform you that this was one of the most successful issues in the overseas market. Allocations were made to top quality investors. The conversion price of the share to be issued upon conversion of FCCBs shall be fixed after one year from the issue date subject to the floor price as per SEBI (DIP) Guidelines as applicable.

These bonds are convertible into equity shares at the option of the bondholders, any time during the conversion period from January 27, 2008 to December 27, 2011. Unless previously converted, redeemed or purchased and cancelled, your Company may at its option either redeem the Bonds or convert the same into shares at the maturity date.

It's a matter of great pleasure to inform you that Foreign Currency Convertible Bonds (FCCBs) issue has given advantages of prevailing low financing costs regime existing in the international markets to your Company.

The above FCCB issue is a clear demonstration of the confidence of investors in your Company. FCCB issue has made your Company financially stronger and has enhanced its ability to encash any growth opportunity that may come its way.

□ ISSUE OF NON CONVERTIBLE DEBENTURES (NCDs)

In order to meet the increasing fund requirements, your Company has raised additional Rs. 200 Crore by way of issue of Secured Redeemable Non-Convertible Debentures on a private placement basis.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improve investors` protection and maximize long term shareholder value. Your Directors are pleased to inform you that your Company was short-listed for the second and final round for the purpose of Corporate Governance Award - 2006 from amongst the Companies of all over India for the purpose of Corporate Governance Award for the third consecutive year by the Institute of Company Secretaries of India (ICSI).

Your Company has complied with the revised code of corporate governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Management Discussion and Analysis and on Corporate Governance forms along with a certificate from Auditors are attached hereto and form part of this report.

FORMATION OF VARIOUS COMMITTEES

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and form part of this report.

DIRECTORS

Appointment of Additional Director

During the year under review, Mr. Pradeep Mittal was appointed as an Additional Director by the Board and holds office upto the ensuing Annual General Meeting. The Company received notice from a member under Section 257 of the Companies Act, 1956 proposing his appointment as Director of the Company.

Appointment of Whole-time Director

During the year ended March 31, 2007, Mr. Pradeep Mittal was appointed as a Whole-time Director of the Company with effect from July 29, 2006 for a period of five years. His appointment as Whole-time Director of the Company is subject to the approval of the Shareholders in ensuing Annual General Meeting.

Retirement by Rotation

Further, in accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Dr. A.C. Shah and Shri Vasant S. Adani retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. For the perusal of shareholders, a brief resume of both the directors, nature of their expertise, their shareholding in the Company, the names of the Companies in which they hold the directorship and the details of membership of committees of the Board are given in the annexure to the explanatory statement of the notice calling Annual General Meeting

Appropriate resolutions for reappointment of the aforesaid Directors and appointment of Mr. Pradeep Mittal as Whole-time Director of the Company are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANIES

During the year under review, following Companies became Subsidiaries of your Company:

Business: Real Estate

1. Adani Infrastructure and Developers Pvt. Ltd.,
2. Adani Estates Pvt. Ltd.,
3. Swayam Realtors and Traders Ltd.,
4. Columbia Chrome (India) Pvt. Ltd.,
5. Adani Townships and Real Estate Company Pvt. Ltd.,
6. Adani Land Developers Pvt. Ltd.,
7. Adani Realty Pvt. Ltd.
8. Adani Habitats Pvt. Ltd.

Business: Agro

9. Adani Agri Logistics Ltd.,

Business: Power

10. Adani Power Ltd.
11. PT Adani Global, Indonesia.

Business: Metals and Minerals

12. Vyom Tradelinks Pvt. Ltd.
13. Adani Virginia Inc, USA

Ship Owning and Chartering in Singapore.

14. Adani Shipping Pte. Ltd, Singapore,
15. Libra Shipping Pte Ltd, Singapore

Adani Global Limited., Mauritius is a wholly owned subsidiary of your Company. Adani Global Pte. Ltd., Singapore, Adani Shipping Pte. Ltd., Singapore, Libra Shipping Pte. Ltd., Singapore and Adani Global FZE, Dubai are subsidiary Companies of Adani Global Ltd., Mauritius.

Adani Virginia Inc is subsidiary Company of Adani Global FZE. PT Adani Global, Indonesia is a Subsidiary of Adani Global Pte. Ltd., Singapore.

The Audited Statement of accounts along with the report of the Board of Directors relating to the Company's aforesaid subsidiaries for the year ended March 31, 2007 are annexed as per Section 212 of the Companies Act, 1956. The relevant information as required under Section 212(5) of the Companies Act, 1956 of the said Companies are also annexed herewith.

Further, as required under Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, in compliance with the listing agreement/s with the Stock Exchanges, consolidated statement of accounts together with the Auditor's Report are annexed.

AUDITORS AND AUDITORS' REPORT

M/s. Dharmesh Parikh and Co., Chartered Accountants, Ahmedabad, continue to hold office until the conclusion of the forthcoming Annual General Meeting and offer themselves for re-appointment. A certificate has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends re-appointment of M/s. Dharmesh Parikh and Co., Chartered Accountants as Statutory Auditors of the Company.

The statutory auditors of the Company submitted their report on the accounts of the Company for the accounting year ended March 31, 2007, which is self-explanatory and needed no comments or explanation under Section 217(3) of the Companies Act, 1956.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE.

The particulars regarding foreign exchange earnings and expenditure are annexed hereto as Annexure-I and forms part of this report. Since your Company does not own manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

“GROUP” FOR INTER-SE TRANSFER OF SHARES

As required under Clause 3(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting “Group” (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid SEBI Regulations are given in Annexure III attached herewith and the said Annexure III forms part of this Report.

PERSONNEL

The industrial relations scenario continues to be harmonious. Your Company continues to invest in the development of its employees by way of various internal and external training programmes.

The number of employees as on 31st March 2007 was 610 as against 540 as on 31st March, 2006.

Statement as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is annexed to this Report as Annexure - II.

AWARDS AND RECOGNITIONS

Your Company was short-listed for the second and final round for the purpose of Corporate Governance Award - 2006 from amongst the Companies of all over India for the purpose of Corporate Governance Award for the third consecutive year by the Institute of Company Secretaries of India (ICSI).

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the co-operation and support received from vendors, traders, customers, banks, financial institutions, shareholders and the society at large. Your Directors also take on record, their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, your Company's consistent growth would not have been possible.

The Directors also wish to place on record their sincere thanks and appreciation to the bankers, financial institutions, Central and State Government officials, solicitors, advisors and all our well wishers for their continuance guidance provided to the Company and look forward to their continued support.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 29th May, 2007

Gautam S. Adani
Chairman

Annexure to Directors' Report for the year ended 31st March, 2007

ANNEXURE I

FOREIGN EXCHANGE EARNINGS AND OUTGO :

(figures in crores)

		Current year	Previous year
(I)	Foreign exchange earned (Including export of goods on FOB basis)	3545.82	2604.57
(II)	Foreign exchange used	3827.36	3944.62

ANNEXURE II

A. Information pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975.

Sr. No.	Name	Age (yrs.)	Designation	Remuneration Gross (Rs. In Crores)	Qualification	Date of Commencement of Employment	Last Employment Held-Designation and Period for which Held.
1	Mr. Gautam S. Adani	45	Executive Chairman	5.35	S.Y. B.Com	1/12/93	Business
2	Mr. Rajesh S. Adani	43	Managing Director	5.94	B. Com.	1/12/93	Business
3	Mr. Pradeep Mittal	53	Whole-time Director	0.81	Diploma in Mktg.	1/1/98	Chief General Manager Karamchand Thapar and Brothers (C.S.) Ltd.

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

Sr. No.	Name	Age (yrs.)	Designation	Remuneration Gross	Qualification	Date of Commencement of Employment	Last Employment Held-Designation and Period for which Held.
----- NIL -----							

Note :

Remuneration as above includes Salary, Commission (payable in FY 2007-08), contribution to provident and other funds and other perquisites.

ANNEXURE - III FORMING PART OF THE DIRECTORS REPORT

The following is the list of persons constituting "Group" (within the meaning as defined in the Monopolistic and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said Regulations"), as provided in Clause 3(e) of the said Regulations :

Sr. No.	Particulars	Sr. No.	Particulars	Sr. No.	Particulars
1	Adani Agri Logistics Ltd.	26	Gujarat Adani Infrastructure Pvt. Ltd.	51	Pranav V. Adani
2	Adani Agri Fresh Ltd.	27	Inland Conware Pvt. Ltd.	52	Param P. Adani
3	Adani Agro Pvt. Ltd.	28	Inland Conware (Ludhiana) Pvt. Ltd.	53	Priti R. Shah
4	Adani Developers Pvt. Ltd.	29	I Call India Ltd.	54	Rajesh S. Adani
5	Adani Energy Ltd.	30	I Gate India Pvt. Ltd.	55	Rajesh S. Adani Family Trust
6	Accurate Finstock Pvt. Ltd.	31	Jeet G. Adani	56	Rahi R. Adani
7	Adani Global FZE	32	Karan G. Adani	57	Ranjan V. Adani
8	Adani Global Ltd.	33	Kunal D. Shah	58	Riddhi V. Adani
9	Adani Global Pte. Ltd.	34	M/s. Adani Investments	59	Rakesh R. Shah
10	Adani Infrastructure Services Pvt. Ltd.	35	M/s. Advance Exports	60	Shantaben Adani
11	Adani Logistics Ltd.	36	M/s Adani Exports	61	S. B. Adani Family Trust
12	Adani Petronet (Dahej) Port Pvt. Ltd.	37	M/s. Advance Investment	62	Shantikrupa Estates Pvt. Ltd.
13	Adani Port Infrastructure P. Ltd.	38	M/s.Crown International	63	Sagar R. Adani
14	Adani Power Ltd.	39	M/s.Ezy Global	64	Suvarna M. Adani
15	Adani Properties Pvt. Ltd.	40	M/s. Intercontinental (India)	65	Shilin R. Adani
16	Adani Retail Ltd.	41	Mundra SEZ Textile & Apparel Pvt. Ltd.	66	Sharmishta Sanghavi
17	Adani Shipyard Pvt. Ltd.	42	Mundra Port and Special Economic Zone Ltd.	67	Surekha B. Shah
18	Adani Township & Real Estate Company (Mumbai) Pvt. Ltd.	43	m to M Traders Pvt. Ltd.	68	Vasant S. Adani
19	Adani Township & Real Estate Company Pvt. Ltd.	44	Mahasukh S. Adani	69	Vasant S. Adani Family Trust
20	Adani Wilmar Ltd.	45	Mahasukh S. Adani Family Trust	70	Vinod S. Adani
21	B2B India Pvt. Ltd.	46	Mansi K. Shah	71	Vinod S. Adani Family Trust
22	Bhavik B. Shah	47	Namrata P. Adani	72	Vanshi R. Adani
23	Dahej Power Pvt. Ltd.	48	Netvantage International Ltd.	73	Vinod N. Sanghavi
24	Gautam S. Adani	49	Priti G. Adani		
25	Gautam S. Adani Family Trust	50	Pushpa V. Adani		

ANNEXTURE - IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

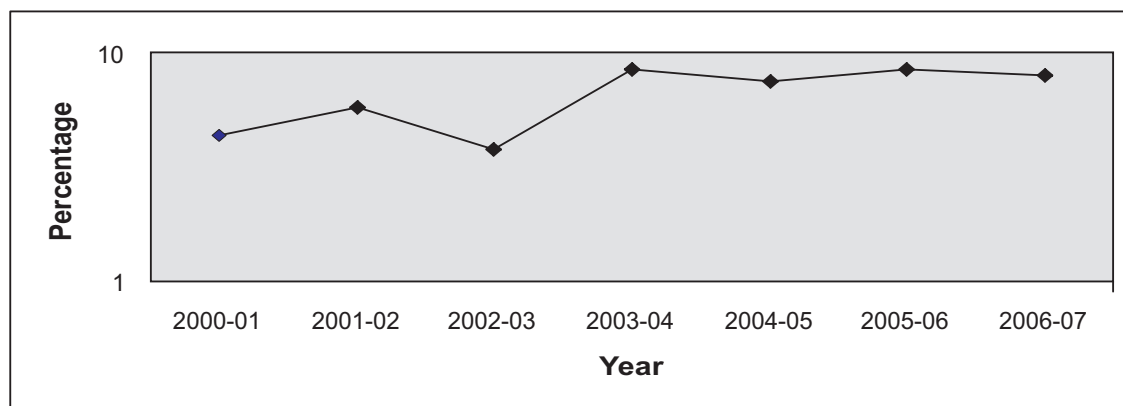
The management of Adani Enterprises Limited (AEL) presents the analysis of performance of the Company for the year 2006-2007 and the outlook for the future, which is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

Economy and Business Environment

The Economy – an overview

Booming capital markets, rising foreign exchange reserves, growing corporate performance and increasing exports contributed to 8% GDP (advanced estimates) for the financial year ending March 31, 2007. The world's largest democracy and free market continues to shine as well as smile in spite of occasional hiccups. The Country's GDP has for the first time in the last ten years experienced a consistent average growth rate of 8% per annum. However, the last time when it happened in the mid nineties, the invest rates were significantly lower, which projected a GDP growth rate of 6 - 6.50%. This is the key driver of progress and it is crucial that invest rates have increased so as to sustain an annual GDP growth rate of 8%.

GDP Growth over the Years



This impressive economic growth was the result of a general improvement in disposable incomes, driving demand across various industry sectors. This impressive economic scenario is likely to lead to progressive reforms, reduction in tariffs, growing Foreign Direct Investment (FDI) and more importantly, a much needed thrust in infrastructure and if all these fall into place, then the Country's economy will be on a sustained high.

The high growth trajectory will indeed have far reaching implications on the domestic market. Per capita income would rise; FDI would bring in a slew of global players, household consumption patterns would shift, organized retail would become more apparent and cars, durables, healthcare, education, branded goods, would get a substantial boost.

The cautionary steps would be to safeguard the economy against growing inequalities of income and meet the requirements of infrastructure and real estate, which are important challenges to India's growth strategy.

To capitalise on the changing scenario of emerging India, the Company has emerged from a pure commodity player to a value chain enhancer with emphasis on asset creation for long term sustainability and locking higher margins. The company focuses on five business sectors for future growth and profitability : **Power, Oil & Gas, Real Estate, Agro and Metals & Minerals** with shipping venture as a backbone to its various businesses. The management's views on the Company's performance and outlook for each of these segments are discussed below :

Business: Power

The Company has planned to make the power sector its major thrust area in the coming years. It has extensively leveraged on its coal trading, power trading and logistics expertise and now extended its sphere of activities to coal mining and power generation. This will make it one of the largest integrated players in the Power Sector in the ensuing years.

Coal Trading

Coal is one of the primary sources of energy, accounting for about 55 per cent of the total energy consumption in the country. China and India together account for almost three-quarters of the increase in coal demand in developing countries and two-thirds of the increase in world coal demand.

During the year under review, the Company has established global alliances for quantity and quality commitment from large miners in Indonesia and China. The Company has entered in to long-term arrangement for supply of imported coal, which has lesser Ash content and better calorific value for higher productivity. Despite volatility of coke and coal prices, the Company was able to fulfill its commitments and also picked up new orders from electricity boards.

The Company continues to improve its coal business by expanding its sourcing network, cost effective shipping and timely delivery at the power stations.

Power Trading

The Company was among the first movers to identify the opportunity in power trading after modification of Electricity Act in 2003 and venture into power trading by obtaining necessary license for the purpose. With constant improvement of trading efficiency, the Company was awarded the highest category 'F' inter-state license for trading in power by the Central Electricity Regulatory Commission (CERC) in 2003. Since 2003, the Company has emerged as the leading private sector power trader in the country. This position it expects to maintain in the coming years too. The Company has tie-ups with various State Electricity Boards, power plants and also participated in tariff based bidding for different states. As a long term strategy, the Company is also setting up merchant power project(s).

Coal Mining

The Company through its wholly owned subsidiary named PT Adani Global in Indonesia has initiated Coal Mining business looking to the growing business opportunities and increasing demand of imported coal in India. The Company has acquired coal mining rights in East Kalimantan region on the Bunyu Island, Indonesia.

On the basis of various studies conducted, the Company has estimated large mineable reserves. The Company has already initiated steps to undertake the mining operations in a phased manner in the ensuing year.

Your Company has also been selected by Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RVUNL) for carrying out coal mining operations for its power plant. Indigenous coal mining shall accordingly form an important segment of the overall power sector thrust area for the coming years.

Power Generation

The Company has ventured into Power Generation project, looking to overall deficit in the country and also growing demand of power for power trading purpose. The Company through its 100% subsidiary Adani Power Limited, has initiated coal based power plant development in three phases to reach overall capacity of 2640 MW by end of 2010 in a phased manner. The first phase of Power plant with a capacity of 660 MW will be fully operational by April, 2009. The company has already signed two Power Purchase Agreements with Gujarat Urja Vikas Nigam Limited (GUVNL) to supply 2,000 MW power for next 25 years.

The Company has already placed orders for purchase of Boiler, Turbine & Generator and civil work at site is also progressing as per plan.

The capacity of the project will be enhanced in the second phase by another 660 MW (2x 330 MW). The Phase II is scheduled to be completed by October, 2009.

The capacity of the project will be enhanced further by another 1320 MW (2 x 660 MW) in the third Phase, which is scheduled to be completed by October, 2010.

With the setting up of the power plant, your Company shall be a large integrated player in the power sector value chain viz. From coal trading, power trading to coal mining and power generation.

Business: Oil & Gas

Oil & Gas Exploration

Your Company, through a consortium (where it has 65% stake), has been awarded two oil and gas blocks by Government of India in the recently concluded New Exploration Licencing Policy Round VI (NELP VI). One block is situated in Gujarat with a total area of 75 sq. kms. and other block is located in Assam with a total area of 95 sq. kms. During the year under review, the Company has also been awarded one onshore block by Govt. of Thailand in Eastern provinces of Nakhon Ratchasima & Buri Ram with a total area of 3900 sq. kms. Your Company also plans to participate in the upcoming NELP VII.

City Gas Distribution

As a part of its diversification and expansion programme, the Company plans to acquire majority stake in "Adani Energy Ltd." which has already set up a Gas Distribution Network in two of Gujarat's most industrialized and commercial cities of Ahmedabad and Vadodara. Adani Energy has set up a large infrastructure of pipelines and CNG stations in these cities and caters to a large base of industrial, commercial and residential consumers.

Adani Energy is also implementing City Gas Distribution projects to repeat the similar success stories in Noida, Lucknow & Khurja in UP, Faridabad in Haryana and Udaipur, Jaipur in Rajasthan. Adani Energy has already initiated the infrastructure development in these cities to meet the fuel needs of industrial, domestic, commercial & Transport sectors.

Apart from the above ventures, the Company continues its focus on its following value enhancing trading operations :

Petroleum & Oil Lubricants (POL)

Petro products play a vital role in every industry. Barring LPG with nearly 85% domestic consumption, all other products are used across industries. The Company deals in various Petro products, comprising of Gas Oil (Furnace Oil), High Speed Diesel, Naphtha, Base Oil, Rubber Processing Oil.

In line with the business plans of your company, State of the Art - Bunkering (Ship Fueling Business) facilities were established at Mundra Port during the year under review. These facilities interalia include laying of pipelines connecting all the jetties for bunker supplies, insulation of receipt and bunker supply pipelines and storage tanks enabling smooth handling of highly viscose product. Consequent to the above, the Company was the first in the country to very effectively handle Bunker Fuel Oil. Two Bunker Barges of a capacity of 3000MT each with State of the Art facilities are in the final stages of fabrication and construction and are likely to be operational during next financial year which will significantly boost up the bunkering activities of the Company.

Petrochemicals:

The year under review, witnessed large fluctuations in the crude oil. With the support of the major petrochemical manufacturers, the Company continued to grow its market share in the year. In this space the Company serves a spectrum of industries such as Agro, Chemicals, Pharmaceuticals, Dyestuffs, Inks & Coatings, Emulsions, Resins, Plasticizers, Performance chemicals etc. With dedicated port facilities the Company was uniquely placed to capitalize on the growing import needs of Ethanol, a basic raw material, during the year under review.

Fertilizers & Fertilizers Raw Materials (FRM)

In the fertilizer and fertilizer raw material segment, Sulphur and Ammonium Nitrate are the major items, imported by the Company, with niche market and repeat orders. Ammonium Nitrate is used in various industries, viz, Pyrotechnics, Herbicides and insecticides, Ingredients of freezing mixtures, Ceramics, Chrome Leather tanning and in the manufacture of catalysts.

The Company hopes to expand the business by regularly importing Sulphur Vessels at Haldia & Vizag Ports (ECI) and consolidate its already existing strong presence at Kandla & Dharamtar (WCI).

Business: Real Estate

The Company has ventured into real estate development business through its 100% subsidiary Adani Infrastructure & Developers Pvt. Limited leveraging on its competitiveness of successfully developing large size projects like Mundra Port, Edible Oil Refinery, Railway line connectivity, Gas Distribution network, Grain Silos etc. In the first year of incorporation, the Company has identified three projects with large scale development which shall be constructed with large established real estate developers.

"Bandra Kurla Complex"

The company has agreed for securing development rights for about 2 mn square feet of property at Bandra Kurla Complex, Mumbai. The site is located in International Finance & Business Centre (IFBC) in Bandra-Kurla Complex (BKC) and is in the close vicinity of some of the most prestigious commercial developments in BKC. The site is ideally located for a large integrated office and commercial complex and your Company has initiated the development plans.

"Shantigram"- Integrated Township at Ahmedabad, Gujarat

The Company has launched the development of Integrated township spread across over 500 acres of single parcel land with potential of Residential, Commercial, Retail and Special Economic Zone. 'Shantigram' will be one of the largest and most modern futuristic township of its kind.

“Other Developments” in Mumbai City (Borivali & Byculla)

As per order of Board for Industrial & Financial Reconstruction (BIFR) dated 22nd February 2007, Khatau Makanji Spinning & Weaving Mills Ltd. (KML) has been demerged and the properties pertaining to Byculla and Borivali vest with the resulting company i.e. Swayam Realtors and Traders Ltd. (SRTL) which is a step-down subsidiary of your Company.

Your Company has plans for large modern commercial / residential complex at these locations.

Business: Agro

Agro Commodities Trading

Your Company is a major diversified player in the Agri Sector of the Indian Economy. Agriculture Sector continues to play a prominent role in the Indian economy providing livelihood to more than half of the population. Due to large demand and supply variations and the intrinsic volatility of the sector, your Company shall continue its role as facilitator through its growing basket of Agri Products. Your Company has successfully expanded its global reach and presence in the domestic / foreign markets with concentrated efforts to increase the market share to position itself as bulk aggregator, logistic manager and established distributor in export and domestic trade in entire range from Oil & Oil Meals to Grains & Pulses.

During the year, the Company has consolidated its position in its existing agri basket comprising of Food Grains, entire range of Oil & Oil Meals and Castor. Other than traditional products, the Company is also exploring opportunities by adding new products like Sesame Seed, Barley, Shorgum, Mentha Oil etc. to broaden the product range and to expand the market reach. Your Company's trading model is suitably extended to carry out processing through tolling locations.

Through a judicious internal restructuring, your Company now has brought the entire Adani Group's initiatives in the Agri Sector under one umbrella. Apart from its traditional Agri trading operations, it now has following ventures under its fold: -

Edible Oil integrated business

The Company has commenced trading in Edible Oil during 2000, looking to urbanization and increasing demand of packed oil, the Company has ventured in to Edible Oil Refining with 50 : 50 JV with world's oil major Wilmar Trading - Singapore and established first Indian port based edible oil refinery with a refining capacity of 2,200 MT per day. This refinery has potential to operate entire year on the basis of imported vegetable crude oil from Malaysia. Matching with increasing demand, Adani Wilmar Ltd. has also enhanced refinery capacity and touched 3200 Ton per Day mark with acquisition of refinery at Mantralayam, Bundi & Haldia. With enhancement of refining capacity, location specific products and branding efforts have also supported the growth of the business.

Adani Wilmar Ltd. (AWL) has promoted its product under “Fortune” and captured 17% market share and first position in packed edible oil segment in India. The “Fortune” products are available in entire range of edible oil and starts with Soya Oil (38% market share), Sunflower (10% market share), Groundnut Oil (20% market share), Non Refined Mustard Oil, Cotton Seed Oil.

During the year AWL has added coconut oil to its product basket. AWL's newly launched coconut oil brand “Naturelle” has already received encouraging response in the market.

During the last 6-7 years of operation, AWL has spread its distribution network across India and also in the neighboring countries. Today AWL has distribution foot prints all across the country with 88 stock-points catering to more than 6000 distributors and numerous brokers and other trade associations. AWL's retail reach is more than 6,00,000 outlets. Looking to domestic needs and established distribution network, AWL has also added Vanaspati Ghee under “Raag” brand and bakery shortening under “Jubilee” brand. AWL is continuously increasing its market share in sunflower and vanaspati. With the best brand and network, AWL is poised to grow rapidly in the coming years.

Fruits & Vegetables – integrated business

India is a leading fruits & vegetables producer but lacks post harvesting technology, insufficient storage and improper transportation methodology leading to large wastages. The Company through 100% subsidiary named Adani Agri Fresh Limited has introduced ultra-modern Controlled Atmosphere Storage Facility in India at Himachal Pradesh for storage of Apples and other fruits. This facility increases the shelf life of products which can be profitably offered during off-season. The Company has commenced its operation in Himachal Pradesh with seasonal procurement of Apples and plans to expand its reach in other parts of the country with varied offerings.

Food Grain Silos – Pioneering Agri Logistics

India is a leading food grain producing and consuming country in the world. Modernization has taken place in farming to enhance the production but post harvesting technology and improper storage leads to substantial wastage. This wastage can be reduced with proper initiatives towards storage management and logistics facility. The Government of India had taken revolutionary measures and invited tender from private parties to build, own and operate food grain storage and logistics circuits with take or pay commitment from Food Corporation of India for next 20 years.

Adani Agri Logistics Limited (100% subsidiary of the Company) had won the tender to establish grain storage, handling and transportation facilities. In the scheme of development the Company has to construct 2 Lac MT storage facilities each at grain producing states – Punjab & Haryana with fully mechanized operation and Steel / RCC silos for grain storage. Similarly, for local distribution, distribution depots in Navi Mumbai (50000 MT), Coimbatore (25000 MT), Chennai (25000 MT), Bangalore (25000 MT) and Hooglee (25000 MT) are to be established. To avoid wastage in transit, specialized top feeding – bottom discharge wagons were procured for movement of grain between producing states to consuming states.

Adani Agri Logistics Limited –is in process of development of above facilities and expects to develop the entire chain of operation in a phased manner.

Business: Metals & Minerals

The “Metals and Minerals” group continues to expand its horizons and is an important contributor with increased thrust on asset based trading.

Iron Ore

Iron ore forms a strategic trade commodity and your Company continues to scout for long-term sourcing arrangements.

During the year 2006-07, the Company exported 3.85 Mn MT of Iron Ore from India and has posted a healthy margin. Belekeri Port, Karnataka from where bulk of iron ore is shipped has also commissioned floating cranes to load gearless vessels at the anchorage and have handled all vessels including our captive vessels at a record load rate.

Precious Metals

The Company has been major exporter of Precious Metals. During the current year, the Company has concentrated on select range of Value added products to improve the overall margins. Leveraging on its Five Star Export House status and its competencies in the precious metals business, it is now in the process of enhancing its bulk trade in Gold and service a large base of customers.

Scrap

The Company is a leading metal scrap trader in the Indian sub-continent trading with buyers of India, Pakistan and Bangladesh. The metal scrap is sourced from United States and Europe and your Company is the preferred supplier to many large customers.

Ship Breaking

As a measure to backward integrate its operations in scrap business, the Company has identified ship breaking yard named Bay Bridge Enterprises Inc. in Virginia State of USA. The ship breaking unit is one of the six yards registered with Maritime Authority of USA with highest order of environment protection. This unit is targeting old Navy and Coast Guard Vessels floating on the eastern coast. This unit serves as a low cost entry point into green ship-recycling business. The unit is located in Virginia State on East Coast. The ship breaking initiative by the company is a backward integration measure to its existing scrap trading business and will help the Company in future to secure higher margins.

Shipping as a backbone to AEL Businesses

Ship Owning and Chartering

Shipping is the largest and the most important mode of international transportation for the country. Around 95% by trade volume and 70% by trade value of India's overseas trade is using sea-route. To capitalize on this growing segment and to supplement its existing strong global trading operations which are largely sea borne, the Company has decided to venture into the shipping operations and has already placed orders with a Korean shipyard to build two capsized vessels with a capacity of 175,000 DWT each with expected delivery by end of 2010. The Company is also planning to procure few more vessels over next five years for mainly handling the in house cargo including coal and iron ore to effectively manage its freight cost. This foray shall enable it to better manage logistics requirements of all its relevant businesses.

Competition / Outlook on opportunities

Over the years, the Company has emerged as a trading conglomerate and has also increased the commodities in its trading basket and has now become a player to reckon with leading position in trading of coal, power, iron ore, oil & oil meals, grains & pulses, petroleum and petrochemicals products.

During the current year, the Company has leveraged on its global distribution network and expanded exports turnover, on the back of the booming global economy. The emergence of the Company, as leading Coal supplier, proven expertise in Power Trading, growing opportunities in the domestic agro markets, infrastructure & logistics advantage at Mundra Port has enabled the company to increase its domestic trade.

The Company has persistently maintained its core competence, that of its Logistic Solutions Provider, and has captured hefty volumes in its Energy Basket. The foray into Power Trading has yielded encouraging results, whereby the Company has recorded voluminous turnover. The business focus has been to improve the trade margins, weeding out those transactions, where the profitability has not been enough to justify the trading risk. The overall operating margins have improved.

In adherence to its objective of widening the scope of its activities in the trading value chain and evolving as an asset backed trading house, the Company has been constantly increasing its scope of activities at sourcing, logistics & handling as well as at the consumption end of the commodities. The Company has continued to focus on its core Value chain enhancement & asset focused trading businesses comprising of five business units: **Power, Oil & Gas, Real Estate, Agro, Metals & Minerals**. The Company along with its present traditional trading model is also venturing into various other areas to make a significant presence on supply side as well as demand side value chain as discussed above.

The changing business environment is throwing up exciting opportunities which can be converted into successful business ideas by creative and efficient management. The Company, today, has one of the most committed and highly experienced team of professionals in its ranks to man the various tasks of a growing conglomerate.

○ Risk and Concerns

➤ Risk relating to International Trading Operations

The Company's trading operations are international in nature and the Company also proposes to operate shipping vessels worldwide. These international operations involve additional risks, including the possibility of restrictive actions by foreign governments, including vessel seizure; foreign taxation and changes in foreign tax laws; limitations on repatriation of earnings; changes in currency exchange rates; local sabotage and ownership laws and requirements; nationalisation and expropriation risks; loss of contract rights; and political instability, war and civil disturbances or other risks that may limit or disrupt markets in which the Company operates. Further, the Company's foreign subsidiaries may face governmentally imposed restrictions on their ability to transfer funds to their parent company. The Company has initiated adequate insurance covers to hedge against these risks in business. These are assessed on a regular basis and the Company takes the best possible coverage of insurance from well-established sovereign enterprise at minimal costs.

A part of the Company's trading operations is located in markets in the Middle East and the Asia-Pacific region. The legal and regulatory regimes in these markets are less certain than in more developed markets and may be subject to unforeseen changes. At times, the interpretation or application of laws and regulations is unclear; neither is the content of applicable laws and regulations always readily available to the public. The Company believes in complying with the laws of the land in letter and spirit and is in the process of developing internal control tool for monitoring compliances on real-time basis.

➤ Foreign Exchange Risk

The Company is exposed to foreign exchange risks by virtue of being an exporter and importer of its products. Depreciation of the rupee against the US dollar or of the US dollar against other currencies in which the Company conducts its business may increase the cost to the Company of servicing and repaying its foreign currency borrowings and other financing arrangements.

The Company's policy is to systematically hedge its long term foreign exchange risks as well as short term exposures in line with its hedging policy. The Company has also created a forex management team. The Company manages this position through an ongoing risk analysis of every forex transactions. In addition, the Company has laid down standard operating procedures to de-risk itself from currency volatility. The Company could indeed benefit from a strengthening in the domestic currency against the US dollar.

➤ Funding Risk

The Company may not be able to put together adequate low-cost resources to finance its growth plans, dampening profitability.

Over the years, the Company has ploughed back earnings into the business, creating a strong financial statement. The Company maintains a history of timely repayments of all external liabilities. These factors allow it to collect funds at rates, which are better than industry standards.

In view of prudent and conservative risk mitigating strategy by the Company, it does not perceive interest rate fluctuations as a significant risk having any material impact on its profitability.

➤ **Economic Risk**

While the macro economic and industry outlook are stable and positive, factors such as spiraling energy prices, higher inflationary pressures, strengthening dollar, revenue slippages leading to larger fiscal deficit, political uncertainties etc. could change the business environment.

➤ **Human Resources**

The Company is managed by highly skilled professionals in all its operations, ashore and afloat, thereby achieving organizational efficiency. The Company undertakes regular training activities to improve the performance of its activities.

➤ **Risk Element in individual Businesses**

Apart from the risk on account of International Trading Operations, various businesses of the Company are exposed to certain operating business risks; which are managed by regular monitoring and corrective actions.

Internal Control Systems and their adequacy

The Company maintains adequate systems of internal control, including appropriate monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures are in place to ensure that all transactions are authorized, recorded and reported properly. The system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

Elements

The key elements of the internal control systems comprises of :

- An adequately structured organization with a clear definition of the authority-responsibility functions for each position.
- Clearly defined and articulated key result areas and performance indicators with appropriate information flow throughout the organization to analyse team and individual performance.
- Well-defined policies with teams to monitor covering areas such as financial reporting, accounting, information security, project appraisal and corporate governance.
- Cutting-edge technologies, namely the IT platform (SAP-ERP package) to streamline business operations and strengthen the internal control systems.

Review and audit:

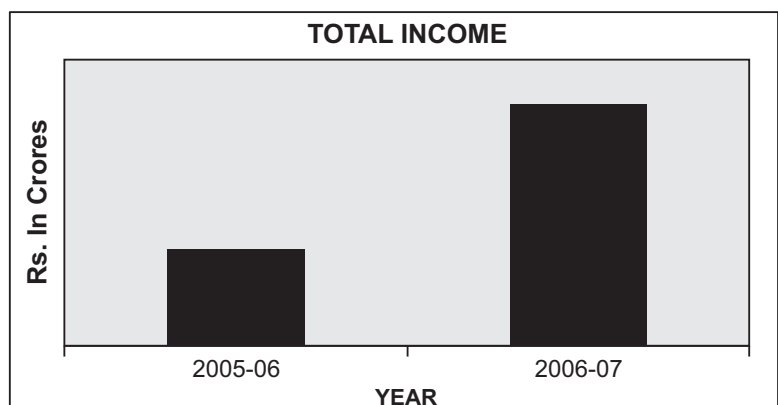
The internal audit department together with independent firms of Chartered Accountants reviews the effectiveness of these systems and procedures. Significant deviations are brought to the notice of the Audit Committee of the Board periodically and corrective steps are recommended for implementation.

Standalone Financials Performance with respect to operational performance

The Directors are pleased to come out with yet another robust financial performance showing overall development in all businesses

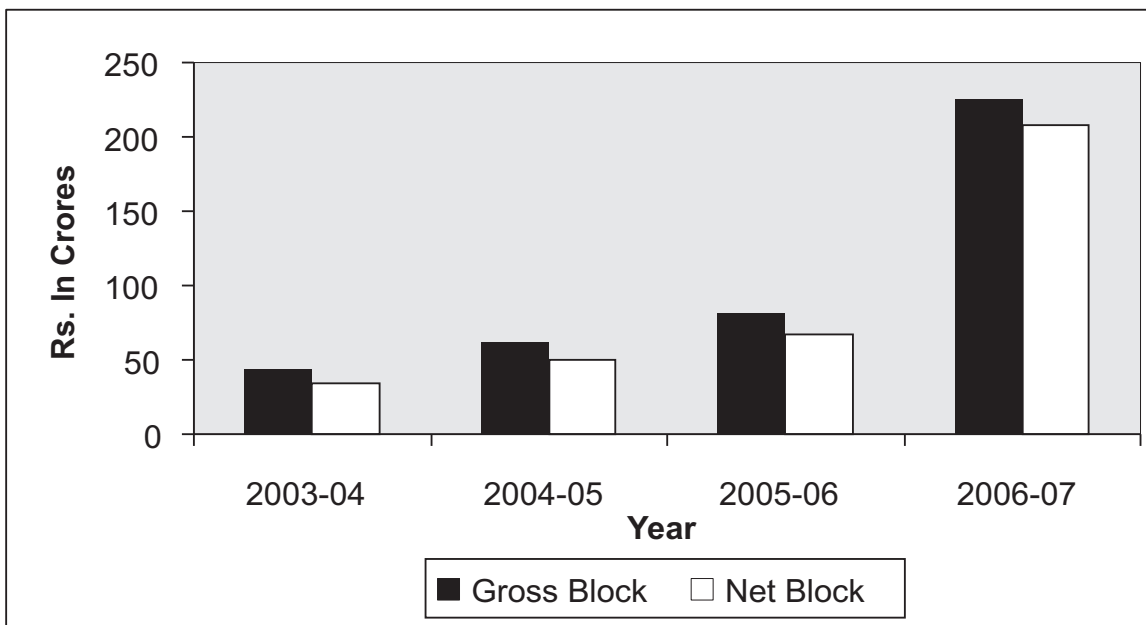
Revenues:

The Company has recorded total income to the tune of Rs. 10151.66 Crores during the year 2006-07 with an increase of 9.00% in comparison to corresponding period in previous year.



Fixed Assets (Net Block) :

The Net Block of the Company as at 31st March, 2007 is Rs. 207.98 Crores as compared with Rs. 78.13 Crores as at 31st March, 2006.



Profits and profitability

During the year, the Company generated earnings before interest, depreciation, tax and appropriation (EBIDTA) of Rs. 349.54 Crores compared to Rs. 271.82 Crores, an annualized growth of 29 per cent. Net profit margin was significantly higher by 27 percent. Earnings per share increased by 21 per cent on annualized basis to Rs. 6.35/- on face value of Re. 1 each.

Profit Before Tax of the Company has increased to Rs. 198.31 Crores for the period ended 31st March, 2007 compared to Rs. 156.45 Crores for the period ended 31st March, 2006 reflecting a handsome growth of 27%.

The Management is pleased with the financial milestones achieved by the Company during the year under review and foresees eminent growth potentials in the years to come.

Consolidated Financial Performance of the Company :

Your company manages its projects and trading businesses via various domestic and overseas subsidiaries. Hence it becomes worthwhile to analyze the financial performance of the company on a consolidated basis to understand its full value.

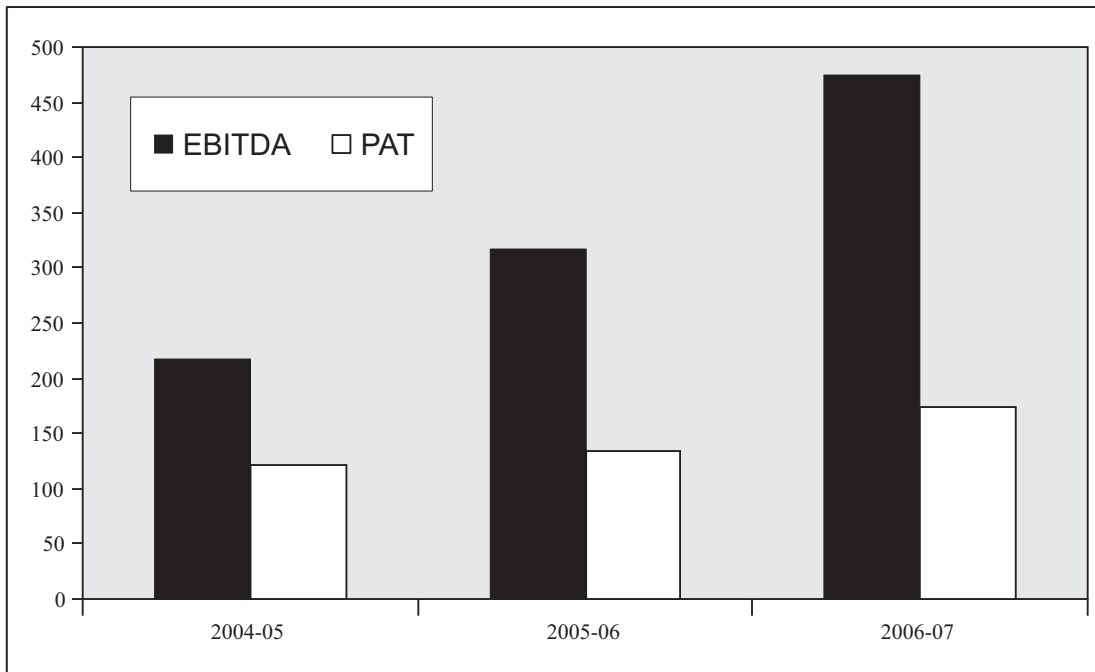
Revenue:

The Company has recorded total income to the tune of Rs. 16953.22 Crores during the year 2006-07 with an increase of 37% in comparison to corresponding period in previous year on the back of strong economic growth.

Profitability:

During the year, the Company generated earnings before interest, depreciation, tax and appropriation (EBIDTA) of Rs. 474.39 Crores compared to Rs. 317.55 Crores, an annualized growth of 49 per cent. Net profit of Rs. 173.28 crores also grew by 29% on a yearly basis. Earnings per share increased by 23 per cent on annualized basis to Rs. 7.31/- on face value of Re. 1 each.

(Rs. Crores)



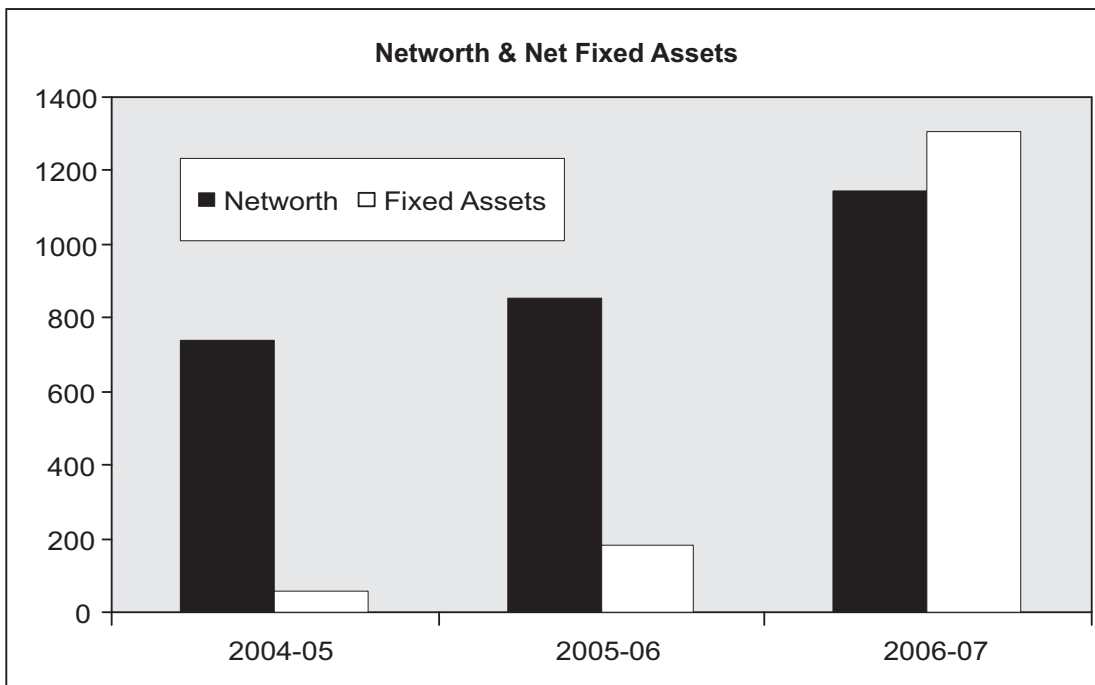
Net Worth:

During the year, the Net worth of your Company has increased to Rs. 1147 crores as against Rs. 852 crores during the last year, thus achieving a healthy growth of 35%.

Fixed Asset growth:

As part of its strategy, the company is entering the asset backed businesses to ensure its presence over the entire value chain. The growth in the Net Fixed Assets is a testimony to the Company's efforts in that direction. The Company's Net Fixed assets have increased to Rs. 1308 crores from Rs. 183 crores in the corresponding previous year thus exhibiting a significant jump of 615% .

(Rs.Crores)



Developments in Human Resources

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business. We strongly believe that employees make the difference and it has been the Company's continuous endeavor to create environment where people excel and feel a sense of achievement.

To support the growing and expanding businesses, talent acquisition at all levels has been a focus area of the Company in addition to building a team of future leaders through campus recruitment of Management trainees and Graduate Engineer Trainees from premium institutions every year.

Knowledge Building

- Training is an important lever to enhance the capabilities of people and the performance of the organization. Necessary training programmes are arranged to bridge the gap between existing skills and desired skills of the employees in line with organizational needs. Your Company is continuously striving to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of their full potential.
- In addition, there are leadership and management development programmes to enhance managerial capability.
- Continuous growth of “**A**dani **K**nowledge **C**entre” to grow intellectual capital.

Employee relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees enabled the Company to remain at the forefront of its business areas of presence.

The Company follows various practices to provide a conducive working environment:

- A flat organization.
- Competency mapping at the time of joining to ensure that the right person is given the right job profile so as to enhance productivity.
- An entrepreneurial mindset by delegating responsibility and allowing members to take full project control and ownership.
- Recognition and rewards for performers.

It is pleasure to note that Adani Enterprises Limited has now become the “preferred employer” for talent across the nation.

Cautionary Note

The statements forming part of this Report may contain certain forward looking remarks within the meaning of applicable laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements.

Significant factors could make a difference to the Company's operations include domestic and international economic conditions, changes in Government regulations, tax regime, other statutes etc.

The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information or events.

ANNEXURE V CORPORATE GOVERNANCE REPORT

INTRODUCTION

Effective Corporate Governance is necessary to maintain public trust and to achieve business success. Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. As shareholders across the globe evince keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage of the way the corporate world functions.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in the Clause 49 of the Listing Agreement with the Stock Exchanges is set out below :

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

“CORPORATE GOVERNANCE IS A VITAL TO ENABLE COMPANIES TO COMPETE GLOBALLY IN A SUSTAINED MANNER AND LET THEM FLOURISH AND GROW.”

We are proud that we believe in Corporate Governance not only as a law but in spirit too. Our endeavours is to maximize the wealth of stakeholders by managing the affairs of the Company with pre-eminent level of accountability, transparency and integrity. Your Company believes that adhering to global standards of Corporate Governance is essential to enhance shareholders value and achieve long term corporate goals.

Your Company's philosophy on Corporate Governance stresses upon the importance of transparency, accountability and protection of shareholder interest.

At Adani Enterprises Limited (AEL), we believe in and abide by the following principles of effective Corporate Governance

- ❖ **A**ccountability, supported by robust internal processes of management oversight and control for monitoring of performance.
- ❖ **E**stablishment of well defined corporate structure to ensure checks and balances and delegates decision making to appropriate levels in the organization.
- ❖ **L**ong-term creation of wealth for all stakeholders by balancing the enforcement and protection of the rights of all stakeholders.

CORPORATE ETHICS

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

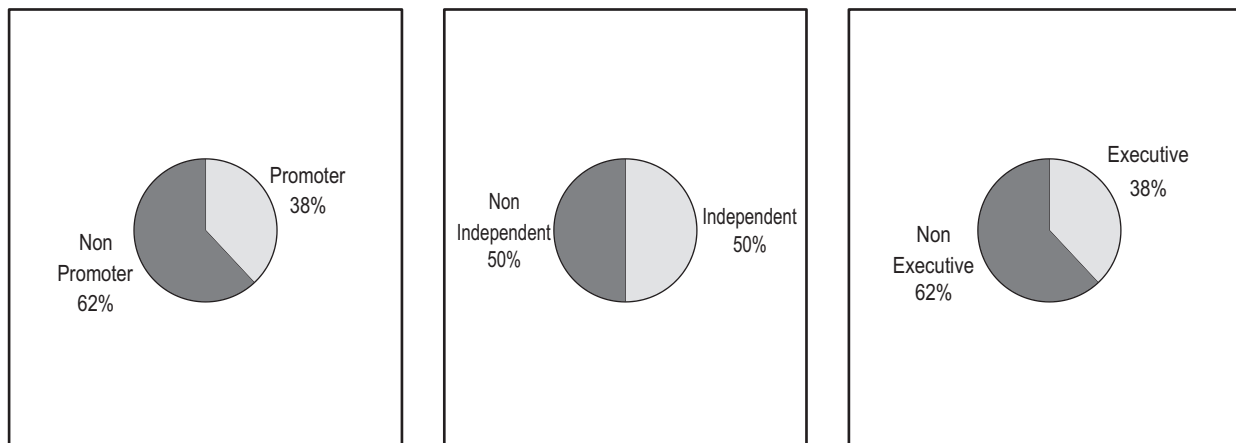
The Company has complied with the provisions of the amended Clause 49 of the Listing Agreement with the Stock Exchanges, which deals with the compliance of Corporate Governance requirements. The same are detailed below.

BOARD OF DIRECTORS

Composition and Category

The business of the Company is conducted by the management under the direction of the Board, which oversees its performance. The Board currently comprises of eight members, five of whom are non-executive. A resume of each of our director is available on the website of the Company at www.adanigroup.com.

Shri Gautam Adani is the Executive Chairman of the Company. In accordance with the stipulations of the revised Clause 49 of the Listing Agreement half of the Board members are independent directors, as is illustrated by the below graph.



The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a member / chairman are as under :

Name of Director	Category of Directorship	Directorship in Other Companies (Other than AEL)*	No. of Board Committees# (other than Adani Enterprises Limited) in which Chairman / Member.	
			Chairman	Member
Shri Gautam S. Adani	Promoter Executive	6	4	1
Shri Rajesh S. Adani	Promoter Executive	7	--	6
Shri Vasant S. Adani	Promoter Non Executive	--	--	--
Shri C.R. Shah	Independent Non Executive	12	2	6
Shri Pradeep Mittal	Non Promoter Executive	--	--	2
Dr. A.C. Shah	Independent Non Executive	4	1	5
Dr. Pravin P. Shah	Independent Non Executive	5	1	3
Shri Jay H. Shah	Independent Non Executive	--	--	--

It relates to Audit Committee, Shareholders Grievances Committee and Remuneration Committee only.

* excludes directorships in Indian Private Limited Companies and foreign companies.

Dr. Pravin P. Shah holds 6,000 Equity Shares of the Company. Shri Jay H. Shah holds 15,000 Equity Shares of the Company. No other Directors are holding any shares of the Company.

Board Procedure

The Board meets at least once a quarter to review the quarterly performance and the financial results, to formulate the strategy and consider other items on the agenda. The Board meetings are scheduled well in advance and detailed agenda with notes are being sent to the Directors well in advance. Board meetings are held at the Registered Office of the Company.

The information as required under Annexure 1A to Clause 49 of the listing agreement is being regularly placed before the Board.

During the financial year ended on March 31, 2007, Six Board Meetings were held on 20th May, 2006, 29th July, 2006, 19th October, 2006, 2nd December, 2006, 31st January, 2007 and 17th March, 2007. The gap between two Board Meetings did not exceed four months.

The attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) is as under :

Name of the Director and Business Relationship	No. of Board Meetings attended during the year	Attendance at the 14th Annual General Meeting held on 29th July, 2006.
Shri Gautam S. Adani Executive Chairman	6	YES
Shri Rajesh S. Adani Managing Director	6	YES
Shri Pradeep Mittal Whole-time Director (Appointed as Whole-time Director w.e.f. 29th July, 2006)	2	NO
Shri Vasant S. Adani	5	YES
Shri C.R. Shah	5	YES
Dr. A.C. Shah	4	YES
Dr. Pravin P. Shah	2	YES
Shri Jay H. Shah	1	YES

Notes on Directors appointment / re-appointment.

Dr. A.C. Shah and Shri Vasant S. Adani, Directors of the Company, are retiring at the ensuing Annual General Meeting and are eligible for re-appointment. Details of Dr. A.C. Shah and Shri Vasant S. Adani are given in the Annexure forming part of the notice calling Annual General Meeting of the Company.

3. BOARD COMMITTEES

A. Audit Committee – Constituted on 27th January, 2001

Broad Terms of Reference

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements / other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out and that they were aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facets of Company's operation that are of vital concern to the Company.

The committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

The terms of Reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956 and inter-alia includes :

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - 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
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.

- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- g) 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.
- h) Discussion with internal auditors any significant findings and follow up there on.
- l) 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.
- j) 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.
- k) 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.
- i) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Apart from above, the committee also reviews other matters as required under Clause 49 of the Listing Agreement and other laws, rules and regulations.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2007.

Composition and attendance during the year ended 31st March, 2007.

The Audit Committee of the Company comprises four directors all of whom are Non-Executive and Independent Directors. All the Directors of the Committee are financial literate and are well versed with finance and accounts / legal matters and general business practices. The composition of audit committee is as under :

Shri C. R. Shah	Chairman
Dr. A. C. Shah	Member
Dr. P. P. Shah	Member
Shri Jay H. Shah	Member

The Company Secretary acts as Secretary to the committee. The meetings of the Audit Committee are also attended by statutory auditors, internal auditors, management and other senior personnel of the Company. The recommendations of the Audit Committee are accepted and implemented by the Board.

Meeting and attendance details

During the financial year ended March 31, 2007, four Audit Committee meetings were held on 20th May, 2006, 29th July, 2006, 19th October, 2006 and 31st January, 2007.

The Audit Committee also met prior to the finalization of accounts for the year ended March 31, 2007.

The attendance at the Audit Committee Meetings is as under :

Details of meetings attended by the members of the audit committee during 2006 - 07 are as follows:

Name of the Director	No. of meetings attended
Shri C. R. Shah	4
Dr. A. C. Shah	4
Dr. P. P. Shah	2
Shri Jay H. Shah	1

The Company Secretary was present at all the above meetings.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The Chairman of the Committee was present at the Annual General Meeting held on 29th July, 2006.

B. Remuneration Committee (Constituted on 23rd June, 2001)

Brief description of terms of reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Executive Chairman / Managing Director / Wholetime Directors.
- To recommend to the Board the remuneration including commission payable to the Executive Chairman / Managing Director / Wholetime Directors, revision in salary to be paid from the succeeding financial year and
- The remuneration payable to Non-Executive Directors based on their performance and defined assessment criteria.

The terms of reference of the Committee is as per the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement with stock exchanges.

COMPOSITION

The remuneration Committee comprises of four Directors, all of whom are Independent, Non-Executive Directors. The Chairman of the committee is an independent, non executive director nominated by the Board.

The composition of the Remuneration Committee is as follows :

Name of the Director	Position	Category
Dr. P. P. Shah	Chairman	Independent, Non-Executive
Shri C. R. Shah	Member	Independent, Non-Executive
Dr. A. C. Shah	Member	Independent, Non-Executive
Shri Jay H. Shah	Member	Independent, Non-Executive

MEETING AND ATTENDANCE

The Committee met once on 29th July, 2006 and Shri Dr. P.P. Shah, Shri C.R. Shah, Dr. A.C. Shah and Shri Jay H. Shah attended the meeting.

REMUNERATION POLICY

A. Remuneration to Non-Executive Directors

Ministry of Finance, Department of Company Affairs had vide its notification dated GSR 580(E) dated July 24, 2003 permitted Companies to pay sitting fees upto a maximum of Rs. 20,000/- per meeting. The Board of Directors of the Company in its meeting held on 30th January, 2006 decided to pay sitting fees of Rs. 10,000/- per meeting to Non-Executive Directors for each meeting of the Board, Audit Committee, Shareholders / Investors Grievances Committee and Remuneration Committee attended by them.

In accordance with the resolution passed at Annual General Meeting held on 29th July, 2006 the shareholders have approved the payment of commission to Non-Executive Directors of the Company up to the limits laid down under the provisions of Section 309(4) of the Act, computed in the manner specified in the Act, for a period of 5 years from the financial year commencing from 1st April, 2006.

The Compensation of Non-Executive Directors is approved unanimously by the Board.

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

No remuneration is paid to the Non-Executive non independent director.

The details of sitting fees paid to Non Executive Directors during the Financial Year 2006-07.

Name	Sitting Fees paid during FY (In Rs.) 2006-07		TOTAL (In Rs.)	No. of Shares held
	Board Meeting	Committee Meeting		
Dr. P. P. Shah	20000	30000	50000	6000
Dr. A. C. Shah	40000	90000	130000	NIL
Shri C. R. Shah	50000	90000	140000	NIL
Shri Jay H. Shah	10000	20000	30000	15000

B. Remuneration to Chairman, Managing Director and Wholetime Director

The appointment of Chairman and Managing Director and Wholetime Director is governed by resolutions passed by the Board of Directors and shareholders of the Company. Payment of remuneration to Chairman and Managing Director and Wholetime Director is governed by the respective agreements governed by the respective Agreements executed between them and the Company. Remuneration paid to Chairman and Managing Director and Wholetime Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the Annual General Meetings. The remuneration package of Chairman and Managing Director and Wholetime Director comprises of Salary, perquisites and allowances, commission and contributions to Provident and other funds as approved by the shareholders at the Annual General Meetings.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Details of the remuneration to the Chairman and Managing Director and Wholetime Directors during the year 2006-07 are as under :

(In Rs.)

Name	Salary	Perquisites & Allowances	Commission* (In Rs.)	Incentive Remuneration	Stock Options
Shri Gautam S. Adani	8700000	2911314	41854668	NIL	NIL
Shri Rajesh S. Adani	13200000	4317396	41854668	NIL	NIL
Shri Pradeep Mittal**	4494000	3587635	--	NIL	NIL

* Payable in FY 2007-08

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Managing Director and Wholetime Directors.

Presently, the Company does not have a scheme for grant of stock options or performance linked incentives for its directors.

Chairman and Managing Director and Wholetime Director so long as they functions as such shall not be paid any sitting fees for attending the meetings of Board or Committees thereof.

The Board of Directors take note of the Minutes of the Remuneration Committee Meetings at Board Meetings.

Company Secretary acts as Secretary to the Committee.

C. Shareholders' / Investors' Grievances Committee – (Constituted in June 2001)

Terms of Reference :

The Shareholder's/Investors' Grievance Committee of the Company deals with various matters relating to:-

- Review of shares dematerialized and all other related matters.
- Monitors expeditious redressal of investor' grievances.
- All other matters related to investors relations.

The terms of reference of the committee cover the matters specified under Clause 49 of the Listing Agreement with Stock Exchanges.

The committee also oversees the performance of Registrar and Share Transfer Agents M/s. Pinnacle Shares Registry Pvt. Ltd., of the Company and looks into the investors' complaints, if any and tries to redress it expeditiously.

The main object of the Shareholder's / Investors' Grievance Committee is to strengthen investor relations.

COMPOSITION

The composition of the Shareholder's / Investors' Grievance Committee is as under :

Name of the Director	Position	Category
Shri C. R. Shah	Chairman	Independent, Non Executive
Dr. A. C. Shah	Member	Independent, Non Executive
Shri Vasant S. Adani	Member	Non Independent, Non Executive
Shri Jay H. Shah	Member	Independent, Non Executive

The Board has designated Mrs. Birva Patel, Company Secretary of the Company as the Compliance Officer under the provisions of Listing Agreements entered into with Stock Exchanges.

MEETINGS AND ATTENDANCE

Four meetings of the Committee were held during the year April 1, 2006 to March 31, 2007. The meetings were held on 20th May, 2006, 29th July, 2006, 19th October, 2006 and 31st January, 2007.

Name of the Director	No. of meetings attended
Shri C. R. Shah	4
Dr. A. C. Shah	4
Shri Vasant S. Adani	3
Shri Jay H. Shah	1

Company Secretary acts as Secretary to the Committee and Company Secretary was present in all meetings of the Committee.

The Minutes of the Shareholder's/Investors' Grievance Committee are noted by the Board of Directors at the Board Meetings.

DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year under review 42 correspondences were received from investors. All investors correspondences have been attended to expeditiously and no investor grievances remained unattended/pending for more than thirty days as on March 31, 2007.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

b. Share Transfer Committee

The share transfer committee deals with various matters relating to :

- Transfer / transmission of shares.
- Issue of duplicate share certificate.
- Non receipt of Annual Report and declared dividend.
- All other matters related to shares.

Composition as on 31st March, 2007.

Shri Gautam Adani, Executive Chairman – Chairman
 Shri Rajesh S. Adani, Managing Director, - Member and
 Shri Vasant S. Adani, - Non Executive Director – Member.

The Committee deals with matters relating to transfers/transmission/transposition/ non-receipt of declared dividend/ consolidation/split of folios/issue of share certificates in exchange for sub-divided/consolidated/defaced share certificates/issue of duplicate share certificates etc.

The Share Transfer Committee meetings are held at least once in a fortnight. The Board of Directors notes the Minutes of the Share Transfer Committee at Board Meetings.

All valid transfer / transmission and other requests received during the year were approved and attended to by the Committee. There were no pending requests for transfer of Equity Shares as on March 31, 2007. (other than transfer sent under objections).

RISK MANAGEMENT PROCEDURES

During the year the Company initiated a Risk Management (RM) programme for its business risks. The Company undertook risk assessment and identification exercise under the said process the Company identified risks, put in place Risk Management framework and structured risk assessment and control process. Your Directors believe that the Company has a sound risk assessment and minimization procedure in place.

Investor Services

Your Company has already appointed M/s Pinnacle Share Registry Pvt. Ltd. as Registrar & Share Transfer Agent, who have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors. Other facilities such as remittance of dividend, bank mandate, incorporation of bank details on dividend warrants, revalidation of dividend warrants, issue of duplicate share certificates etc. are also extended to the Shareholders.

a) Name and Address of Compliance Officer is as follows

Ms. Birva C. Patel
 Company Secretary and Compliance Officer
 Adani Enterprises Ltd.
 "Adani House", Near Mithakhali Six Roads,
 Navarangpura, Ahmedabad – 380 009
 Tel No. (079) 25555 555, 26565 555,
 Fax No. (079) 26565 500, 25555 500

4. General Body Meetings

Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of Meeting	Time	No. of Special resolutions passed
2003-2004	3rd July, 2004	Fortune Hotel Landmark, Usmanpura, Ashram Road, Ahmedabad – 380 013	11.00 a.m.	2
2004-2005	12th August, 2005	Hotel Le Meridian, Khanpur, Ahmedabad – 380 001	11.00 a.m.	1
2005-2006	29th July, 2006	Lion`s Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006	11.00 a.m.	2

Postal Ballot

During the year 2006-2007, the postal ballot process was carried out for passing special resolutions under Section 372A and 17 of the Companies Act, 1956, to authorise the Board of Directors of the Company to make investments and give loans in excess of the limits prescribed in the said section and to alter main object clause of the Company's Memorandum of Association.

The postal ballot process was carried out as per the procedure laid down in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Mr. Rohit Choksi, an eminent Practising Chartered Accountant was appointed as Scrutinizer for conducting the postal ballot voting process. The details of voting pattern of the resolution are furnished hereunder :

RESULT OF THE SPECIAL RESOLUTION PASSED U/S. 372A OF THE COMPANIES ACT, 1956.

Total number of votes polled in favour of the resolution were 7,59,75,818 as against 16,279 votes polled against the resolution. Resolution was passed as Special Resolution.

RESULT OF THE SPECIAL RESOLUTION PASSED U/S. 17 OF THE COMPANIES ACT, 1956.

Total number of votes polled in favour of the resolution were 7,59,84,485 as against 7,511 votes polled against the resolution. Resolution was passed as Special Resolution.

The result of the Postal Ballot was announced by the Chairman of the Company on 22nd August, 2006 at the Registered Office.

5. Subsidiary Company

The Company does not have a material non-listed Indian Subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiary in the immediately preceding accounting year.

The Company monitors the performance of its subsidiary, inter-alia by the following means:

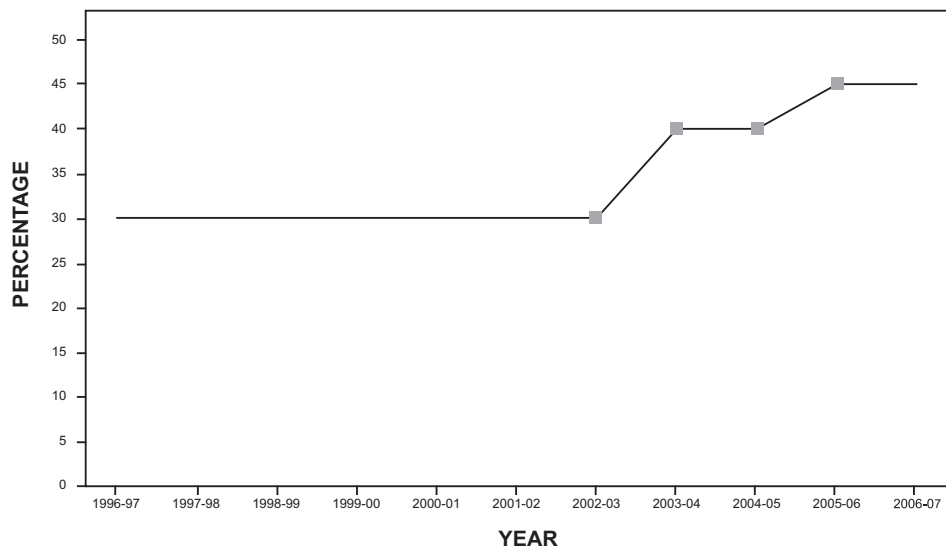
- The financial statements including investments made by the unlisted Company are reviewed by the Audit Committee of the Company.
- The Minutes of Board Meetings of the Subsidiary Company are placed before the Board Meetings of the Company.
- Details of significant transactions and arrangements entered into by an unlisted subsidiary Company are placed before the Board of the Company.
- As a part of good corporate governance, the project report of Subsidiary Companies are also reviewed by the Audit Committee of the holding Company

6. Dividend History (Equity Shares)

Year	Rate	Per Share (Rs.)	Amount (Rs. in Lacs) #
1996-97*	30.00%	3	222.44
1997-98	30.00%	3	330.71
1998-99	30.00%	3	330.71
1999-00*	30.00%	3	415.60
2000-01	30.00%	3	661.42
2001-02	30.00%	3	661.42
2002-03	30.00%	3	661.42
2003-04	40.00%	4	881.89
2004-05	40.00%	0.40 [•]	902.16
2005-06	45.00%	0.45 [•]	1017.86
2006-07 (Interim)	45.00%	0.45 [•]	1109.19

* Bonus issue in proportion of 1 : 1 # Excluding dividend Tax • Face Value of Shares Re. 1 each.

CONSISTENT DIVIDEND TRACK RECORD



7. Disclosures

a) Disclosure on materially significant related party transactions :

There are no material significant related party transactions, pecuniary transactions or relationships between the Company and its directors, promoters or the management that may have potential conflict with the interests of the Company at large except the details of transactions annexed to the Balance Sheet disclosed as per Accounting Standard 18 of the Institute of Chartered Accountants of India.

All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and the interested directors neither participate in the discussion nor do they vote on such matters. The Audit Committee also reviews related party transactions on periodical basis.

b) Details of non-compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets during the last three years.

No penalties or strictures were imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

c) Code of Conduct

i) For prevention of Insider Trading

The Company has a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances. The Company Secretary has been appointed a Compliance Officer and is responsible for adherence to "Code for Prevention of Insider Trading".

ii) For Board of Directors and Senior Management

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members and members of senior management of the Company. The code of conduct is posted on the website of the Company, www.adanigroup.com.

The Board members and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2007.

d) CEO / CFO Certificate

The Managing Director and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Clause 49 VII of the Listing Agreement.

8. Means of Communication

a) Quarterly, Half-yearly and Annual Results

The Board of Directors of the Company approves and takes on record quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of close of the reporting period.

In compliance with Clause 41 of the Listing Agreement, the Company sends the quarterly / half-yearly / audited results to the Stock Exchanges within 15 minutes of the end of the Board Meetings at which they are taken on record. First quarterly results of the Company were published in the Loksatta Jansatta (G) and Business Standard (E), second quarterly results of the Company were published in the Business Standard (E) and Loksatta Jansatta (G), third quarterly results of the Company were published in Business Standard (E) and Loksatta Jansatta (G) news papers. Audited results for the year ended on 31st March, 2007 were published in Business Standard (E) & Loksatta Jansatta (G).

b) The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

c) All data required to be filed electronically as EDIFAR documents pursuant to Clause 51 of the Listing Agreement, such as quarterly financial results, shareholding pattern, quarterly report on Corporate Governance are being regularly filed on EDIFAR website www.sebi.gov.in within the time prescribed in this regard in addition to filing of the same with the Stock Exchanges.

d) No formal presentations were made to the institutional investors and analysts during the year under review.

e) The Company's financial results and official news releases are displayed on the Company's website www.adanigroup.com.

f) As the Company's quarterly/half-yearly/annual financial results are published in press and also posted on its website, the same are not mailed to the shareholders.

g) Management Discussion and Analysis Report is attached with the Directors Report in this Annual Report.

9. General Shareholder Information

A. Change of Company Name

Pursuant to the resolution passed by the shareholders at the Fourteenth Annual General Meeting held on 29th July, 2006, approving the Change of name of the Company and upon receipt of requisite approval from the Registrar of Companies, Gujarat, the Company has changed its name to Adani Enterprises Ltd. with effect from 10th August, 2006.

B. 15th Annual General Meeting

Date	Time	Venue
29th September, 2007	10.00 a.m.	Hotel Le Meridian, Khanpur, Ahmedabad - 380001

C. Financial Calendar (April – March): (tentative and subject to change)

Period	Approval of Quarterly results
For the first quarter ending 30th June, 2007	: 4th Week of July, 2007.
For the second quarter and half year ending 30th September, 2007	: 4th Week of October, 2007.
For the third quarter ending 31st December, 2007	: 4th Week of January, 2008.
For the year ending 31st March, 2008	: Audited Results are declared in June, 2008 as permitted in listing agreement.

Limited Review by the Auditors : August end, 2007
November end, 2007
February end, 2008

D. Date of Book closure : 25th September, 2007 to 28th September, 2007 (Both days inclusive)

E. Listing on Stock Exchanges :

(a) The Equity Shares of the Company are listed on the following Exchanges :

Ahmedabad Stock Exchange (ASE) Kamdhenu Complex, Opp. Sahajanand College, Panjrapole, Ahmedabad 380 015	The Stock Exchange, Mumbai (BSE) P. J. Towers, Dalal Street, Fort, Mumbai - 400 001
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051.	

Listing fee for the year 2007-2008 have been paid to above stock Exchange

(b)	Depositories :	1.	National Securities Depository Ltd. Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
		2.	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400 023.

Annual Issuer charges for the year 2006-2007 have been paid to the above depositories.

F. Stock Code :

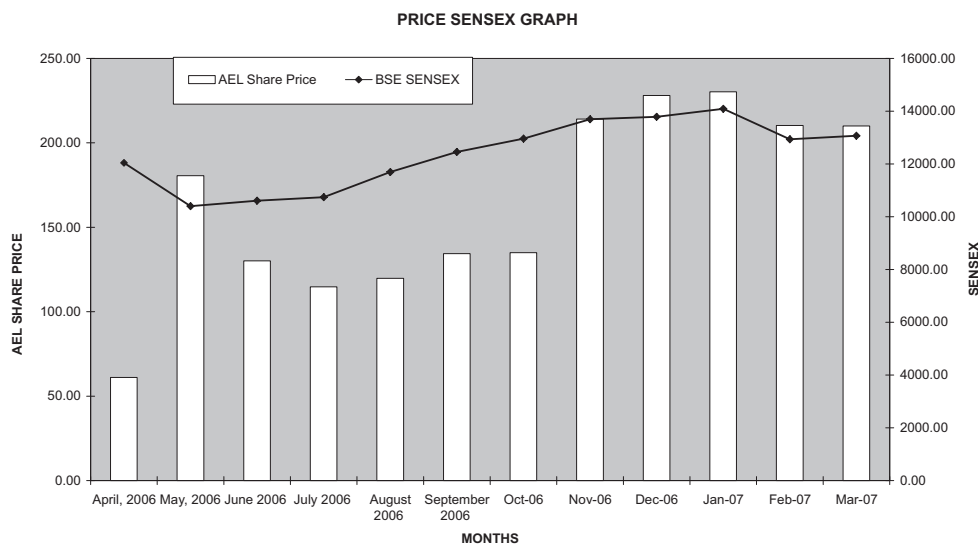
1.	The Stock Exchange, Mumbai (BSE)	:	512599
2.	National Stock Exchange (NSE)	:	ADANIENT
3.	Ahmedabad Stock Exchange (ASE)	:	01378

G. Market Price Data : High, Low during each month in financial year 2006-07.

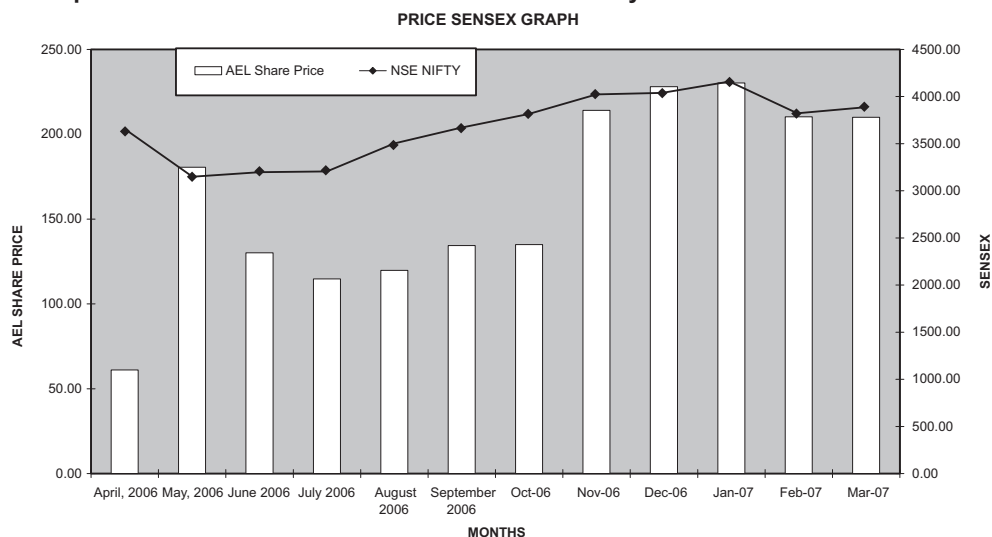
Monthly share price movement during the year 2006-07 at BSE & NSE :

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April	66.50	57.30	7933202	66.00	58.55	7807683
May	198.15	60.50	22397871	199.10	60.60	30045636
June	199.05	110.50	6724926	199.35	110.70	8082370
July	130.95	101.80	2346680	130.90	100.05	3526137
August	145.80	109.50	5462195	146.45	108.75	7571427
September	134.50	118.50	3879249	134.90	115.20	6181898
October	151.40	132.00	5913391	153.80	132.00	5922266
November	226.40	133.10	21172419	227.70	133.20	25740056
December	251.00	205.00	16126084	251.00	200.50	23065152
January	246.75	214.15	6279802	231.20	219.35	6581448
February	253.90	195.30	7449692	255.70	196.00	9104490
March	214.00	179.00	7268426	214.00	176.80	6633964

H. Performance in comparison to broad-based indices such as BSE Sensex.



Performance in comparison to broad-based indices such as NSE Nifty



I. Registrar and Transfer Agents :

M/s. Pinnacle Share Registry Private Limited are the Registrar and Transfer Agents of the Company for both Physical and Demat Shares and their address is given below:

Regd. Office :

M/s. Pinnacle Share Registry Private Ltd.
Unit : Adani Enterprises Limited
Near Asoka Mills Ltd., Naroda Road,
Ahmedabad - 380 025.
Tel: +91-79-22200582, 22200338.
Fax : +91-79-22202963.
E-mail : gautam.shah@psrpl.com

Mr. Gautam Shah,
General Manager

Transfer to Investor Education and Protection Fund (IEPF)

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government.

An amount of Rs. 40,410/- being unpaid / unclaimed dividend of the Company declared in the Annual General Meeting held on 6th September, 1999 was transferred on 6th November, 2006 to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956

J. Share Transfer System :

All the transfers received are processed by the Registrars and Share Transfer Agents and are approved by the Transfer Committee, which normally meets twice in a month or more depending on the volume of transfers. Share transfers are returned within maximum of 15 days from the date of lodgment if documents are complete in all respects.

All valid share transfers during the year ended 31.03.2007 have been acted upon.

Pursuant to Clause 47 (c) of the Listing Agreement with the stock exchanges, certificates, on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

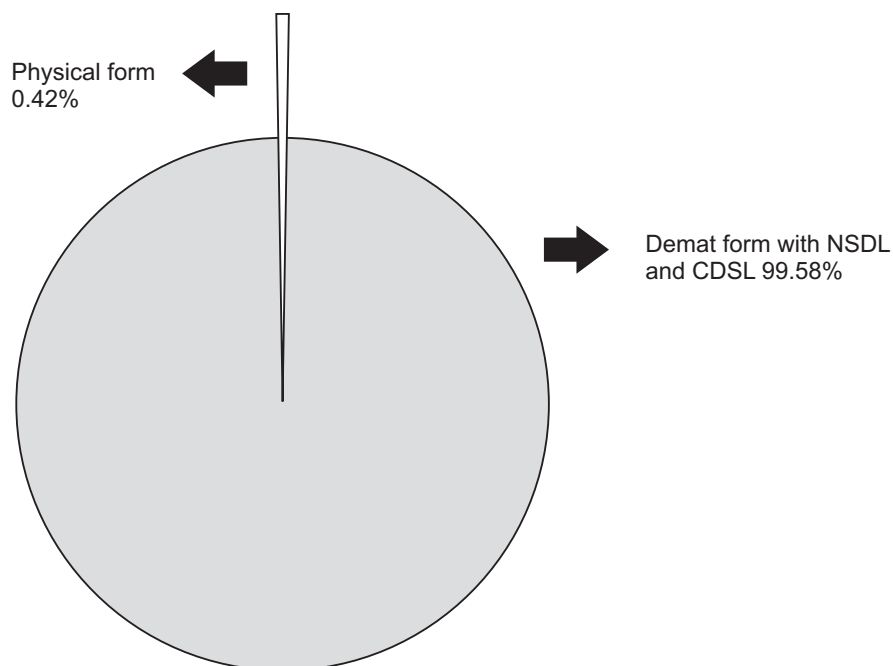
K. Dematerialisation of Shares and Liquidity :

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2007, 21,629 shareholders are holding shares in demat form and 24,54,46,126 Equity Shares of the Company representing 99.58% of the Company's share capital have been dematerialized.

The Company's shares are regularly traded on The Stock Exchange (BSE), Mumbai and The National Stock Exchange (NSE), Mumbai, as is seen from the volume of shares indicated in the Table containing market information.

STATUS OF DEMATERIALISATION AS ON 31st MARCH, 2007.

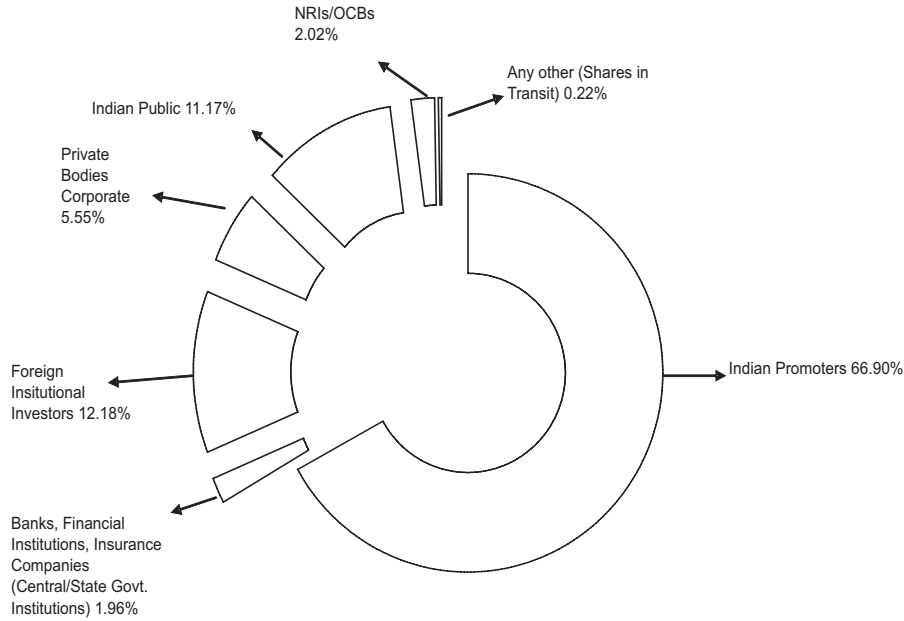


Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 423A01024

L. Distribution of Shareholding as on March 31, 2007.

Number of shares category	Number of shareholders		Equity Shares held in each category	
	Holders %	% of Total	Total Shares	% of Total
1 to 5000	21379	97.75	6843820	2.78
5001 to 10000	177	0.81	1347441	0.55
10001 to 20000	128	0.59	1895288	0.77
20001 to 30000	29	0.13	741147	0.30
30001 to 40000	17	0.08	607832	0.25
40001 to 50000	19	0.09	870082	0.35
50001 to 100000	32	0.15	2136001	0.87
100001 and above	90	0.40	232045364	94.13
TOTAL	21871	100.00	246486975	100.00

M. Shareholding Pattern as on 31st March, 2007 :



N. Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity.

1. Foreign Currency Convertible Bonds (FCCBs)

On 26th January, 2007, in order to meet the long term fund requirements, the Company had issued Foreign Currency Convertible Bonds of US\$ 250 million including the green shoe option of US\$ 30 million in the international market. All 25000 FCCBs issued are outstanding for conversion as on March 31, 2007.

These FCCBs can be converted into 61,111,111 Equity Shares of the Company during any time during the conversion period from 27 January 2008 to 27 December 2011 at the option of FCCB holders.

The shares to be issued upon conversion of FCCBs shall rank pari passu with the existing equity shares of the Company in all respects.

O. Plant Locations :

The Company is a "Five Star Export House" engaged in export/import of goods and is having no plants.

P. Address for correspondence :

The shareholders may address their communications / suggestions / grievances queries to :

Ms. Birva C. Patel
 Company Secretary and Compliance Officer
 Adani Enterprises Ltd.
 "Adani House", Near Mithakhali Six Roads, Navarangpura, Ahmedabad 380 009
 Tel No. (079) 25555 555, 26565 555,
 Fax No. (079) 26565 500, 25555 500.
 Email address : birva.patel@adani.in
 jaladhi.shukla@adani.in

Q. NON-MANDATORY REQUIREMENTS**A) CHAIRMAN OF THE BOARD**

The Company has an Executive Chairman and hence, the requirement pertaining to reimbursement of expenses to a non-executive Chairman does not arise.

B) REMUNERATION COMMITTEE

A remuneration committee comprising all non-executive and independent directors is functioning since 2001, the details of which are mentioned elsewhere in this Annual Report.

C) SHAREHOLDER RIGHTS TO RECEIVE FINANCIAL RESULTS

The financial performance of the Company for every quarter are extensively published in the newspapers and are also put on the Company's website besides being available on the SEBI website www.sebidifar.nic.in.

D) POSTAL BALLOT

The provisions relating to Postal Ballot will be complied with in respect of matters where applicable.

E) AUDIT QUALIFICATIONS

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

F) WHISTLE BLOWER POLICY

Over the past few years, the Company has instilled transparency and follows an open work culture.

It also provides a two way open communication system which aims to provide ample scope for employees to exchange their views and raise concerns protecting their integrity. This has reflected in maintaining a safe and congenial working atmosphere.

The Company is confident and takes pride in its proactiveness which has resulted in building an enterprise comparable to global Companies. As the spirit and purpose of the Whistle Blower Policy are met and respected, the Company has currently not formulated nor adopted any such policy.

G) TRAINING OF BOARD MEMBERS

During the Audit and Board Meetings, the management and working Directors give extensive briefings to the Board Members on the business of the Company.

H) OFFICE SPACE FOR NON EXECUTIVE CHAIRMAN

The Company has an Executive Chairman and therefore the issue of providing office to non Executive Chairman does not arise.

The Company has no specific tenure specified for Independent Directors.

Auditor's Certificate on Corporate Governance

The Members,
The Adani Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Adani Enterprises Limited, for the year ended on March 31, 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For **Dharmesh parikh & Co.**
Chartered Accountants

Place : Ahmedabad
Date : 29th May, 2007.

D. A. Parikh
Proprietor

21st May, 2007

The Board of Directors
Adani Enterprises Ltd.
Ahmedabad.

CERTIFICATION BY
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We have reviewed the financial statements and the cash flow statements for the year 2006-2007 and that to the best of our knowledge and belief :

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

Rajesh S. Adani
Managing Director

Devang S. Desai
Chief Financial Officer

Standalone Financial Statements

Auditor's Report to the members of ADANI ENTERPRISES LIMITED (Formerly Known as ADANI EXPORTS LIMITED)

We have audited the attached Balance Sheet of **ADANI ENTERPRISES LIMITED (Formerly Known as ADANI EXPORTS LIMITED)** as at 31st March, 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit & Loss Account and Cash-flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2007;
 - b) in the case of Profit & Loss account, of the Profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Dharmesh Parikh & Co.**
Chartered Accountants

Place : Ahmedabad
Date : 29th May, 2007

D. A. Parikh
Proprietor

Standalone Financial Statements
ANNEXURE TO THE AUDITOR'S REPORT
RE: ADANI ENTERPRISES LIMITED
(Formerly Known as ADANI EXPORTS LIMITED)
(Referred to in Paragraph 1 of our Report of even date.)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The same are in the process of being updated;
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) As the Company has disposed off an insignificant part of the fixed assets during the year, paragraph 4(i)(c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- (ii) (a) During the year, the inventories have been physically verified by the management, except for stocks lying with third parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanation given to us, the company had granted unsecured loan to four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 419.07 Crores and the year end balance of loans granted to such parties was Rs. 24.63 Crores. The Company has not granted secured or unsecured loans to firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest, except the interest free loan given to its wholly owned Subsidiary and the other terms and conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest, in respect of unsecured loan given to wholly owned subsidiary, the loan is interest free and in absence of an agreement on repayment terms and conditions, we are unable to comment about of regularity of principal payment.
- (d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clause (iii.d) of paragraph 4 of the Order is not applicable.
- (e) According to the information and explanation given to us, the company has not taken any loan secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly para 4(iii)(e, f & g) of the order are not applicable to the company.
- (iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements have been entered into during the financial year are reasonable except in some of the transactions, for which no comments is being made owing to the unique and specialized nature of the items involved and absence of any comparable prices. For price justification reliance is placed on the information and explanation given by the management.
- (vi) The Company has not accepted deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the Rules framed there under. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

Standalone Financial Statements

- (vii) The Company has an internal audit system, which in our opinion is commensurate with its size and the nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company. Accordingly paragraph 4(viii) of the Order is not applicable.
- (ix) (a) As explained to us, the statutory dues payable by the Company comprises of Provident Fund, Investors Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Service Tax, custom duty, excise duty, cess, octroi, entry tax, purchase tax, Municipal tax and other applicable statutory dues. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities; however there has been delay in few cases which is not in arrears for more than Six months at the end of financial year. There are no undisputed statutory dues as referred to above as at March 31, 2007 outstanding for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and representation made by the Management, the following are the disputed amounts in respect of various statutes:

Name of Statute	Nature of the dues	Amount (Rs. in Crores)	Forum where dispute is pending
Income Tax Act, 1961	Additions made in regular assessments	1.53	Appellate Tribunal, Ahmedabad.
Income Tax Act, 1961	Additions made in regular assessments	0.02	Gujarat High Court.
Gujarat Sales Tax Act	Sales Against Sales declaration forms	0.07	Dy. Commissioner Appeals, Ahmedabad
West Bengal Sales Tax	Sales Tax Liability	0.11	Dy. Commissioner Appeals, Calcutta
Delhi Sales Tax Act	Sales against sales declaration forms	0.92	Appellate Tribunal, Delhi
Maharashtra Sales Tax	Sales against sales declaration forms	8.26	Joint Commissioner Appeal, Mumbai
Maharashtra C. S. T	Sales against sales declaration forms	1.03	Joint Commissioner Appeal, Mumbai
Customs Act, 1962	Valuation of various products	Amount Unascertain-able	With various appellate authorities
Customs Act, 1962	Valuation of Fuel Oil	0.07	Joint Commissioner of customs, Ahmedabad
Customs Act, 1962	Valuation of coal	0.39	With various Assessing & Appellate Authorities.
Customs Act, 1962	Valuation of Raw Silk	0.22	Customs, Excise and Service Tax appellate Tribunal, Chennai.
Customs Act, 1962	Valuation of CD Rom	0.05	CESTAT - Mumbai
Customs Act, 1962	Valuation of Export price of CD ROM	0.30	Addl. Director, DRI New Delhi
Customs Act, 1962	Antidumping duty	0.14	CESTAT - Mumbai
Foreign Exchange Regulation Act	Import of CD Rom	4.00	Supreme Court of India, New Delhi
Customs Act, 1962	Claim of duty benefit on basis of Import License	0.74	Commissioner of Customs (Prev.), Mumbai
Customs Act, 1962	Disputed Exports	0.22	Commissioner of Customs (Preventive), Ahmedabad
Customs Act, 1962	Valuation of CD Rom & Availment of DEPB Credit	1.31	CESTAT - Mumbai

Standalone Financial Statements

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of paragraph 4 of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In respect of dealing in securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All investments at the end of the year are held in the name of the company.
- (xv) In respect of guarantees given by the Company for loans taken by others from banks, the terms and conditions are prima facie not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and as explained, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xvii) According to the Cash-flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long term investment except permanent working capital.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act. Accordingly paragraph 4(xviii) of the Order is not applicable.
- (xix) The Company has created securities or charge in respect of secured debentures issued and outstanding at the year end.
- (xx) During the year, since the Company has not raised money by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2007.

For **Dharmesh Parikh & Co.**
Chartered Accountants

Place : Ahmedabad
Date : 29th May, 2007

D. A. Parikh
Proprietor

Standalone Financial Statements
ADANI ENTERPRISES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2007

(RS. IN CRORES)

	PARTICULARS	SCHEDULE	AS AT 31-03-2007		AS AT 31-03-2006	
A	SOURCES OF FUNDS :					
I.	SHAREHOLDERS' FUND					
	(A) Share Capital	1	24.65		22.62	
	(B) Reserves & Surplus	2	1,019.53		747.81	
				1,044.18		770.43
II.	LOAN FUNDS :					
	(A) Secured Loans	3	887.09		872.22	
	(B) Unsecured Loans	4	2,137.46		447.50	
				3,024.55		1,319.72
III.	DEFERRED TAX LIABILITY					
	Deferred Tax Liability		18.89		8.65	
	Less :					
	Deferred Tax Assets		1.99		1.93	
				16.90		6.72
	TOTAL			4,085.63		2,096.87
B	APPLICATION OF FUNDS :					
I.	FIXED ASSETS					
	(A) Gross Block	5	225.50		81.67	
	(B) Less : Depreciation		20.78		14.44	
	(C) Net block		204.72		67.23	
	(D) Capital Work-In-Progress		3.26		10.90	
				207.98		78.13
II.	INVESTMENTS	6		600.82		192.93
III.	CURRENT ASSETS, LOANS & ADVANCES					
	(A) Inventories	7	398.78		388.35	
	(B) Receivables	8	1,653.58		2,243.94	
	(C) Cash & Bank Balances	9	1,357.88		588.86	
	(D) Loans & Advances	10	1,618.68		545.08	
			5,028.92		3,766.23	
	LESS :-					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current Liabilities	11	1,651.22		1,865.13	
	(B) Provisions	12	100.87		75.29	
			1,752.09		1,940.42	
	NET CURRENT ASSETS			3,276.83		1,825.81
	TOTAL			4,085.63		2,096.87

Notes forming part of the accounts
As per our attached report of even date

20

For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007

D. A. Parikh
Proprietor

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007

Place: Ahmedabad
Date : 21st May, 2007

Standalone Financial Statements
ADANI ENTERPRISES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(RS. IN CRORES)

	PARTICULARS	SCHEDULE	2006-2007	2005-2006
A	INCOME :			
	Sales & Operating Earnings	13	10,151.66	9,337.88
	Other Income	14	3.99	1.38
			10,155.65	9,339.26
B	EXPENDITURE :			
	Cost of Materials	15	9,476.84	8,815.60
	Personnel Expenses	16	33.72	22.58
	Operation & Other Expenses	17	295.55	229.26
	Finance Charges	18	143.68	126.57
	Depreciation		6.90	3.21
			9,956.69	9,197.22
	Profit for the year before Prior Period Adjustments		198.96	142.04
	Add : Prior Period Adjustment		(0.66)	(0.43)
	Add : Excess / Short Provision Written Back		0.01	14.84
	Profit for the year before taxation		198.31	156.45
	Provision For Taxation:	19	47.62	38.11
	Profit After Taxation		150.69	118.34
	Add : Surplus Brought Forward From Previous Year		323.85	257.16
	Profit Available For Appropriation		474.54	375.50
	APPROPRIATIONS :			
	Proposed Dividend on Equity Shares		-	10.22
	Tax on Dividend (including surcharge)		-	1.43
	Interim Dividend on Equity Shares		11.34	-
	Tax on Interim Dividend (including surcharge)		1.59	-
	Transfer to General Reserve		30.00	30.00
	Transfer to Debenture Redemption Reserve		60.00	10.00
	Balance Carried To Balance Sheet		371.61	323.85
			474.54	375.50
	Earning per Share of Re. 1/- each			
	- Basic		6.35	5.24
	- Diluted		6.35	4.89

Notes forming part of the accounts
As per our attached report of even date

20

For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007

D. A. Parikh
Proprietor

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007

Place: Ahmedabad
Date : 21st May, 2007

Standalone Financial Statements

ADANI ENTERPRISES LIMITED

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
50,00,00,000 (Previous Year 50,00,00,000) Equity Shares of Re. 1/- (Previous Year Re. 1/-) each		50.00		50.00
5,00,00,000 (Previous Year 5,00,00,000) Preference Shares of Rs. 10/- each		50.00		50.00
		100.00		100.00
ISSUED, SUBSCRIBED & PAID-UP				
24,64,86,975 (Previous Year 22,61,90,007) Equity Shares of Re. 1/- each		24.65		22.62
		24.65		22.62
NOTES :				
(A) Of the above Equity Shares				
(i) 2,60,12,975 (Previous Year 57,16,007) Equity shares of Re.1/- each were allotted as fully paid up at premium on conversion of foreign currency convertible bonds.				
(ii) 50,00,000 (Previous Year 50,00,000) Equity Shares of Re.1/- each were allotted as fully paid up at premium without payment being received in cash.				
(iii) 50,00,000 (Previous Year 50,00,000) Equity Shares of Re.1/- each were issued as Bonus Shares by capitalization of profit.				
(iv) 16,53,55,000 (Previous Year 16,53,55,000) Equity Shares of Re.1/- each were issued as Bonus shares by capitalization of share premium.				
(B) US\$ 250 Million Foreign Currency Convertible Bonds carry an option of converting bonds into Shares at Conversion price to be decided after a one year from issue date, at the option of Bondholders at anytime after 26th January, 2008.				
SCHEDULE : 2				
RESERVES & SURPLUS				
1 GENERAL RESERVE				
As per last balance sheet	366.61		354.50	
ADD :- Transferred during the year from Profit & Loss Account	30.00		30.00	
LESS :- Transferred to Profit & Loss Account in respect of bad-debts	-		17.89	
		396.61		366.61
2 DEBENTURE REDEMPTION RESERVE				
As per last balance sheet	10.00		10.00	
ADD :- Created during the year	60.00		-	
		70.00		10.00
3 SHARE PREMIUM ACCOUNT				
As per last balance sheet	47.35		43.06	
ADD :- Amount received on conversion of Foreign Currency Convertible Bonds	133.96		4.29	
		181.31		47.35
4 SURPLUS IN PROFIT & LOSS ACCOUNT				
		371.61		323.85
		1,019.53		747.81

Standalone Financial Statements

ADANI ENTERPRISES LIMITED

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 3				
SECURED LOANS				
1 From Banks - Term Loans (Note I & II)		596.99		641.14
2 From Banks - Working Capital (Note I & II)				
a) Foreign Currency		48.50		64.33
b) Rupee		189.72		113.87
3 Convertible Debentures (Note - III)		-		50.00
4 Non Convertible Debenture (Note III)		50.00		-
5 Vehicle Loans (Note - IV)		0.66		1.29
6 Home Loans (Note - V)		1.22		1.59
		887.09		872.22
NOTES :				
I Above facilities are secured by :				
a) Hypothecation of the stocks and book debts by way of first charge ranking pari-passu among the Banks and also by way of second charge.				
b) Hypothecation of furnitures & fixtures at Corporate House Guargaon.				
c) Tangible movable properties ranking pari-passu among the Banks.				
d) Guaranteed by some of the Directors in their personal capacity.				
e) Pledge of 1,00,00,000 equity shares of Mundra Port & SEZ Ltd. (Formerly known as Gujarat Adani Port Ltd.) held by an associate Company at an agreed value of Rs. 80/- each				
f) Pledge of 4,25,00,000 equity shares of Mundra Port & SEZ Ltd. (Formerly known as Gujarat Adani Port Ltd.) held by an associate Company at an agreed value of Rs 250/-each.				
II Further secured by creation of Equitable Mortgage :				
a) Over certain immovable properties belonging to the Company.				
b) Over certain immovable properties belonging to one of the associate Company.				
III The above debentures are secured by				
a) Hypothecation on movable properties belonging to the Company situated at Dist: Belekeri Port.				
b) Equitable Mortgage over an immovable property belonging to the Company.				
c) Pledge of shares of some of the promoters and their relatives				
d) The OFCD holders had an option to convert the OFCDs into Equity Shares of the Company, however, they did not exercise the option of conversion. They shall be now redeemed in three equal annual installments at the end of third, fourth and fifth year from the date of allotment i.e. 26th August, 2005.				
IV Vehicles loans are secured by hypothecation of respective vehicles				
V Home loans are secured by hypothecation of respective property.				
SCHEDULE : 4				
UNSECURED LOANS				
Foreign Currency Convertible Bonds (Note - I)		1,106.28		132.27
Inter Corporate Loans		5.00		15.22
Loans from Banks / Financial institutions (Note - II)		1,026.18		300.01
		2,137.46		447.50
NOTE :-				
I These bonds are convertible into equity shares at the option of bondholders, any time during the conversion period from January 27, 2008 to 27 December 2011. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at maturity date, without further notice, at 27th January, 2012.				
II Above loans from Banks / Financial Institutions are secured by Demand Promissory Note and/or Pledge of shares of some of the Promoters and their relatives and /or guaranteed by some of the Directors in their personal capacity and also includes NCDs of Rs 200 Crores (Coupon Rate : 9.05% and 9.15% for NCDs of Rs 100 Crores each) which are to be redeemed in four installments i.e. 24/08/2007 , 04/09/2007 , 05/10/2007 and 12/10/2007. The NCDs are secured by mortgage on an immovable property of the Company.				

Standalone Financial Statements

ADANI ENTERPRISES LTD

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE : 5
FIXED ASSETS :

(Rs. In Crores)

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1/4/2006	Additions during the year	Deductions during the year	As at 31/3/2007	As at 1/4/2006	Provided for the year	Deductions during the year	As at 31/3/2007	As at 31/3/2007	As at 31/3/2006
A	Tangible										
1	Land	7.77	5.24	0.02	12.99	-	-	-	-	12.99	7.77
2	Building	22.85	12.38	-	35.23	2.45	0.40	-	2.85	32.38	20.40
3	Plant & Machinery	9.03	77.81	-	86.84	0.60	2.16	-	2.76	84.08	8.43
4	Furniture & Fixtures	7.13	7.05	0.16	14.02	3.14	0.53	0.12	3.55	10.47	3.99
5	Electrical Fittings	1.34	3.44	-	4.78	0.47	0.11	-	0.58	4.20	0.87
6	Office Equipment	5.41	3.49	0.04	8.86	1.30	0.29	-	1.59	7.27	4.11
7	Computer Equipments	6.75	1.70	-	8.45	2.63	0.94	-	3.57	4.88	4.12
8	Vehicles	7.13	3.52	0.71	9.94	2.81	0.70	0.44	3.07	6.87	4.32
9	Air Craft	14.26	-	-	14.26	1.04	0.80	-	1.84	12.42	13.22
10	Ship	-	27.22	-	27.22	-	0.58	-	0.58	26.64	-
	(A) Total	81.67	141.85	0.93	222.59	14.44	6.51	0.56	20.39	202.20	67.23
B	Intangible										
1	Software	-	2.91	-	2.91	-	0.39	-	0.39	2.52	-
	(B) Total	-	2.91	-	2.91	-	0.39	-	0.39	2.52	-
	Grand Total(A+B)	81.67	144.76	0.93	225.50	14.44	6.90	0.56	20.78	204.72	67.23
	Previous Year	61.36	21.30	0.99	81.67	11.65	3.22	0.43	14.44	67.23	-

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 6				
INVESTMENTS -				
(A) LONG-TERM INVESTMENTS (NON TRADE) (UNQUOTED)				
GOVERNMENT SECURITIES (Lodged with Government departments) - in 6 year National Saving Certificates			0.02	0.01
INVESTMENT IN SUBSIDIARY COMPANIES				
1) 64,000 (64,000) fully paid up equity shares of Adani Global Ltd. of \$ 100/- each		30.90	30.90	30.90
2) 11,190 (18,390) fully paid up 10% redeemable preference shares of Adani Global Ltd. of \$ 100/- each.		4.59		7.48
3) 4,56,10,000 (3,15,60,000) equity shares of Adani Agrifresh Ltd of Rs 10/ each			45.61	31.56
4) 26,06,90, 000 (Nil) Equity Shares of Adani Power Ltd of Rs 10/- each *			260.69	-
5) 4,88,28,000 (20,24,750) equity shares of Adani Agri Logistics Ltd. of Rs. 10/- each.			48.83	2.02
6) 5,10,00,000 (Nil) equity shares of Adani Agri Logistics Ltd. of Rs. 10/- each. # Less : Calls Unpaid		51.00 46.37	4.63	-
7) 50,000 (Nil) equity shares of Adani Infrastructure & Developers Pvt Ltd of Rs 10/- each			0.05	-
8) 50,000 (Nil) equity shares of Vyom Tradelink Pvt Ltd of Rs 10/- each			0.05	-
OTHERS				
1) 2,98,59,108 (50,00,000) Equity Shares of Adani Wilmar Ltd of Rs. 10/- each			87.15	25.00
2) Nil (10) equity shares of Coffee Futures Exchange Board India Ltd. of Rs. 10,000/- each			-	0.01
3) 5 (5) Bond of UCO Bank of Rs. 5,00,000/- each.			0.25	0.25
4) 2,600 (2,600) equity shares of Adani Petronet (Dahej) Port Pvt. Ltd. of Rs. 10/- each. (Rs 260000/-)			0.00	0.00
5) 20,000 (20,000) equity shares of Kalupur Commercial Co-op. Bank of Rs. 25/- each			0.05	0.05
6) 34,79,000(34,79,000) equity shares of Adani Retail Ltd of Rs. 10/- each.			3.48	3.48
7) Nil (3,27,00,000) equity shares of Mundra Special Economic Zone Ltd of Rs. 10/- each.			-	32.70
8) 3,52,000(3,52,000) equity shares of Mundra SEZ Textile & Apparel Park Pvt Ltd of Rs. 10/- each.			0.35	0.35
9) 3,61,08,450(3,61,08,450) 0% Optionally Fully Convertible Preference shares of Adani Wilmar Ltd of Rs. 10/- each.			36.11	36.11
10) 4,900 (Nil) equity shares of Advantage Retail Private Ltd. of Rs. 10/- each.			-	-
(B) INVESTMENT IN PARTNERSHIP FIRM			73.04	-
(C) CURRENT INVESTMENT (QUOTED)				
5,000 (5000) Equity Shares of Hindalco Ltd @ Re.1/- each, partly paid up of Rs 0.50 (PY Rs 0.25)			0.02	0.01
(D) SHORT TERM INVESTMENTS				
1) 18292.476 (Nil) units of DSP Merrill Lynch Liquidity Fund of Rs.1000/- each			2.00	-
2) Nil (4781851.916) units of Reliance Liquid Fund of Rs.10/- each			-	5.00
3) 16215.166 (60897.679) units of UTI Mutual Liquid Fund of Rs. 1000/- each			2.00	7.00
4) Nil (4538564.180) Units of J M High Liquidity Fund of Rs 10/- each			-	5.00
5) 856641.110 (2596211.262) Units of Principal Mutual Fund of Rs 10/- each			1.00	3.00
6) Nil (2125925.6635) Units of Kotak Liquid Fund of Rs 10/- each			-	3.00
			600.82	192.93
Aggregate Book Value - Quoted			0.02	0.01
Aggregate Market Value - Unquoted			600.80	192.92
Aggregate Market Value - Quoted			0.04	0.06

* Includes 3.30 lacs shares pledged with banks and financial institutions as collateral security for loans taken by a group company.

Shares pledged with bank as collateral security for loans taken by a group company.

Standalone Financial Statements
ADANI ENTERPRISES LTD
SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

(A) MUTUAL FUND PURCHASED AND SOLD DURING THE YEAR

Sr No	Name of Fund	Face value (Rs.)	Nos. (in Crs.)	Cost (Rs in Crores)
1	UTI LIQUID CASH PLAN	1,000	0.397	468.00
2	JM HIGH LIQUIDITY FUND -SUPER INSTITUTIONAL PLAN-GROWTH(94)	10	1.858	21.00
3	RELIANCE LIQUIDITY FUND -GROWTH OPTION	10	12.588	136.00
4	KOTAK LIQUID(INSTITUTIONAL PREMIUM)-GROWTH	10	2.294	33.00
5	PRINCIPAL CASH MANAGEMENT - LIQ OPT - DIV REIN	10	3.150	31.51
6	DSP MERRILL LYNCH LIQUID - INST GRWTH	1,000	0.137	144.00
7	PRU ICICI INST LIQUIDITY - SUPER INST GRWTH	10	9.465	99.00
8	UTI LIQUID CASH REGULAR GROWTH	1,000	0.001	1.00
9	SBI MAGNUM INSTITUTIONAL INCOME FUND SAVINGS-GROWTH	10	19.995	232.00
10	SBI MAGNUM INSTA CASH FUND LIQUID FLOATER PLAN - GROWTH	10	4.212	52.00
11	PRINCIPAL INST.PLAN DIVIDEND REINVTMENT DAILY	10	11.156	111.57
12	DSP MERRILL LYNCH LIQUID - REGU. GRWTH	10	0.285	5.00
13	HDFC LIQUID FUND -PREMIUM PLAN- GROWTH	10	5.966	86.00
14	RELIANCE FLOATING RATE FUND-DAILY DIVIDEND PLAN	10	1.591	16.01
15	FRANKLIN INDIA TREASURY MANG.INSTI.PLAN	1,000	0.012	14.00
16	STANDARD & CHARTERED LIQUIDITY MAN. PLUS-GROWTH	1,000	0.059	62.00
17	RELIANCE INSTITUTION OPTION GROWTH	10	1.186	21.00
18	FIDELITY CASH FUND - INST-GR	10	0.499	5.00
19	BIRLA CASH PLUS DAILY REINVESTMENT	10	0.499	5.00
20	SBI MAGNUM INSTA CASH OPTION	10	2.050	34.00
21	PRINCIPAL CASH MANAGEMENT - LIQ OPT - GROWTH	10	0.260	3.00

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 7				
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)				
Raw-materials		35.03		46.66
Finished Goods		363.75		320.94
Goods in Transit		-		20.75
		398.78		388.35
SCHEDULE : 8				
RECEIVABLES (UNSECURED)				
Over six months				
Considered good	83.34		63.69	
Considered doubtful	2.91		3.39	
	86.25		67.08	
Less :- Provision for doubtful debts	(2.91)	83.34	(3.39)	63.69
Others, Considered good		1,570.24		2,180.25
		1,653.58		2,243.94
SCHEDULE : 9				
CASH & BANK BALANCES				
Cash on hand (including cheque on hand Rs 0.29 Crores Previous Year Rs. 1.05 Crores)		1.78		2.61
Balances with Scheduled Banks :				
In Margin money account :				
- Margin money account (lodged against Bank Guarantee & Letter of Credit)	196.54		210.74	
- Margin money account (net of Buyers Credit & 100% Letter of Credit) (See Note No 11b)	25.04		150.28	
		221.58		361.02
- In Fixed Deposit account (pledged with govt. authorities)		0.14		0.14
- In Current / OD Account		139.50		135.95
- EEFC Account		1.79		2.41
- Unclaimed Dividend account		0.89		0.12
Balance with Foreign Bank :				
- In Current Account (Maximum balance outstanding during the year Rs 0.57 Crores Previous Year Rs .24 Crores)	0.57		0.15	
- In Deposit Account	991.63		86.46	
		992.20		86.61
		1,357.88		588.86
SCHEDULE : 10				
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)				
Loans		1,104.29		2.95
Advances recoverable in cash or in kind or for value to be received (See Note No 17)		388.24		425.06
Balances with Service Tax Authorities		4.86		4.47
Interest accrued but not due		15.12		43.52
Interest accrued and due on NSC (Lodged with Govt. Authorities)		0.01		0.01
Advance payment of Income tax (Including Fringe Benefit Tax) (including TDS of Rs 19.79 Crores Previous Year Rs 18.48 Crores)		106.16		69.07
		1,618.68		545.08

Standalone Financial Statements

ADANI ENTERPRISES LIMITED

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 11				
CURRENT LIABILITIES				
Sundry Creditors		1,369.57		1,782.00
Other Liabilities		256.49		45.44
Unclaimed Dividend		0.89		0.12
Interest accrued but not due		24.27		37.57
		1,651.22		1,865.13
SCHEDULE : 12				
PROVISIONS				
Provision for Taxation		95.40		60.07
Provision for Fringe Benefit Tax		2.76		1.46
Provision for Leave encashment / Gratuity		2.71		2.12
Proposed Dividend		-		10.21
Tax on Dividend (Including surcharge)		-		1.43
		100.87		75.29

Standalone Financial Statements
ADANI ENTERPRISES LIMITED

SCHEDULES 13 TO 16 FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 13				
SALES & OPERATING EARNINGS				
Sales		9,742.33		9,156.43
Export Incentives		6.20		3.99
Insurance Claim Received		5.05		1.41
Service Charges		141.53		67.66
Profit From Partnership Firm		71.78		-
Profit on sale of Development Rights		13.12		-
Other Operating Income		171.65		108.39
		10,151.66		9,337.88
SCHEDULE : 14				
OTHER INCOME				
Dividend from Investment		0.14		0.01
Dividend from Subsidiary Company		0.46		0.43
Income from Mutual Fund		0.83		0.38
Profit / Loss on Sale of Investments (net)		-		0.34
Bad Debt Recovery		2.34		-
Miscellaneous Income		0.22		0.22
		3.99		1.38
SCHEDULE : 15				
COST OF MATERIALS				
Raw material consumed				
Opening Stock	46.66		7.90	
ADD : Purchases during the year (Including Incidental Expenses)	993.86		399.42	
	1,040.52		407.32	
LESS : Closing Stock	35.03		46.66	
	1,005.49		360.66	
ADD : Stock Transfer	0.73		-	
	1,006.22		360.65	
ADD : Processing Charges	19.35		10.11	
		1,025.57		370.77
Purchase of traded goods (Including Incidental Expenses & Net of Stock transfer to Raw Material)		8,494.08		8,450.78
Decrease / (Increase) in stock				
Opening stock of finished / traded goods	320.94		314.99	
Closing stock of finished / traded goods	363.75		320.94	
		(42.81)		(5.95)
		9,476.84		8,815.60
SCHEDULE : 16				
PERSONNEL EXPENSES				
Salaries & Bonus		29.27		20.17
Contributions to Provident & Other Funds		2.75		1.35
Staff Welfare Expenses		1.70		1.06
		33.72		22.58

Standalone Financial Statements

ADANI ENTERPRISES LIMITED

SCHEDULES 17 TO 19 FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(RS. IN CRORES)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 17				
OPERATION & OTHER EXPENSES				
Rent (net)		2.01		2.99
Rates & Taxes		3.05		5.07
Postage, Telephone & Telex Expenses		3.29		2.77
Stationery & Printing Expenses		1.28		0.92
REPAIRS TO :				
Office Building	0.61		0.37	
Plant & Machinery	1.19		0.18	
Others	0.57		2.12	
		2.37		2.67
Electric Power Expenses		1.02		0.92
Insurance Expenses		3.65		2.83
Fees & Subscription		31.92		20.99
Miscellaneous Expenses		8.52		9.97
Payment to Auditors		0.21		0.15
Office Expenses		0.93		0.43
Computer Software		0.03		0.46
Directors Sitting Fees		0.04		0.02
Loss / Profit on Sale of Assets (Net)		0.13		0.26
Clearing & Forwarding Expenses (Net)		175.97		108.35
Packing Material		0.20		2.82
Supervision & Testing Expenses.		7.02		4.47
Loss of stock due to Accident/ In transit		0.52		-
Advertisement and Selling Expenses		28.44		45.69
Bad-debts and Other Receivable written off	4.92		17.89	
Less :- Transferred from General Reserve	-	4.92	17.89	-
Provision for Bad & Doubtful debts (including Rs Nil (PY Rs 0.23 Crores) related to advance to suppliers)		0.08		0.36
Business Support Services		10.32		9.06
Travelling & Conveyance Expenses		9.63		8.06
		295.55		229.26
SCHEDULE : 18				
FINANCE CHARGES				
INTEREST PAID				
Interest on Term Loan/Short Term Loan	117.27		34.06	
Interest on Debentures / Bond	27.50		4.24	
Interest on Bank Borrowings & Others	205.94	350.71	263.05	301.35
LESS : INTEREST INCOME				
Interest on Deposit & Others (TDS Rs 0.15 Crores, Previous Year Rs 0.74 Crore)		(171.79)		(302.06)
		178.92		(0.71)
Bank Commission / Charges		29.67		32.19
Exchange Rate Difference (including premium)		(64.91)		95.09
		143.68		126.57
SCHEDULE : 19				
PROVISION FOR TAXATION				
Current Income Tax		36.09		36.26
Deferred Tax		10.18		0.35
Wealth Tax		0.05		0.04
Fringe Benefit Tax		1.30		1.46
		47.62		38.11

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ADANI ENTERPRISES LIMITED

SCHEDULE: "20"

NOTES FORMING PART OF THE ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES adopted by the Company in the preparation and presentation of the Accounts:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

b) USE OF ESTIMATES

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

c) INVENTORIES

- i) Inventories are valued at lower of cost or Net Realisable value.
- ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- iii) The basis of determining cost for various categories of inventories are as follows:
 - a) Raw material : Weighted Average Cost
 - b) Traded / Finished goods : Weighted Average Cost.

d) CASH FLOW STATEMENT

The Cash flow Statement is being prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Standard-3 prescribed by the Institute of Chartered Accountants of India.

e) CONTINGENT LIABILITIES

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

f) PRIOR PERIOD ITEMS

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Adjustment Account"

g) DEPRECIATION

- i) Depreciation on Fixed Assets is provided on straight line method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs.
- ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.
- iii) Individual assets costing less than Rs.5000 are fully depreciated in the year of purchase.

h) REVENUE RECOGNITION

- i) Sales of goods is recognised on shipment or dispatch to customer sales and net of Sales-tax and return.

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- ii) Dividend income from investments is recognised when the Company's right to receive payment is established.
- iii) Income from services rendered is accounted for when the work is performed.
- iv) Interest revenues are recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- v) Profit/Loss on sale investments are recognized on the contract date.
- vi) Benefit on accounts of entitlement to import goods Free of duty under "Duty entitlement Pass Book under the Duty Exemption Scheme" is being accounted in the year of export.

i) **FIXED ASSETS**

- i) Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.
- ii) Expenditure on accounts of modification/alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.
- iii) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, are charged off to revenue in the year of incurrence.

j) **FOREIGN CURRENCY TRANSACTIONS**

i) **Initial Recognition**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) **Conversion**

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

iii) **Exchange Differences**

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Profit and Loss Account.

iv) **Forward Exchange Contracts**

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of contract is recognised as income or expense over the life of the contract.

v) **Derivative Instruments**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The use of such foreign currency forward contracts is governed by the Company's policies approved by the management, which provide principles on use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instrument for speculative purposes.

k) **INVESTMENTS**

- i) Long-term Investments are stated at cost. Provision for diminution in the value of long-term Investments is made only if such a decline is other than temporary in the opinion of the management.
- ii) Current investment are carried at the lower of cost and quoted/fair value, computed category wise.
- iii) Investment in shares of foreign subsidiary Company is expressed in Indian Currency at the rates of exchange prevailing at the time when the investment was made.

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I) RETIREMENT BENEFITS

- i) **Provident Fund and Pension Fund:** The Company contributes towards provident and pension fund which are administered by the Central Government and the contributions are charged against revenue every year.
- ii) **Gratuity and Superannuation Fund:** Liabilities for payment of Gratuity & Super Annuation to employees are covered through Group Gratuity & Super Annuation Scheme of Life Insurance Corporation of India and the contributions are charged against revenue every year.
- iii) **Leave Encashment:** The Company has provided the liabilities pertaining to accrued leave encashment as at the year end in its books of account on the basis of the actuarial valuer's certificate.

m) BORROWING COSTS

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

n) SEGMENT ACCOUNTING

Based on guiding principles given in Accounting Standard on "Segment Reporting" (AS 17- issued by the Institute of Chartered Accountants of India), the company's primary business segment is trading in various commodity groups such as Agro , Energy & Mineral, Petro Chemicals and Precious Metals, which mainly have similar risk and returns. As company's business activity falls within a single primary business segment, the disclosure requirements of AS-17 in this regards are not applicable.

o) RELATED PARTY TRANSACTIONS

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate note forming part of this Schedule. Related parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

p) LEASES

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, etc.) and land. The leasing arrangements which are not cancelable range between 11 months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

q) EARNING PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

r) TAXES ON INCOME

i) DEFERRED TAXATION

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability / asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) CURRENT TAXATION

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

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iii) FRINGE BENEFIT TAX

Provision for Fringe Benefit Tax has been recognized on the basis of a harmonious, contextual interpretation of the provisions of the Income Tax Act, 1961.

s) IMPAIRMENT OF FIXED ASSETS

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the profit and loss account.

t) CONTINGENCIES/PROVISIONS

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

u) COMMODITY HEDGING TRANSACTIONS

The commodity hedging contracts are accounted on the date of their settlement & realised gain / loss in respect of settled contracts are recognised in the Profit and Loss account, together with the underlying transactions. In the case of unsettled contracts, mark to mark position is recognized in the case of losses and ignored in the case of profits, considering conservative principle.

v) ACCOUNTING OF CLAIMS

- i) Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.
- ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

w) EXPORT INCENTIVES

Export benefits under various scheme announced by the Central Government under Exim policies are accounted for on accrual basis to the extent considered receivable, depending on the certainty of receipt.

x) PROPOSED DIVIDEND

Dividend proposed by the Directors is provided for in the books of account pending approval by the members at the Annual General Meeting.

y) CAPITAL WORK-IN-PROGRESS

The cost of fixed assets not put to use before the year end, are disclosed under capital work-in-progress.

z) DOUBTFUL DEBTS / ADVANCES

Provision is made in the accounts for Debts / Advances which in the opinion of the management are considered doubtful of recovery.

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(B) NOTES ON ACCOUNTS:

1. The Company has evolved into a diversified entity taking up new challenges and initiatives. To convey the message of business diversity, scale of operations and ruggedness of the business model, the Company's name has been changed from Adani Exports Ltd. to Adani Enterprises Ltd. in terms of section 21 of the Companies Act, 1956 read with Notification No GSR 507 (E) dated 24-06-1985 vide SRN A02625077 Dated 10-08-2006 issued by Government of India, Department of Company Affairs New Delhi and received fresh certificate of Incorporation No. L51100GJ1993LC19067 Consequent upon change of name.
2. The company has introduced SAP environment in its operations during the year. This has resulted in a shift in the system of valuation of inventories from FIFO Basis to Weighted Average Basis which is also permitted by AS-2 "Valuation of Inventories", issued by the Institute of Chartered Accountants of India. However there is no material impact on current year's profit on account of this change in the valuation method.
3. The Company is a Partner in a Partnership firm namely M/s. Adani Exports which came into existence as per Partnership Deed dated 29 May 2006 which executed on 1st June 2006. Information in respect of Partnership Firms in which the company is a partner :

Name of Partners	Capital (as on 31/03/2007)	Share of Profit (%)
Adani Enterprises Ltd.	73,04,02,541	99
Adani Agro Private Ltd.	73,20,783	01
Total	73,77,23,324	100

4.
 - a) 2,965 (Previous Year 95) bonds aggregating to Rs. 135.99 crore (Previous Year 4.36 crores) (net of exchange gain) have been converted in to 2,02,96,968 (Previous Year 6,50,323) equity shares at agreed conversion price of Rs.67 per share. Upon said conversion, the Equity Share Capital and Share Premium have increased by Rs. 2.03 crores (Previous Year Rs 0.07 crores) and Rs. 133.96 crore (Previous Year Rs. 4.29 crores) respectively.
 - b) The Company had issued 25000 6% Foreign Currency Convertible Bonds (FCCBs) of US \$ 10000 each aggregating US\$ 250 Million at par. The Bonds carry an option of conversion on or after 26 January 2008, the date on which the Conversion Price is to be determined. The company also has the option to require Bondholders for conversion of Bonds into the Shares subject to fulfillment of certain conditions. The Bonds also carry a call option which can be exercised by the company on fulfillment of certain conditions. On maturity, the company at its option may either redeem the Bonds or convert the same into the Shares.
5. Buildings include cost of ownership accommodations including Rs. 3,500/- (Previous year Rs. 3,500/-), being cost of shares held in various Co-operative Societies.
6. Office premises of Rs. 3.75 crores, includes Rs. 2.32 crores of unquoted Shares (160 equity shares of A type and 1,280 equity shares of B type of Rs. 100 each fully paid-up) in Ruparelia Theatres P. Ltd. By virtue of Investment in shares, the Company is enjoying rights in the leasehold land and Rs. 1.44 crores, towards construction contribution and exclusive use of terrace and allotted parking space.
7. **Capital work – in - progress includes:**
 - a) Building worth Rs. 0.65 crores (Previous Year Rs. 0.65 crores) which is in dispute and the matter is sub-judice.
 - b) Agricultural Land worth Rs 0.45 crores (Previous Year Rs 0.45 crores) recovered under settlement of debts, in which certain formalities are yet to be executed.
8. For the Current Year on review as required by the Accounting Standard 28, Impairment of Fixed Assets, the management is of the opinion that no impairment or reversal of loss is required.
9. During the year, balances in Current Assets which are long outstanding amounting to Rs. 2.58 crores (Previous Year Rs. 17.89 crores), net of recovery, have been identified as doubtful of recovery. The determination of this balance of written off amount is based on evaluation of individual advances, current economic conditions, viability and other factors and reflects an amount which, in management's judgement, is doubtful of recovery. Accordingly, the above amount in respect of outstanding dues representing transactions effected in past years during normal course of business has been debited to the Profit & Loss Account.
10. Sundry Creditors, Receivables and Loans and Advances include certain items for which confirmations are yet to be received and include certain long outstanding balances which are considered payable / realisable, as the case may be. Provision for doubtful debts, if any, in respect of above and the consequential adjustment, arising out of reconciliation will be made at the appropriate time.

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11. a) Credit & Debit balances under a particular category are netted off, while certain mutually discharging related debit & credit balances have also been netted off, and
- b) Buyers' credit/suppliers' credit has been netted off against margin money for effective presentation.
12. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonably necessary.
13. Provisions for doubtful debts are made by provision charged to current revenue. The determination of the balance of the provisions is based on evaluation of individual advances, current economic conditions, viability and other factors and reflects an amount which in management's judgement is adequate to provide for potential losses.
14. **Disclosure Regarding Derivative Instruments And Unhedged Foreign Currency Exposure :**
- a) The company enters into forward exchange contracts being derivative instruments, which are not intended for trading, or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.
- b) Foreign currency exposures not covered by derivative instruments or otherwise as at 31st March, 2007.

Particulars	Amount In Foreign Currency (In Crore)	Currency	Amount in Rs. (In crore)
Supplier Credit	5.317	USD	231.130
Sundry Creditors	0.002	EUR	0.111
	0.000	GBP	0.018
	0.000	HKD	0.002
	0.001	SGD	0.023
	5.615	USD	244.103
Packing Credit Forward Contract	1.097	USD	47.674
Foreign Currency Convertible Bonds	25.000	USD	1106.280
Other Payable	0.257	USD	11.150
Sundry Debtors	0.012	EUR	0.720
	0.005	GBP	0.414
	22.578	USD	981.466
Time Deposit	22.311	USD	991.630
Other Receivable	0.539	USD	23.790

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December, 2005, which is applicable to the financial periods ending on or after March 31, 2006. Therefore, figures for the previous year have not been disclosed.

15. **Receivable includes :**
- a) Amount due from foreign Subsidiary Companies of Rs. 345.01 crores (Previous Year Rs. 69.58 crores).
- b) Amount due from companies of Rs. 13.30 crores (Previous Year Rs. 84.49 crores) in which some of the Directors of the Company are interested.
- c) Amount due from a firm of Rs. 898.67 crores (Previous Year Rs. Nil) in which the Company is a partner.
16. **Loans & Advances includes :**
- a) Amount due from subsidiary Companies of Rs. 1069.57 crores (Previous Year Rs. 1.03).
- b) Amount due from Companies Rs 23.60 crores (Previous Year Rs. 2.05 crores) in which some of the Directors of the Company are interested.
- c) Amount due from Companies Rs. 43.74 crores (Previous Year Rs. 68.76) in which some of the Directors of the Company are interested, representing as share application money pending allotment.

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d) Rs. 108.95 crores (Previous Year Rs. 72.24 crores) paid as advance against Capital Asset.

17. Export Incentive receivable under duty free credit entitlement pertaining to financial year 2003-04 included under the head Loans & Advances is yet pending, due to disposal for some procedural aspects with the Government. Shortfall / excess, if any, will be taken into accounts as and when it is determined.
18. The Company has a policy of accounting export benefits / incentives on accrual basis to the extent receivable. Hence, looking to the past history and uncertainty attached to the availability, benefit on account of entitlement to import goods free of duty under the Foreign Trade Policy in respect of financial year 2004-05, will be accounted when certainty exists.
19. During the year, the company has invested Rs 388.43 crores (Previous year 131.20 crores) in shares of the following **Group Companies**.

(Rs. in Crores)

Name of Company	Type	No of Shares	Total Investment	% of Holding As on 31st March 2007
Adani Agrifresh Ltd	Equity	1,40,50,000 (3,15,60,000)	14.05 (31.56)	100% (100%)
Adani Retail Ltd	Equity	Nil (34,79,000)	Nil (3.48)	49% (49%)
Mundra Special Economic Zone Ltd	Equity	Nil (3,27,00,000)	Nil (32.70)	Nil (32.92%)
Mundra SEZ Textile & Apparel Park Pvt Ltd	Equity	Nil (3,52,000)	Nil (0.35)	11.48% (11.48%)
Adani Agri Logistics Ltd	Equity	9,98,28,000 (20,00,000)	51.44 (2.00)	100% (5.42%)
Adani Wilmar Ltd	Equity	2,48,59,100 (50,00,000)	62.15 (25.00)	50% (8.37%)
Adani Wilmar Ltd	Preference	Nil (3,61,08,450)	Nil (36.11)	50% (50%)
Advantage Retail Pvt Ltd	Equity	4,900 (Nil)	0.00 (Nil)	49% (Nil)
Adani Infrastructure & Developers Pvt Ltd	Equity	50,000 (Nil)	0.05 (Nil)	100% (Nil)
Adani Power Ltd	Equity	26,06,90,000 (Nil)	260.69 (Nil)	100% (Nil)
Vyom Tradelink Pvt Ltd	Equity	50,000 (Nil)	0.05 (Nil)	100% (Nil)
Total			388.43 (131.20)	

20. **Capital Commitments:-**

(Rs. in Crores)

PARTICULARS	AS AT 31-03-2007	AS AT 31-03-2006
Estimated amounts of contracts remaining to be executed and not provided for (Net of Advances)	61.76	53.61

21. In respect of advances given by the company to some of the parties for fulfillment of commitments, the Company has taken legal action for non-fulfillment of commitments and is examining other options for recovery of the advances.
22. The Company has initiated legal proceedings against various parties for recovery of dues and such legal proceedings are at different stages as at the date of the Balance Sheet and are expected to materialise in recovering the dues in the future. Management is hopeful of their recovery. In the opinion of the Management adequate balance lying in General Reserve to meet the eventuality of this account being irrecoverable.
23. Unsecured loan includes Rs. NIL (Previous Year Rs. 0.22 crores) from a Company in which one of the Director is interested.

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24. Sundry Creditors include:-

- a) Amount due to Subsidiary Companies of Rs. 97.46 crores net of debit balance (Previous Year Rs. 12.91 crores).
- b) Amount due to Companies of Rs. 7.50 crores net of debit balance (Previous Year net debit balance Rs. 25.45 crores), in which some of the Directors of the Company are interested.

25. Other liabilities include:-

- a) Rs. 0.05 crores (Previous Year Rs. 0.05 crores) received against agreement to sell of Land pending other formalities.
- b) Amount due to foreign subsidiary in which some of the Directors are interested Rs. NIL crores (Previous year Rs. 6.21).
- c) Rs. NIL (Previous Year Rs 0.39) being temporary overdrawn balance in current account with Scheduled Bank.

26. a) Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company as advised by the Company's tax consultants.

- b) Various taxes related legal proceedings are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the management does not estimate any incremental liability in respect of the legal proceedings.

27. Contingent liabilities not provided for :

(Rs. in Crores)

PARTICULARS		AS AT 31-03-2007	AS AT 31-03-2006
a)	Claims against the Company not acknowledged as Debts	30.35	10.84
b)	In respect of Corporate Guarantee given:-		
	i) To Companies under the same Management	92.46	110.19
	ii) For obligations to other parties	206.35	136.56
c)	Bills of Exchange Discounted	589.90	935.95
d)	Demand against the Company not admitted as debts regarding sales tax against which appeals are pending	10.38	0.92
e)	In respect of Bank Guarantees given to Government agencies	5.11	6.37
f)	In respect of partly paid shares.	0.02	0.04
g)	Export obligation of Rs.6.62 (Previous Year Rs. NIL) is pending which is equivalent to 8 times of duty saved Rs.0.83 (Previous Year Rs.NIL)		
h)	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from internal evaluation of the management.		
i)	Show cause notice in terms of value of export goods under section 14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable.		
j)	330,000 Equity Shares of Adani Power Limited & 5,10,00,000 Equity Shares of Adani Agri Logistics Limited, under the head of Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company. -Amount unascertainable.		

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28. Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2007 is as follows :

Particulars of Disclosures	(Rs. in Crores)	
	Leave Encashment	
	2006-07	2005-06
Opening Balance	2.12	1.03
Add : Additional Provision During the Year	1.45	1.18
Less : Provision Used/ Reversed during the Year	0.86	0.09
Closing Balance	2.71	2.12

29. The Company has taken out a group gratuity insurance policy with the Life Insurance Corporation of India for future payments of retirement gratuity to employees. In the event of any employees leaving service earlier, the Company will have to bear a certain portion of the gratuity which is not ascertainable and no provision has been made in respect thereof.
30. (a) In spite of absence of a data-base identifying creditors as Small Scale Industrial Undertakings, the management is of the opinion that there are no parties which can be classified as Small Scale Industrial Undertakings to whom the Company owes any sum. The Auditors have accepted the representations of the management in this matter.
- (b) The company will identify the suppliers who are covered under “ The Micro, small and Medium Enterprises Development Act, 2006” on receiving the information from them, after which necessary information as required under the said Act will be compiled.
31. No amounts are due for deposits as at the Balance Sheet date to the Investors' Education and Protection Fund.
32. Currency Swap Gain/(Loss) of Rs 0.77 crores (Previous Year Rs (0.73) crores) has been charged/ netted off against interest expenses on term loans.
33. Items of Expenditure in the Profit and Loss Account include reimbursements for common sharing facilities to and by the Company.
34. Disclosure as required by the Accounting Standard 19, “Leases” issued by the Institute of Chartered Accountants of India are given below :
- Where the Company is lessee:
- (i) The Company's significant leasing arrangements are in respect of godowns / residential / office premises (Including furniture and fittings therein, as applicable). The aggregate lease rentals payable are charged to the Profit and Loss Account as Rent in Schedule 17.
- (ii) The Leasing arrangements, which are cancelable at any time on month to month basis and in some cases between 11 months to 5 years. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally interest free refundable deposits have been given.
35. As per the Accounting Standard 21 on “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India, the Company has presented consolidated financial statements separately, including subsidiaries in this annual report.

36. **Payments to Auditors (including service tax):-**

(Rs. in Crores)

		2006-07	2005-2006
i	Audit fee	0.12	0.12
ii	Tax Audit fee	0.03	0.03
iii	Other Matters – (P.Y. Rs. 60,000/-)	0.04	0.00
iv	Reimbursement of Expenses	0.02	0.01
Total		0.21	0.16

37. **Prior period adjustments include :**

(Rs. in Crores)

		2006-07	2005-2006
Debits relating to earlier years		1.77	0.68
Credits relating to earlier years		(1.11)	(0.25)
Net Total		0.66	0.43

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38. Computation of Net Profit under Section 349 of the Companies Act, 1956

(Rs. in Crores)

PARTICULARS	2006-07	2005-2006
A. Profit Before Taxation	198.31	156.45
ADD: Depreciation as per accounts	6.90	3.21
Directors Remuneration	2.45	2.48
Directors Commission	8.37	5.87
Loss on sale of investments/assets	0.15	0.26
	216.18	168.27
LESS: Depreciation as per Sec. 350 of the Companies Act, 1956	6.90	3.21
Bad Debts written off	-----	17.89
Profit on sale of investments/assets	0.01	0.34
Profit for the purpose of Directors Commission	209.27	146.83
Chairman @ 2% on Rs. 209.27 Crores (Previous Year at 2% on Rs. 146.83 Crores)	4.19	2.94
Managing Director @ 2% on Rs. 209.27 Crores (Previous Year at 2% on Rs. 146.83 Crores)	4.19	2.94
	8.30	5.87
B. Managerial remuneration to Chairman, Managing & Whole-time Directors under section 198 of the Companies Act, 1956		
i) Salaries	2.19	2.21
ii) Contributions to provident and other funds	0.26	0.27
iii) Commission	8.37	5.87
	10.82	8.35

39. Related party disclosure (As identified by the Management)

The Company has entered into transaction in ordinary course of business with related parties at arm's length. As required by the Accounting Standard 18.

i) Name of related parties & description of relationship

A Controlling Companies

B Subsidiary Companies / Firms

Adani Agri Fresh Ltd.
 Adani Agri Logistics Ltd.
 Adani Developers Pvt. Ltd.
 M/s. Adani Exports
 Adani Estate Pvt. Ltd.
 Adani Global Ltd.
 Adani Global FZE
 Adani Global Pte. Ltd.
 Adani Infrastructure Developers P. Ltd.
 Adani Power Ltd.
 Adani Townships and Real Estate Co. P. Ltd.
 M/s. Adani Township and Real Estate Co.
 Vyom Tradelink Pvt. Ltd.

Standalone Financial Statements

C Associate Entities

Adani Agro Pvt. Ltd.
 Adani Energy Ltd.
 Aditya Corpex Pvt. Ltd.
 Adani Logistics Ltd.
 Adani Port Infrastructure Pvt. Ltd.
 Adani Retail Ltd.
 Advantage Retail Pvt. Ltd.
 B2B India Pvt. Ltd.
 Gujarat State Exports Corporation Ltd.
 M/s. Intercontinental (India)
 Komal Marketing Pvt. Ltd.
 Komal Infotech Pvt. Ltd.
 Mundra Port and Special Economic Zone Ltd.
 Mundra Special Economic Zone Ltd.

D Joint Control

Adani Wilmar Ltd

E Key Management Personnels

Shri Gautam S. Adani - Executive Chairman
 Shri Rajesh S. Adani - Managing Director
 Shri Pradeep Mittal - Whole-time Director

ii) Nature And Volume of Transaction with Related Parties

(Rs. in Crores)

	Particulars	Subsidiary Company	Associate Entities	Jt Control Company	Key mngt Personnels
1	Sales (Net of Return)	1,497.32	45.80	28.30	-
		326.33	38.72	0.32	-
2	Purchase (Net of Return)	465.58	468.08	4.02	-
		822.73	27.63	8.25	-
3	Sale of Investment	0.01	32.70	-	-
		-	-	-	-
4	Sale of Fixed Asset	0.03	-	-	-
		-	-	-	-
5	Purchase of Fixed Asset	-	0.70	-	-
		-	3.41	-	-
6	Purchase of Investements	0.02	95.99	-	0.00
		-	64.64	-	-
7	Interest- received / (paid)	55.96	0.16	-	-
		-	0.09	-	-
8	Dividend received	0.46	-	-	-
		0.43	-	-	-
9	Funds given [includes investment in preference shares/equity participation/ business arrangement]	2,149.69	1,067.31	17.05	0.08
		67.95	418.69	6.51	-
10	Funds received [including redemption of preference share/business arrangement]	673.41	1,334.82	7.56	0.12
		6.81	302.86	10.53	-
11	Service rendered	4.41	7.19	0.24	-
		0.58	3.41	0.93	-
12	Service availed	0.07	197.31	0.03	-
		0.01	42.67	0.00	-
13	Profit/(Loss) Sharing / Business Arrangement	129.39	(1.28)	-	-
		19.12	11.16	-	-

Standalone Financial Statements

	Particulars	Subsidiary Company	Associate Entities	Jt Control Company	Key mgmt Personnels
14	Rent paid	-	0.42	0.06	-
		-	4.66	0.01	-
15	Rent received	-	0.01	0.03	-
		-	0.01	0.00	-
16	Remuneration	-	-	-	11.78
		-	-	-	8.35
17	Guarantee & Collateral securities (Outstanding facility as on 31-03-2006)	205.44	0.91	92.46	-
		133.83	2.73	110.19	-
18	Balance Outstanding (Due From)				
	31st March 2007 (Due From)	2,403.73	104.99	5.40	0.00
	31st March 2007 (Due To)	11.48	152.69	-	-
	31st March 2006 (Due From)	94.91	146.82	-	-
	31st March 2006 (Due To)	3.90	6.68	4.09	-

iii) As required by the amendment to the clause 32 of the listing agreement vide SEBI circular no. 2 / 2003 of 10th January, 2003, the following disclosure have been made :

(a) Loans and advances in the nature of loans to subsidiaries

(Rs. in Crores)

Sr. No.	Name of Entity	Closing Balance as at 31-03-2007	Maximum amount Outstanding during the year
1	Adani Agri Fresh Ltd.	1.03	1.03
		0.42	0.42
2	Adani Infrastructure Developers P. Ltd.	1068.54	1068.54
		NIL	NIL
3	Adani Estate Pvt. Ltd.	NIL	200.00
		NIL	NIL
4	Adani Developers Pvt. Ltd.	NIL	150.00
		NIL	NIL
5	Adani Agri Logistics Ltd.	NIL	NIL
		NIL	3.65

(b) Loans and advances in the nature of loans to associates:

(Rs. in Crores)

Sr. No.	Name of Entity	Closing Balance as at 31-03-2007	Maximum amount Outstanding during the year
1	Adani Retail Ltd.	23.60	23.60
		0.49	4.72
2	I Call India Ltd.	NIL	NIL
		NIL	2.00

(c) Loans and advances in the nature of loans where there is no repayment schedule, or no interest or interest below Section 372A of the Companies Act, 1956: NIL

Standalone Financial Statements

(d) Loans and advances in the nature of loans to firms / companies in which directors are interested :

(Rs in Crores)

Sr. No.	Name of Entity	Closing Balance as at 31-03-2007	Maximum amount Outstanding during the year
1	Adani Agri Fresh Ltd.	1.03	1.03
		0.42	0.42
2	Adani Infrastructure Developers P Ltd	1068.54	1068.54
		NIL	NIL
3	Adani Agri Logistics Ltd.	NIL	NIL
		NIL	3.56
4	Adani Estate Pvt. Ltd.	NIL	200.00
		NIL	NIL
5	Adani Developers Pvt Ltd	NIL	150.00
		NIL	NIL
6	Adani Retail Ltd	23.60	23.60
		0.49	4.72
7	I Call India Ltd.	NIL	NIL
		NIL	2.00

(e) Investments by the loanee in the shares of the Company as on 31st March, 2007: NIL Prev. Year (NIL)

40. Earning Per Share

(Rs. in Crores)

Particulars	Year ended 31-03-2007	Year ended 31-03-2006
Net Profit after tax available for Equity Shareholders	150.69	118.34
Number of shares used in computing Earning Per Share		
Basic	237134906	225918062
Diluted	237134906	250639842
Earning Per Share (Equity Shares, face value Re. 1/-)		
Basic (in Rs.)	6.35	5.24
Diluted (in Rs.)	6.35	4.89

Dilutive potential equity shares are those which are deemed for the purpose of the computation pertains to the expected conversion of Bonds/Debentures.

41. a) Deferred Tax

(Rs. in Crores)

Particulars	As At 31-03-2007	As At 31-03-2006
Deferred Tax Liability on account of		
(i) Depreciation	18.89	8.65
(ii) Deferred Revenue expenditure	—	—
Total	18.89	8.65
Deferred Tax Assets on Account of		
(i) Leave Encashment	0.92	0.71
(ii) Provision for Bad-debts	1.07	1.22
Total	1.99	1.93
Net Deferred Tax Liability	16.90	6.72

Standalone Financial Statements

- b) In accordance with the Accounting Standard 22, the deferred tax assets of Rs. 10.18 crores (Previous year - Rs. 0.35 crores) for the year has been recognised in the Profit & Loss Account.
42. Pursuant to Accounting Standard (AS 27) – Financial Reporting of Interests in Joint Venture, the disclosures relating to the Joint Venture are as follows :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March,2007.	Percentage of ownership interest as at 31st March,2006.
Adani Wilmar Ltd.	India	50.00%	8.37%

PARTICULARS		As at 31st March,2007 (Rs.in Crores)	As at 31st March,2006 (Rs.in Crores)
I	ASSETS		
1.	Fixed Assets (Including Capital Work In Progress)	267.20	280.66
2.	Investments	2.01	2.01
3.	Current Assets, Loans & Advances		
(a)	Inventories	310.87	370.14
(b)	Sundry Debtors	79.39	103.02
(c)	Cash & Bank Balances	107.95	151.77
(d)	Loans & Advances	37.86	61.74
II	LIABILITIES		
1.	Share Capital	131.94	131.94
2.	Reserve & Surplus	52.99	49.04
3.	Loan Funds		
(a)	Secured Loans	127.88	177.08
(b)	Unsecured Loans	-	-
4.	Deferred Tax Net	18.77	16.22
5.	Current liabilities and Provisions		
(a)	Current Liabilities	472.82	594.64
(b)	Provisions	0.88	0.81
	MISCELLANEOUS EXPEN DITURE	-	0.39
		2006-07	2005-06
III	INCOME		
1.	Sales And Operating Earnings	2,641.43	2,680.21
2.	Other Income	0.40	0.25
IV	EXPENSES		
1.	Operating Expenses	2,577.27	2,627.51
2.	Finance Expenses	41.38	29.70
3.	Miscellaneous Expenditure Written off	0.39	6.20
4.	Depreciation	15.38	13.70
	PROFIT FOR THE YEAR BEFORE PRIOR PERIOD ADJUSTMENTS	7.42	3.34
Add:	Prior Period Income / (Expenses)	(0.01)	0.03
	PROFIT FOR THE YEAR BEFORE TAXATION	7.41	3.37
Less:	Provision For Taxation	3.80	1.95
Add:	Excess Tax Provision of Earlier years (P.Y. Rs.239/-)	0.33	-
	PROFIT AFTER TAXATION	3.94	1.42
	Surplus brought forward from previous year	14.04	12.62

Standalone Financial Statements

43. Quantitative information to the extent applicable for the year pursuant to the paragraph 3 & 4 of part II of Schedule VI to the Companies Act, 1956 (As certified by the management)

(A) PRODUCTION QUANTITY

SR. NO.	CLASS	UNITS	Actual Production	
			2006-2007	2005-2006
1	AGRO PRODUCTS	MT	215,254.468	98,329.525
2	PRECIOUS & OTHER METAL	KGS	7,824.670	3,069.872
3	MINERALS / OILS	CBM	459.419	406.003
4	TEXTILE PRODUCTS	KGS	18,973.000	2,039.090
	TEXTILE PRODUCTS	PCs	35,570.000	89,998.000
	TEXTILE PRODUCTS	MTR	17,342.500	3,664.500

(B) SALES AND STOCKS OF GOODS TRADED AND PROCESSED

(Rs in Crores)

SR. NO.	CLASS	UNITS	OPENING STOCK		CLOSING STOCK		SALES	
			QTY	RUPEES	QTY	RUPEES	QTY	RUPEES
1	CHEMICAL / PLASTICS	MT	8,924.031	36.84	39,782.852	94.91	169,780.205	585.64
			31,654.018	65.88	8,924.031	36.85	235,139.104	527.18
2	AGRO PRODUCTS	MT	54,602.290	76.19	137,896.360	157.26	1,489,714.921	1813.07
			122,375.358	102.68	54,602.290	76.19	985,175.538	1,119.88
	AGRO PRODUCTS	Nos.	-	-	-	-	-	-
			-	-	-	-	4053.000	0.20
3	PRECIOUS & OTHER METAL	KGS	3,397.316	4.90	68.000	6.28	33,581.698	1,828.45
			134.809	8.23	3,397.316	4.90	82,486.108	1,744.58
	PRECIOUS & OTHER METAL	CTS	8,913.440	3.84	-	-	3,918,534.080	3,300.22
			-	-	8,913.440	3.84	3,708,983.496	3,232.94
	PRECIOUS & OTHER METAL	MT	-	-	-	-	-	-
			-	-	-	-	169.222	11.25
4	MINERALS / OILS	MT	506,657.730	166.34	295,591.482	96.75	3,295,848.041	1,114.84
			397,888.557	123.41	506,657.730	166.34	4,671,044.367	1,351.17
	MINERALS / OILS	CBM	406.003	0.50	304.061	0.35	822.890	2.46
			-	-	406.003	0.50	35.610	0.11
	MINERALS / OILS	SFT	6,487.020	0.14	125,625.679	2.45	127,875.881	3.22
			-	-	6,487.020	0.14	9,587.950	0.28
5	POWER TRADING	U	-	-	-	-	1,899,426,13400	943.53
			-	-	-	-	3,011,200,195.50	1,017.02
6	TEXTILE PRODUCTS	KGS	224,662.700	15.23	-	-	2,963,701.300	45.89
			220,843.440	2.21	224,662.700	15.23	5,700,742.291	64.70
	TEXTILE PRODUCTS	PCs	80829.000	1.53	-	-	131,999.000	2.84
			-	-	80,829.000	1.53	173,715.000	3.24
	TEXTILE PRODUCTS	MTR	736,713.330	6.92	4,485.500	0.04	5,812,082.770	33.71
			3,486.750	0.02	736,713.330	6.92	1,715,910.150	9.05
7	FERTILIZERS	MT	11,849.188	8.51	4,562.469	5.71	70,755.890	68.46
			19,527.978	12.55	11,849.188	8.51	118,483.082	74.82
	GRAND TOTAL			320.94		363.75		9,742.33
				314.99		320.94		9,156.43

Standalone Financial Statements

(C) PURCHASE OF TRADED GOODS

(Rs. in Crores)

SR. NO.	CLASS	UNITS	2006-2007		2005-2006	
			QTY	AMOUNT	QTY.	AMOUNT
1	CHEMICAL / PLASTICS	MT	200,639.026	600.90	212,409.117	478.70
2	AGRO PRODUCTS	MT	1,370,479.171	1,542.67	827,676.252	954.48
	AGRO PRODUCTS	Nos.	-	-	4,090.000	0.20
3	PRECIOUS & OTHER METAL	KGS	22,427.764	1,074.88	82,691.002	1,462.59
	PRECIOUS & OTHER METAL	CTS	3,909,620.640	3,285.08	3,717,896.936	3,127.67
	PRECIOUS & OTHER METAL	MT	-	-	202.084	11.14
4	MINERALS / OILS	MT	3,107,487.264	945.54	4,798,579.018	1320.02
	MINERALS / OILS	CBM	882.154	2.26	35.610	0.06
	MINERALS / OILS	SFT	247,018.540	4.00	10674.970	0.40
5	POWER TRADING	U	1,899,426,134.000	934.32	3,058,088,291.2 00	936.64
6	TEXTILE PRODUCTS	KGS	2,719,778.600	25.72	5,702,858.461	72.94
	TEXTILE PRODUCTS	NOS	50'989.000	0.98	162,553.000	2.72
	TEXTILE PRODUCTS	MTR	4'957'248'090	23'76	2,445,472.230	15.66
7	FERTILIZERS	MT	63,969.171	53.97	110,946.022	67.56
	TOTAL			8,494.08		8,450.78

(D) RAW MATERIAL CONVERTED

(Rs. in Crores)

SR. NO.	CLASS	UNITS	2006-2007		2005-2006	
			QTY.	AMOUNT	QTY.	AMOUNT
1	PRECIOUS METAL	KGS	7,830.128	729.1	3,069.872	244.34
2	AGRO PRODUCTS	MT	215,971.602	295.02	98,140.826	124.79
3	TEXTILES	KGS	19,260.000	0.1	212,167.250	1.14
		YDS	152.000	0.00	-	-
		MTR	126,743.830	0.73	-	-
4	MINERALS / OILS	CBM		0.56	-	0.50
	TOTAL			1,025.57		370.77

(E) IMPORTED & INDIGENOUS CONSUMPTION

(Rs. In Crores)

	2006-2007		2005-2006	
	AMOUNT	%	AMOUNT	%
RAW MATERIALS:				
IMPORT	728.99	71.08	244.08	65.83
INDIGENOUS	296.58	28.92	126.69	34.17
TOTAL	1,025.57	100.00	370.77	100.00

Standalone Financial Statements

(F) VALUE OF IMPORTS ON CIF BASIS

(Rs. in Crores)

	2006-2007 Rupees	2005-2006 Rupees
Trade goods	3713.13	3,761.50
TOTAL	3713.13	3,761.50

(G) EXPENDITURE IN FOREIGN CURRENCY

(Rs. in Crores)

	2006-2007 Rupees	2005-2006 Rupees
Travelling expenses (incl. payment from EEFC Account)	0.68	2.89
Other matter	0.41	0.28
Interest	105.80	176.92
Bank charges	0.28	0.82
Clearing & Forwarding	1.72	0.80
Brokerage & Commission	1.23	0.64
Professional Fees	4.11	0.77
TOTAL	114.23	183.12

(H) EARNING IN FOREIGN CURRENCY

(Rs. in Crores)

	2006-2007 Rupees	2005-2006 Rupees
Export of Goods on F.O.B. Basis	3545.82	2,604.57
Interest Income	12.80	3.68
Dividend Income	0.46	0.43
Other Income	62.72	20.92
TOTAL	3621.80	2,629.60

Note: Licensed and installed capacity : Not applicable (previous year: Not applicable)

44. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

Standalone Financial Statements

45. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile :

I.	Registration Details:	
	Registration No.	: L51100GJ1993LC19067
	State Code	: 04
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year (Amount in Rs. Thousands)	
	Public Issue - NIL	Right Issue - NIL
	Bonus Issue - NIL	Private Placement - 20297
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
	Total Liabilities	: 58377150
	Total Assets	: 58377150
	Sources of Funds:	
	Paid -up Capital	: 246487
	Reserves & Surplus	: 10195312
	Secured Loans	: 8870866
	Unsecured Loans	: 21374596
	Deferred Tax Liability	: 168973
	Application of Funds:	
	Net Fixed Assets	: 2079750
	Investments	: 6008200
	Net Current Assets	: 32768284
	Miscellaneous Expenditure	: -----
	Accumulated Losses	: -----
IV.	Performance of Company (Amount in Rs. Thousands)	
	Turnover (Including other Income)	: 101556470
	Total expenditure	: 99573323
	Profit/(Loss) before tax	: 1983147
	Profit/(Loss) after tax	: 1506898
	Earning per share (Rs.)	: 6.35
	Dividend Rate %	: 45 (interim)
V	Generic Names of Three Principal products/services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters

Signature To Schedule " 1 " To " 20 "

For And On Behalf Of The Board

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date: 21st May, 2007

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date: 29th May, 2007

Standalone Financial Statements
ADANI ENTERPRISES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs. In Crores)

Particulars		2006-2007		2005-2006	
A	CASH FLOW FROM OPERATIONS				
	Net Profit before tax & extraordinary items		198.31		156.45
	Adjustment for:				
	Depreciation	6.90		3.21	
	Income from investments	(0.60)		(0.44)	
	Unrealised Exchange Rate Difference	4.10		2.77	
	Income From Mutual Fund	(0.83)		(0.72)	
	Loss/(Profit) on sale of fixed assets (Net)	0.13		0.26	
	Provision for Bad Debts/Bad Debt Written off	5.00		0.36	
	Interest Expense	350.71		301.35	
	Interest Income	(171.79)		(302.06)	
			193.62		4.73
	Operating Profit before working capital changes		391.93		161.18
	Adjustment for:				
	Trade & other receivables	585.36		(121.59)	
	Inventories	(10.43)		(65.25)	
	Loans & Advances	(1064.91)		(180.67)	
	Trade Payables	(201.16)		16.74	
			(691.14)		(350.77)
	Cash generated from operations		(299.21)		(189.59)
	Direct tax (paid) / refund		(40.92)		(35.55)
	Net cash from operating activities		(340.13)		(225.15)
B	Cash Flow from Investing Activities				
	Additions to fixed assets (Incl. CWIP)	(137.12)		(22.91)	
	Sale of fixed assets	0.24		0.30	
	Proceeds from Redemption of Investments	2.89		2.90	
	Sale of Investments	32.71		0.05	
	Purchase of Investments	(461.49)		(131.21)	
	Income From Mutual Fund	0.83		0.72	
	Income from Investments	0.60		0.44	
	Interest received	200.19		300.43	
	Net cash used in Investing Activities		(361.15)		150.72
C	Cash Flow from Financing Activities				
	Proceeds/(repayment) from working capital borrowings (net)	60.02		(7.77)	
	Proceeds/(repayment) from long term borrowings (net)	1061.13		497.26	
	Proceeds/(repayment) from short term borrowings (net)	715.95		(7.51)	
	Interest Paid	(364.01)		(271.08)	
	Dividend paid	(20.78)		(9.00)	
			1452.31		201.90
	Net Increase/(Decrease) in cash & cash equivalents		751.03		127.47
	Cash & cash equivalent at the beginning of the year		611.85		484.38
	Cash & cash equivalent as at 31/03/2007		1362.88		611.85

Note:

Cash and Cash equivalents includes Short Term Investments of Rs. 5 crores (Previous Year Rs. 23 crores) and Rs. 222.61 crores(Previous Year Rs. 361.28 Crores), which are not available for use by the company (refer schedule 9 to accounts)

As per out attached report of even date.

For and on behalf of the Board

For Dharmesh Parikh & Co.
Chartered Accountants

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007

D. A. Parikh
Proprietor

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007

Place : Ahmedabad
Date : 21st May, 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of The Subsidiary Company	Adani Virginia LLC In US \$	Adani Global Ltd. In US\$	Adani Global FZE In AED	Adani Global Pte. Ltd. In US\$
1. Financial year of the Subsidiary Companies ended on	31/03/2007	31/03/2007	31/03/2007	31/03/2007
2. Extent of interest in subsidiary Companies	★ 100%	100%	● 100%	● 100%
3. Net aggregate amount of the profits of the Subsidiary Company as far as it concerns the members of the Company				
a) Dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	1,084,890.00	66538.00	11,932,615.00	1,620,634.00
ii) for the previous year of the subsidiary since it became the Subsidiary of the Company	1,019,874.00	482,864.00	60,557,481.00	3,053,037.00
b) Not dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	NIL	NIL	NIL	NIL
ii) for the previous year of the Subsidiary since it became the Subsidiary of the Company	NIL	NIL	NIL	NIL
4. Statement of changes under Section 212(5) of the Companies Act, 1956 from				
1. Fixed Assets, Capitalised Assets & W.I.P.	N.A	N.A	N.A	N.A
2. Investments	N.A	N.A	N.A	N.A
3. Monies Lent	N.A	N.A	N.A	N.A
4. Monies Borrowed Term Loan for its ongoing project from the Financial Institutions/Banks	N.A	N.A	N.A	N.A

- By Adani Global Ltd.
- ★ By Adani Global FZE

For and on behalf of the Board

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of The Subsidiary Company	PT Adani Global (In Rupiah)	Adani Shipping PTE In US\$	Libra Shipping In US\$	Adani Agri Fresh. Ltd. (INR)
1. Financial year of the Subsidiary Companies ended on	31/03/2007	31/03/2007	31/03/2007	31/03/2007
2. Extent of interest in subsidiary Companies	# 100%	● 100%	● 100%	100%
3. Net aggregate amount of the profits of the Subsidiary Company as far as it concerns the members of the Company				
a) Dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	(186,013,000.00)	-	-	-
ii) for the previous year of the subsidiary since it became the Subsidiary of the Company	N.A	N.A	N.A	
b) Not dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary				
ii) for the previous year of the Subsidiary since it became the Subsidiary of the Company	NIL	N.A	N.A	N.A
4. Statement of changes under Section 212(5) of the Companies Act, 1956 from				
1. Fixed Assets, Capitalised Assets & W.I.P.	N.A	N.A	N.A	N.A
2. Investments	N.A	N.A	N.A	N.A
3. Monies Lent	N.A	N.A	N.A	N.A
4. Monies Borrowed Term Loan for its ongoing project from the Financial Institutions/Banks	N.A	N.A	N.A	N.A

95% By Adani Global Pte. Ltd. and
5% By Adani Global Ltd.
● By Adani Global Ltd.

For and on behalf of the Board

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of The Subsidiary Company	Adani AgriLogistic Ltd (INR)	Adani Power Ltd In INR	Vyom Tradelink Pvt Ltd In INR	Adani Infrastructure Developer Pvt Ltd. (INR)
1. Financial year of the Subsidiary Companies ended on	31/03/2007	31/03/2007	31/03/2007	31/03/2007
2. Extent of interest in subsidiary Companies	100%	100%	100%	100%
3. Net aggregate amount of the profits of the Subsidiary Company as far as it concerns the members of the Company				
a) Dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	-	-	-	(17,616,926)
ii) for the previous year of the subsidiary since it became the Subsidiary of the Company	N.A	N.A	N.A	
b) Not dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	N.A	N.A	N.A	NIL
ii) for the previous year of the Subsidiary since it became the Subsidiary of the Company				
4. Statement of changes under Section 212(5) of the Companies Act, 1956 from				
1. Fixed Assets, Capitalised Assets & W.I.P.	N.A	N.A	N.A	N.A
2. Investments	N.A	N.A	N.A	N.A
3. Monies Lent	N.A	N.A	N.A	N.A
4. Monies Borrowed Term Loan for its ongoing project from the Financial Institutions / Banks	N.A	N.A	N.A	N.A

For and on behalf of the Board

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of The Subsidiary Company	Adani Estate Pvt. Ltd. (INR)	Swayam Realtors & Traders Ltd. (IN INR)	Columbia Crome Pvt. Ltd. (In INR)	Adani Township & Real estate Co. Pvt. Ltd. (INR)
1. Financial year of the Subsidiary Companies ended on	31/03/2007	31/12/2006	31/03/2007	31/03/2007
2. Extent of interest in subsidiary Companies	⊗ 100%	○ 100%	○ 100%	⊗ 100%
3. Net aggregate amount of the profits of the Subsidiary Company as far as it concerns the members of the Company				
a) Dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	489,290	(1,653)	(47,966)	(1,201,755)
ii) for the previous year of the subsidiary since it became the Subsidiary of the Company	-	-	-	-
b) Not dealt with in the Company's Accounts				
i) for the financial year of the Subsidiary	N.A	N.A	N.A	N.A
ii) for the previous year of the subsidiary since it became the Subsidiary of the Company				
4. Statement of changes under Section 212(5) of the Companies Act, 1956 from		(1/1/2007 to 31/03/2007)		
1. Fixed Assets, Capitalised Assets & W.I.P.	N.A	NIL	N.A	N.A
2. Investments	N.A	NIL	N.A	N.A
3. Monies Lent	N.A	NIL	N.A	N.A
4. Monies Borrowed Term Loan for its ongoing project from the Financial Institutions / Banks	N.A	NIL	N.A	N.A

○ By Adani Estates Pvt. Ltd.

For and on behalf of the Board

⊗ By Adani Infrastructure and Developers Pvt. Ltd.

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of The Subsidiary Company	Adani Land Developers Pvt.Ltd. (INR) ☒	Adani Developer Pvt. Ltd. (In INR) ☒	Adani Habitats Pvt. Ltd. (In INR) ☒
1. Financial year of the Subsidiary Companies ended on	31/03/2007	31/03/2007	31/03/2007
2. Extent of interest in subsidiary Companies	100%	100%	100%
3. Net aggregate amount of the profits of the Subsidiary Company as far as it concerns the members of the Company			
a) Dealt with in the Company's Accounts			
i) for the financial year of the Subsidiary	(28,119)	(1,348,153)	(48,086)
ii) for the previous year of the subsidiary since it became the Subsidiary of the Company	-	-	-
b) Not dealt with in the Company's Accounts			
i) for the financial year of the Subsidiary	N.A	N.A	N.A
ii) for the previous year of the Subsidiary since it became the Subsidiary of the Company	N.A	N.A	N.A
4. Statement of changes under Section 212(5) of the Companies Act, 1956 from			
1. Fixed Assets, Capitalised Assets & W.I.P.	N.A	N.A	N.A
2. Investments	N.A	N.A	N.A
3. Monies Lent	N.A	N.A	N.A
4. Monies Borrowed Term Loan for its ongoing project from the Financial Institutions/Banks	N.A	N.A	N.A

☒ By Adani Infrastructure and Developers Pvt. Ltd.

For and on behalf of the Board

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Consolidated Financial Statements
AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF
ADANI ENTERPRISES LIMITED (Formerly known as Adani Exports Limited)

1. We have audited the attached consolidated Balance Sheet of Adani Enterprises Limited its subsidiaries and associates (the Adani Group) as at March 31, 2007 and the related consolidated Profit and Loss Account and consolidated cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding its subsidiaries and associates. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform and audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a) We did not audit the financial statements of 7(seven) Foreign subsidiaries (As per Annexure I) for 15 months ended 31st March, 2007 whose financial statements reflect total assets of Rs. **1402.05 Crores** as at 31st March, 2007 and total revenue of Rs. **7096.87 Crores** for 15 months ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
 - b) We did not audit the financial statements of 12 (Twelve) Indian subsidiary (As per Annexure II) for the year ended 31st March, 2007, whose financial statements reflect total assets of Rs. **3573.05 Crores** as at 31st March, 2007 and total revenue of **Rs. 41.83 Crores** for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We did not audit the separate financial statements of other Associate Adani Retail Limited & Advantage Retail India Pvt. Ltd. for the year ended 31st March, 2007 whose unaudited financial statements reflect total assets of **Rs.173.35 Crores** as at 31st March, 2007 and total revenue of **Rs. 166.85 Crores** for the year then ended. The said financial statements have been considered for consolidation.
5. We did not audit the separate financial statements of joint venture company Adani Wilmar Limited for the year ended 31st March, 2007 whose audited financial statements reflect total assets of Rs. **805.28 Crores** as at 31st March, 2007 and total revenue of Rs. **2641.84 Crores** for the year then ended. The said financial statements have been considered for consolidation.
6. We did not audit the financial statements of partnership firm namely Adani Township and Real Estate Company. whose audited financial statements reflect total assets of **Rs. 12.42 Crores** as at March 31, 2007 and total revenues of Rs. Nil for the year ended on that date. The said financial statements have been considered for consolidation.
7. We conducted the audit of the separate financial statements of partnership firm namely Adani Exports. whose audited financial statements reflect total assets of **Rs. 972.65 Crores** as at March 31, 2007 and total revenues of **Rs. 969.42 Crores** for the year ended on that date. The said financial statements have been considered for consolidation.
8. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 Consolidated Financial Statements, Accounting Standard 23 Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.
9. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the its subsidiaries and associates in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Adani Group as at March 31, 2007;
 - b) in the case of the Consolidated Profit and Loss Account, of the profit of the Adani Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Adani Group for the year ended on that date.

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place : Ahmedabad
Date : 29th May, 2007
Annual Report // 2006 - 2007

Consolidated Financial Statements
ADANI ENTERPRISES LIMITED
(Formerly known as Adani Exports Ltd.)

The subsidiary companies considered in the consolidated financial statements are :

ANNEXURE I

Sr No.	Name of the Subsidiary (Foreign)
1	Adani Global Limited
2	Adani Global FZE
3	Adani Global PTE Ltd.
4	Adani Virginia Inc.
5	PT Adani Global
6	Adani Shipping PTE Ltd.
7	Libra Shipping PTE Ltd.

ANNEXURE I

Sr No.	Name of the Subsidiary (Domestic)
1	Adani Agri Fresh Ltd.
2	Adani Agri Logistics Ltd.
3	Adani Power Ltd.
4	Vyom Tradelink Pvt. Ltd.
5	Adani Infrastructure & Developers Pvt. Ltd.
6	Adani Estates Pvt. Ltd.
7	Swayam Realtors and Traders Ltd.
8	Columbia Chrome Pvt. Ltd.
9	Adani Townships and Real Estate Co. P. Ltd.
10	Adani Land Developers Pvt. Ltd.
11	Adani Developers Pvt. Ltd.
12	Adani Habitats Pvt. Ltd.

For **Dharmesh Parikh & Co.**
Chartered Accountants

Place : Ahmedabad
Date : 29th May, 2007

D. A. Parikh
Proprietor

Consolidated Financial Statements
ADANI ENTERPRISES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

	PARTICULARS	SCHEDULE	AS AT 31-03-2007		AS AT 31-03-2006	
A	SOURCES OF FUNDS :					
I.	SHAREHOLDERS' FUND					
	(A) Share Capital	1	24.65		22.62	
	(B) Share Application Money pending allotment		0.25		-	
	(C) Reserves & Surplus	2	1125.65		829.88	
				1150.55		852.50
II.	LOAN FUNDS :					
	(A) Secured Loans	3	2110.49		918.28	
	(B) Unsecured Loans	4	2242.46		447.78	
				4352.95		1366.06
III.	MINORITY INTEREST					
	Capital		3.51		-	
	Add : Share In Profits/(Loss)		0.64		-	
				4.15		-
IV.	DEFERRED TAX LIABILITY					
	Deferred Tax Liability		36.71		11.35	
	Less :-					
	Deferred Tax Assets		10.50		3.27	
				26.21		8.08
	TOTAL			5533.86		2226.64
B	APPLICATION OF FUNDS :					
I.	FIXED ASSETS					
	(A) Gross Block	5	465.40		161.15	
	(B) Less : Depreciation		51.32		21.06	
	(C) Net block		414.08		140.09	
	(D) Capital Work-in-Progress		894.10		42.88	
				1308.18		182.97
	PRE-OPERATIVE EXPENDITURE (PENDING CAPITALISATION)			72.80		-
II.	INVESTMENTS	6		12.76		66.50
III.	CURRENT ASSETS, LOANS & ADVANCES					
	(A) Inventories	7	1799.11		463.07	
	(B) Receivables	8	2418.43		2398.78	
	(C) Cash & Bank Balances	9	1631.64		714.97	
	(D) Loans & Advances	10	663.63		564.91	
			6512.81		4141.73	
	LESS :- CURRENT LIABILITIES & PROVISIONS					
	(A) Current Liabilities	11	2272.07		2087.61	
	(B) Provisions	12	104.22		77.35	
			2376.29		2164.96	
	NET CURRENT ASSETS			4136.52		1976.77
IV.	MISCELLANEOUS EXPENDITURE (To The Extent Not Written Off Or Adjusted)	13		3.60		0.40
	TOTAL			5533.86		2226.64

Notes forming part of the accounts
As per our attached report of even date

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For and on behalf of the Board

For Dharmesh Parikh & Co.
Chartered Accountants

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007.

D. A. Parikh
Proprietor

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007
Annual Report // 2006 - 2007

Place : Ahmedabad
Date : 21st May, 2007

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS		SCHEDULE	2006-07	2005-06
A	INCOME :			
	Sales & Operating earnings	14	16949.06	12341.48
	Other income	15	4.16	1.35
			16953.22	12342.83
B	EXPENDITURE :			
	Cost of materials	16	15873.28	11749.01
	Personnel expenses	17	57.15	28.11
	Operation & other expenses	18	548.18	247.63
	Finance Charges	19	228.58	153.28
	Depreciation		16.33	5.03
	Misc. expenditure written off		0.22	0.53
			16723.74	12183.59
	Profit for the year Before Prior Period Adjustments		229.48	159.24
	Add / (Less) : Prior Period Adjustment		(0.66)	(0.43)
	Add: Excess Provision Written Back		0.17	14.84
	Profit for the year before taxation		228.99	173.65
	Provision for taxation: (including share of joint venture)			
	- Current Tax		38.68	37.07
	- Deferred Tax		11.38	0.43
	- Fringe Benefit Tax		1.58	1.52
	Profit after taxation, before share of Associate's Profit and Minority Interest		177.35	134.63
	Share of Associate Loss		(3.43)	(0.05)
	Share of Minority Interest		(0.64)	-
	Net Profit		173.28	134.58
	Add : Surplus brought forward from Previous Year		403.79	320.87
	Profit available for appropriation		577.07	455.45
	APPROPRIATIONS :			
	Proposed Dividend on Equity Shares		-	10.23
	Tax on Dividend (including surcharge)		-	1.43
	Interim Dividend on Equity Shares		11.34	-
	Tax on Interim Dividend (including surcharge)		1.59	-
	Transfer to General Reserve		30.00	30.00
	Transferred to Debenture Redemption Reserve		60.00	10.00
	Balance carried to balance sheet		474.14	403.79
			577.07	455.45
	Earning per Share - Re. 1/- each (in Rupees)			
	- Basic		7.31	5.96
	- Diluted		7.31	5.54

Notes forming part of the accounts
As per our attached report of even date

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For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007.

D. A. Parikh
Proprietor

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007

Place : Ahmedabad
Date : 21st May, 2007

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

SCHEDULES 1 TO 13 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
50,00,00,000 (Previous Year 50,00,00,000) Equity Shares of Re. 1/-		50.00		50.00
5,00,00,000 (Previous year 5,00,00,000) Preference Shares of Rs. 10/- each		50.00		50.00
		100.00		100.00
ISSUED, SUBSCRIBED & PAID-UP				
24,64,86,975 (Previous Year 22,61,90,007) Equity Shares of Re. 1/- each		24.65		22.62
		24.65		22.62
NOTES :				
(A) Of the above Equity Shares				
(i) 2,02,96,968 (Previous Year 57,16,007) Equity shares of Re. 1/- each were allotted as fully paid up at premium on conversion of foreign currency convertible bonds.				
(ii) 50,00,000 (Previous Year 50,00,000) Equity Shares of Re. 1/- each were allotted as fully paid up at premium without payment being received in cash.				
(iii) 50,00,000 (Previous Year 50,00,000) Equity Shares of Re. 1/- each were issued as Bonus Shares by capitalization of profit.				
(iv) 16,53,55,000 (Previous Year 16,53,55,000) Equity Shares of Re. 1/- each were issued as Bonus shares by capitalization of share premium.				
(B) US\$ 250 Million Foreign Currency Convertible Bonds carry an option of converting bonds into Shares at Conversion price to be decided after a one year from issue date, at the option of Bondholders at any time after 26th January, 2008.				
SCHEDULE : 2				
RESERVES & SURPLUS				
1 GENERAL RESERVE				
As per last balance sheet	366.61		354.50	
ADD :- Transferred during the year from Profit & Loss Account	30.00		30.00	
LESS :- Transferred to Profit & Loss Account in respect of bad-debts	-		17.89	
		396.61		366.61
2 DEBENTURE REDEMPTION RESERVE				
As per last balance sheet	10.00		0.00	
ADD :- Created during the year	60.00		10.00	
		70.00		10.00
3 SHARE PREMIUM ACCOUNT				
As per last balance sheet	47.35		43.06	
ADD :- Amount received on conversion of Foreign Currency Convertible Bonds	133.96		4.29	
		181.31		47.35
4 EXCHANGE RESERVE		3.59		2.13
5 SURPLUS IN PROFIT & LOSS ACCOUNT		474.14		403.79
		1125.65		829.88

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

SCHEDULES 1 TO 13 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 3				
SECURED LOANS				
1 From Banks - Term Loans (Note I & II)		1707.79		648.86
2 From Banks - Working Capital (Note I to II)				
a) Foreign Currency		48.50		87.84
b) Rupee Loan		238.01		113.87
3 Convertible Debentures (Note III)		-		50.00
4 Non Convertible Debenture(Note III)		50.00		-
5 Vehicle Loans(Note - IV)		1.03		1.29
6 Home Loans (Note - V)		1.22		1.59
		2046.55		903.45
Share in joint Venture		63.94		14.83
		2110.49		918.28
NOTES :				
I Above facilities are secured by :				
a) Hypothecation of the stocks and book debts by way of first charge ranking pari-passu among the Banks and also by way of second charge.				
b) Hypothecation of furnitures & fixtures at Corporate House Guargaon.				
c) Tangible movable properties ranking pari-passu among the Banks.				
d) Guaranteed by some of the Directors in their personal capacity.				
e) Pledge of 1,00,00,000 equity shares of Mundra Port & SEZ Ltd. (Formerly known as Gujarat Adani Port Ltd.) held by an associate Company at an agreed value of Rs. 80/- each.				
f) Pledge of 4,25,00,000 equity shares of Mundra Port & SEZ Ltd. (Formerly known as Gujarat Adani Port Ltd.) held by an associate Company at an agreed value of Rs 250/- each.				
II Further secured by creation of Equitable Mortgage :				
a) Over certain immovable properties belonging to the Company.				
b) Over certain immovable properties belonging to one of the associate Company.				
III The above debentures are secured by				
a) Hypothecation on movable properties belonging to the Company situated at Dist: Belekeri Port.				
b) Equitable Mortgage over an immovable property belonging to the Company.				
c) Pledge of shares of some of the promoters and their relatives				
d) The OFCD holders had an option to convert the OFCDs into Equity Shares of the Company, however, they did not exercise the option of conversion. They shall be now redeemed in three equal annual installments at the end of third, fourth and fifth year from the date of allotment i.e. 26th August, 2005.				
IV Vehicles loans are secured by hypothecation of respective vehicles				
V Home loans are secured by hypothecation of respective property.				
SCHEDULE : 4				
UNSECURED LOANS				
Foreign Currency Convertible Bonds (Note - I)		1106.28		132.27
Inter Corporate Loans		109.58		15.23
Loans from Banks / Financial institutions(Note II)		1026.18		300.01
Loans from Directors		0.42		0.27
		2242.46		447.78
NOTES :-				
I These bonds are convertible into equity shares at the option of bondholders, any time during the conversion period from January 27, 2008 to 27 December 2011. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at maturity date, without further notice, at 27th January, 2012.				
II Above loans from Banks / Financial Institutions are secured by Demand Promissory Note and/or Pledge of shares of some of the Promoters and their relatives and /or guaranteed by some of the Directors in their personal capacity. Above loans includes NCDs of Rs 200 Crores (Coupon Rate : 9.05% and 9.15% for NCDs of Rs 100 Crores each) which are to be redeemed in four installments i.e. 24/08/2007 , 04/09/2007 , 05/10/2007 and 12/10/2007. The NCDs are secured by mortgage on an immovable property of the Company.				

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

SCHEDULE : 5

CONSOLIDATED FIXED ASSETS AS AT 31ST, MARCH 2007

(Rs. In Crores)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		1/4/2006	Addition during the year	Deductions during the year	As at 31/03/07	1/4/2006	Provided for the year	Deductions during the year	As at 31/03/07	As at 31/03/07	As At 31/03/06
A	Tangible Assets										
1	Land	8.99	9.73	0.02	18.70	-	-	-	-	18.70	8.99
2	Building	39.09	20.92	0.41	59.60	3.52	0.51	-	4.03	55.57	20.40
3	Plant & Machinery	11.11	84.67	-	95.78	0.90	3.52	-	4.42	91.36	8.44
4	Furniture & Fixtures	9.38	8.43	0.33	17.48	4.74	1.15	0.28	5.61	11.87	4.58
5	Electric Fittings & Installations	1.34	3.44	-	4.78	0.47	0.11	-	0.58	4.20	0.87
6	Office Equipment	5.72	4.04	0.16	9.60	1.39	0.43	0.06	1.76	7.84	6.03
7	Computer Equipment	7.23	3.08	0.09	10.22	2.76	1.20	0.09	3.87	6.35	4.26
8	Vehicles	7.95	5.14	0.83	12.26	3.16	1.03	0.56	3.63	8.63	4.58
9	Air craft	14.26	-	-	14.26	1.04	0.80	-	1.84	12.42	13.22
10	Ship	-	27.22	-	27.22	-	0.58	-	0.58	26.64	-
	Total (A)	105.07	166.67	1.84	269.90	17.98	9.33	0.99	26.32	243.58	71.37
B	Intangible Assets										
1	Goodwill (on consolidation)	42.82	-	10.11	32.71	-	-	-	-	32.71	42.82
2	Goodwill	2.53	-	-	2.53	0.08	0.21	-	0.29	2.24	2.53
3	Software	-	2.91	-	2.91	-	0.39	-	0.39	2.52	-
	Total (B)	45.35	2.91	10.11	38.15	0.08	0.60	-	0.68	37.47	45.35
	Grand Total (A+B)	150.42	169.58	11.95	308.05	18.06	9.93	0.99	27.00	281.05	116.72
	Share of joint Venture	156.95	2.62	2.22	157.35	17.31	7.69	0.68	24.32	133.03	23.37
	Total	307.37	172.20	14.17	465.40	35.37	17.62	1.67	51.32	414.08	140.09
	Previous Year	84.88	77.28	1.01	161.15	16.24	5.26	0.43	21.06	140.09	

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

SCHEDULES 1 TO 13 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 6				
(A) LONG TERM INVESTMENTS (NON TRADING) (UNQUOTED)				
GOVERNMENT SECURITIES				
(Lodged with Government departments) in 6 year National Saving Certificates		0.02		0.01
INVESTMENT IN ASSOCIATES				
1) 34,79,000(34,79,000) equity shares of Adani Retail Ltd of Rs. 10/- each.		-		3.43
2) Nil (3,27,00,000) equity shares of Mundra Special Economic Zone Ltd of Rs. 10/- each.		-		32.70
3) 4900(Nil) equity shares of Advantage Retail of Rs 10/- each (Rs. 49000/-)		0.00		0.00
DEBENTURES				
1) Life Insurance Corporation of India Ltd		1.15		-
2) UTI Asset Management Company Pvt Ltd		4.71		-
3) UTI Mutual Fund (Rs. 27270/-)		0.00		-
4) General Insurance Corporation of India Ltd		0.05		-
5) New India Assurance Company Pvt Ltd		0.10		-
6) National Insurance Company Limited		0.05		-
7) KMSWML (Rs 6572/-)		0.00		-
OTHERS				
1) Nil (10) equity shares of Coffee Futures Exchange Board India Ltd. of Rs. 10,000/- each		-		0.01
2) 5 (5) Bond of UCO Bank of Rs. 5,00,000/- each.		0.25		0.25
3) India Millenium Deposit (USD 1000000)		-		4.50
4) 20,000(20,000) equity shares of KCCB of Rs. 25/- each		0.05		0.05
5) Nil (20,24,750) equity shares of Adani Agri Logistics Ltd. of Rs. 10/-		-		2.02
6) 3,52,000 (3,52,000) equity shares of Mundra Sez Textile & Apparel Park Pvt Ltd of Rs. 10/- each.		0.35		0.35
7) 2,600 (2600) equity shares of Adani Petronet (Dahej) Port Pvt. Ltd. of Rs. 10/- each.(Rs. 26000/-)		0.00		0.00
(B) CURRENT INVESTMENT (QUOTED)				
5,000 (5000) Equity Shares of Hindalco Ltd @ Rs 1/- each, partly paid up of Rs 0.50 each (PY Rs 0.25 each)		0.02		0.01
(C) SHORT TERM INVESTMENTS				
1) Nil (4781851.916) units of Reliance Liquid Fund of Rs.10/- each		-		5.00
2) 16215.166 (60897.679) units of UTI Mutual Liquid und of Rs. 1000/- each		2.00		7.00
3) Nil (4538564.180) Units of J M High Liquidity Fund of Rs 10/- each		-		5.00
4) 856641.110(2596211.262) Units of Principal Mutual Fund of Rs 10/- each		1.00		3.00
5) Nil (2125925.6635) Units of Kotak Liquid Fund of Rs 10/- each		-		3.00
6) 18292.476 (Nil) Units of DSP Merrill Lynch of Rs 1000/- each		2.00		-
		11.75		66.33
Share in joint Venture		1.01		0.17
		12.76		66.50
Aggregate Book Value - Quoted		0.02		0.01
- Unquoted		12.74		66.49
Aggregate Market Value - Quoted		0.04		0.06

MUTUAL FUND PURCHASED AND SOLD DURING THE YEAR

Sr No	Name of Fund	Face Value(Rs.)	Nos.(in crs.)	Cost
1	UTI LIQUID CASH PLAN	1,000	0.397	468.00
2	JM HIGH LIQUIDITY FUND -SUPER INSTITUTIONAL PLAN-GROWTH(94)	10	1.858	21.00
3	RELIANCE LIQUIDITY FUND -GROWTH OPTION	10	12.588	136.00
4	KOTAK LIQUID(INSTITUTIONAL PREMIUM)-GROWTH	10	2.294	33.00
5	PRINCIPAL CASH MANAGEMENT - LIQ OPT - DIV REIN	10	3.150	31.51
6	DSP MERRILL LYNCH LIQUID - INST GRWTH	1,000	0.137	144.00
7	PRU ICICI INST LIQUIDITY - SUPER INST GRWTH	10	9.465	99.00
8	UTI LIQUID CASH REGULAR GROWTH	1,000	0.001	1.00
9	SBI MAGNUM INSTITUTIONAL INCOME FUND SAVINGS-GROWTH	10	19.995	232.00
10	SBI MAGNUM INSTA CASH FUND LIQUID FLOATER PLAN - GROWTH	10	4.212	52.00
11	PRINCIPAL INST.PLAN DIVIDEND REINVESTMENT DAILY	10	11.156	111.57
12	DSP MERRILL LYNCH LIQUID - REGU. GRWTH	10	0.285	5.00
13	HDFC LIQUID FUND -PREMIUM PLAN- GROWTH	10	5.966	86.00
14	RELIANCE FLOATING RATE FUND-DAILY DIVIDEND PLAN	10	1.591	16.01
15	FRANKLIN INDIA TREASURY MANG.INSTI.PLAN	1,000	0.012	14.00
16	STANDARD & CHARTERED LIQUIDITY MAN. PLUS-GROWTH	1,000	0.059	62.00
17	RELIANCE INSTITUTION OPTION GROWTH	10	1.186	21.00
18	FIDELITY CASH FUND - INST-GR	10	0.499	5.00
19	BIRLA CASH PLUS DAILY REINVESTMENT	10	0.499	5.00
20	SBI MAGNUM INSTA CASH OPTION	10	2.050	34.00
21	PRINCIPAL CASH MANAGEMENT - LIQ OPT - GROWTH	10	0.260	3.00

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

SCHEDULES 1 TO 13 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 7				
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)				
Raw-materials		35.26		46.66
Finished Goods		472.61		361.26
Stores, Chemicals & Packing Materials		0.56		-
Stock-in-process		1135.24		3.41
Goods in transit		-		20.75
		1643.67		432.08
Share In Joint Venture		155.44		30.99
		1799.11		463.07
SCHEDULE : 8				
RECEIVABLES (UNSECURED)				
Over six months				
Considered Good	83.34		64.10	
Considered Doubtful	2.91		3.39	
	86.25		67.49	
Less :- Provision for doubtful debts	(2.91)	83.34	(3.39)	63.69
Others, Considered Good		2295.40		2326.46
		2378.74		2390.15
Share in Joint Venture		39.69		8.63
		2418.43		2398.78
SCHEDULE : 9				
CASH & BANK BALANCES				
Cash on hand (Including cheques on hand)		2.11		3.33
Balances with Scheduled Banks :-				
- In Margin Money Account (lodged against Bank Guarantee & Letter of Credit)		206.20		210.74
- In Margin Money Account (net of Buyer's Credit & 100% Letter of Credit)		25.04		150.28
- In Deposit Account (in foreign currency)		991.63		86.46
- In Fixed Deposit account		155.84		76.45
- In Current / OD Account		193.59		172.32
- Bank Balance with Foreign Bank in Current Account (Max Bal O/s during the year 0.57 Cr & Previous year 0.24 Cr)		0.57		0.15
- In EEFC account		1.79		2.41
- Unclaimed Dividend account		0.89		0.12
		1577.66		702.26
Share in Joint Venture		53.98		12.71
		1631.64		714.97
SCHEDULE : 10				
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)				
Loans		36.33		4.65
Advances recoverable in cash or kind or for value to be received		481.07		435.50
Interest accrued but not due		15.35		45.97
Interest accrued and due on NSC (Lodged with Govt. Authorities)		0.01		0.01
Advance payment of Income tax		107.08		69.07
Balances with service tax authorities		4.86		4.47
		644.70		559.67
Share in Joint Venture		18.93		5.24
		663.63		564.91
SCHEDULE : 11				
CURRENT LIABILITIES				
Sundry Creditors		1653.58		1933.67
Other Liabilities		356.44		66.46
Unclaimed Dividend / Dividend payable		0.89		0.12
Interest accrued but not due		24.75		37.57
		2035.66		2037.82
Share in Joint Venture		236.41		49.79
		2272.07		2087.61
SCHEDULE : 12				
PROVISIONS				
Provision for Taxation		97.81		60.81
Provision for Fringe Benefit Tax		2.80		1.46
Provision for Leave Encashment/Gratuity		3.17		2.42
Proposed Dividend		-		11.09
Tax on Dividend (including surcharge)		-		1.43
		103.78		77.21
Share in Joint Venture		0.44		0.14
		104.22		77.35

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

SCHEDULES 1 TO 13 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS	AS AT 31-03-2007		AS AT 31-03-2006	
SCHEDULE : 13				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
1)Deferred Revenue Expenditure	3.24		-	
Less : 1/5th written off during the year	-	3.24	-	-
2)Preliminary Expenses	0.37		0.38	
Less : 1/5th amortised	0.01	0.36	0.01	0.37
		3.60		0.37
Share in Joint Venture		-		0.03
		3.60		0.40

**SCHEDULES 14 TO 19 FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2007**

PARTICULARS	2006 - 07		2005 - 06	
SCHEDULE : 14				
SALES & OPERATING EARNINGS				
Sales		15355.35		11954.75
Export Incentives		6.20		3.99
Insurance Claim Received		5.05		1.41
Service Charges		141.53		67.66
Profit on sale of Development Rights		13.12		-
Other Operating Income		107.09		89.27
		15628.34		12117.08
Share of Joint Venture		1320.72		224.40
		16949.06		12341.48
SCHEDULE : 15				
OTHER INCOME				
Dividend from Investment		0.14		-
Income from Mutual Fund		0.83		0.38
Profit/ Loss on sale of investments(net)		-		0.34
Bad Debt Recovery		2.34		-
Miscellaneous Income		0.65		0.61
		3.96		1.33
Share of Joint Venture		0.20		0.02
		4.16		1.35
SCHEDULE : 16				
COST OF MATERIALS				
Raw materials consumed				
Opening Stock	45.90		7.90	
ADD : Purchases during the year	1910.14		399.41	
	1956.04		407.31	
LESS : Closing Stock	35.26		46.66	
	1,920.78		360.65	
Add : Stock Transfer	0.73		-	
	1921.51		360.65	
Add : Processing Charges	53.78		18.02	
		1975.29		378.67
Purchase of traded goods		12847.15		11215.98
Decrease / (Increase) in stock				
Opening stock of finished / traded goods	360.34		321.63	
Closing stock of finished / traded goods	405.25		358.72	
		(44.91)		(37.09)
		14777.53		11557.56
Share of Joint Venture		1095.75		191.45
		15873.28		11749.01
SCHEDULE : 17				
PERSONNEL EXPENSES				
Salaries & bonus		41.96		24.37
Contribution to provident & other funds		3.12		1.46
Staff welfare expenses		3.04		1.17
		48.12		27.00
Share of Joint Venture		9.03		1.11
		57.15		28.11

Consolidated Financial Statements
ADANI ENTERPRISES LIMITED
SCHEDULES 18 & 19 FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs. In Crores)

PARTICULARS	2006 - 07		2005 - 06	
SCHEDULE : 18				
OPERATION & OTHER EXPENSES				
Rent (net)		3.74		3.68
Rates & Taxes		3.06		5.11
Postage, telephone & telex expenses		4.40		3.00
Stationery & printing expenses		1.33		0.94
REPAIRS TO :				
Office building	0.61		0.37	
Office equipments	1.19		0.18	
Others	0.70		2.13	
		2.50		2.68
Electric power expenses		1.14		0.92
Insurance expenses		6.90		3.37
Fees & Subscription		61.04		17.06
Miscellaneous expenses		8.28		-
Loss of stock due to Accident/in transit		0.52		-
Payment to auditors		0.37		0.26
Office expenses		3.59		0.48
Directors sitting fees		0.04		0.02
Loss / Profit on sale of assets(Net)		0.08		0.26
Computer software		0.03		0.46
Clearing & Forwarding Expenses (Net)		176.87		108.35
Packing Materials Consumed		0.21		2.82
Supervision & testing expenses.		7.08		4.47
Advertisement and Selling Expenses		29.16		45.69
Bad-debts and other receivable written off	4.92		17.89	
Less :- Transferred from General Reserve	-	4.92	17.89	-
Provision for Bad & Doubtful debts (including Rs Nil (PY Rs 0.23 Crores) related to advance to suppliers)		0.08		0.36
Business support services		51.04		11.96
Travelling & conveyance expenses		11.75		8.31
		378.13		220.20
Share of Joint Venture		170.05		27.43
		548.18		247.63
SCHEDULE : 19				
FINANCE CHARGES				
INTEREST EXPENSES				
Interest on Term Loans	130.84		34.13	
Interest on Debentures/Bonds	27.50		2.75	
Interest on Bank Borrowings & Others	191.86		286.79	
		350.20		323.67
Less : Interest Income				
Interest on Deposit & Others		(121.38)		(304.16)
		228.82		19.51
Bank Commission / Charges		41.91		35.94
Exchange Rate Difference (including premium)		(62.84)		95.34
		207.89		150.79
Share of Joint Venture		20.69		2.49
		228.58		153.28

Consolidated Financial Statements

ADANI ENTERPRISES LIMITED

SCHEDULE: "20"

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION AND PRESENTATION OF THE ACCOUNTS:

1. Basis of accounting:

The financial statements are prepared in accordance with the requirement of the Companies Act, 1956, including the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, as referred to in Section 211 (3C) of the Companies Act, 1956, under historical cost convention on an accrual basis.

2. Principles of consolidation:

- a) The consolidated financial statements have been prepared in accordance with Accounting Standard 21(AS 21) on "Consolidated Financial Statements", Accounting Standard 23(AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Adani Enterprises Limited (AEL) its subsidiaries and associates. Reference in the notes to "Group" shall mean to include AEL, its subsidiaries and associates consolidated in these financial statements unless otherwise stated.
- b) The consolidated financial statements have been prepared on the following basis.
 - i) The financial statements of the Group are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
 - ii) In case of associates where the Group directly or indirectly holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 "Accounting for investments" in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.
 - iii) The difference between the cost of investment in the subsidiaries / Associates over the net assets at the time of acquisition of the investment in the subsidiaries / Associates is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
 - iv) Minority Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
 - v) Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
 - vi) Investments made by the parent company in subsidiary company subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statement.
 - vii) Intragroup balances and intragroup transactions are eliminated to the extent of share of the parent company in full.
 - viii) Unrealised profits on account of intra group transactions have been accounted for depending upon whether the transaction is an upstream or downstream transaction.
 - ix) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

The list of companies / firms included in consolidation, relationship with Adani Enterprises Limited and Adani Enterprises Limited's shareholding therein is as under :

Name of Company / firm	Country of incorporation	Relationship	Shareholding	Reporting date
Adani Global Ltd. (AGL)	Mauritius	Subsidiary	100% by AEL	31-03-07
Adani Global FZE (AGFZE)	U.A.E.	Subsidiary	100% by AGL	31-03-07
Adani Global Pte Ltd. (AGPTE)	Singapore	Subsidiary	100% by AGL	31-03-07
Adani Virginia Inc. (AVINC)	U.S.A.	Subsidiary	100% by AGFZE	31-03-07
Adani Agrifresh Ltd (AAGL)	India	Subsidiary	100% by AEL	31-03-07
Bay Bridge Enterprise LLC (BBELLC)	U.S.A.	Subsidiary	100% by AV INC	31-03-07
PT Adani Global (PT AG)	Indonesia	Subsidiary	95 % by AGPTE , 5 % by AGL	31-03-07
Adani Agri Logistics Ltd (AALL)	India	Subsidiary	100% by AEL	31-03-07
Adani Power Ltd . (APL)	India	Subsidiary	100% by AEL	31-03-07
Vyom Tradelink Pvt Ltd .(VYOM)	India	Subsidiary	100% by AEL	31-03-07
Adani Shipping PTE Ltd.(ASPL)	Singapore	Subsidiary	100% by AGL	31-03-07
Libra Shipping PTE Ltd.(LSPL)	Singapore	Sub sidiary	100% by AGL	31-03-07
Adani Infrastructure & Developers Pvt Ltd (AIDPL)	India	Subsidiary	100% by AEL	31-03-07
Adani Estates Pvt. Ltd. (AEPL)	India	Subsidiary	100% by AIDPL	31-03-07
M/s Adani Exports (AE,FIRM)	India	Partnership	99% by AEL	31-03-07
M/s Adani Township And Real Estate Co. (ATRECO,FIRM)	India	Partnership	75% by ALDPL	31-03-07
Swayam Realtors & Traders Ltd. (SRTL)	India	Subsidiary	60% by AEPL	31-12-06
Columbia Chrome Pvt. Ltd. (CCPL)	India	Subsidiary	60% by AEPL	31-03-07
Adani Townships & Real Estate Co. Pvt Ltd. (ATRECO)	India	Subsidiary	100% by AIDP L	31-03-07
Adani Land Developers Pvt. Ltd. (ALDPL)	India	Subsidiary	100% by AIDPL	31-03-07
Adani Developers Pvt. Ltd.(ADPL)	India	Subsidiary	100% by AIDPL	31-03-07
Adani Habitats Pvt Ltd. (AHPL)	India	Subsidiary	100% by AIDPL	31-03-07
Adani Retail Ltd.(ARL)	India	Associate	49% AEL	31-03-07
Advantage Retail Pvt. Ltd.(ARPL)	India	Associate	49% AEL	31-03-07
Adani Wilmar Ltd. (AWL)	India	Joint -Venture	50% AEL	31-03-07

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

The list of companies included in consolidation in the previous year, relationship with Adani Enterprises Limited and Adani Enterprises Limited's shareholding therein is as under:

Name of Company	Country of incorporation	Relationship	Shareholding	Reporting date
Adani Global Ltd. (AGL)	Mauritius	Subsidiary	100% AEL	31-12-05
Adani Global FZE (AGFZE)	U.A.E.	Subsidiary	100% by AGL	31-12-05
Adani Global PTE Ltd. (AGPTE)	Singapore	Subsidiary	100% by AGL	31-12-05
Adani Virginia Inc. (AVINC)	U.S.A.	Subsidiary	100% by AGFZE	31-12-05
Adani Agrifresh Ltd (AAGL)	India	Subsidiary	100% AEL	31-03-06
Bay Bridge Enterprise LLC (BBELLC)	U.S.A.	Subsidiary	100% by AVINC	31-12-05
Adani Retail Ltd	India	Associate	49% AEL	31-03-06
Adani Petronet (Dahej) Port Pvt Ltd.	India	Associate	26% AEL	31-03-06
Mundra Special Economic Zone Ltd.	India	Associate	32.92% AEL	31-03-06
Adani Wilmar Ltd. (AWL)	India	Joint -Venture	8.37% AEL	31-03-06

3. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

Most of the accounting policies of the Reporting Company and those of its Subsidiaries, Joint Venture and Associates are similar. However, since certain Subsidiaries/ Joint Venture/ Associates are in businesses that are distinct from that of the Reporting Company and function in different regulatory environments, certain accounting policies may differ. The accounting policies of all the Companies are in line with generally accepted accounting principles.

b) USE OF ESTIMATES

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

c) INVENTORIES

- i) Inventories are valued at lower of cost or Net Realisable value.
- ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- iii) The basis of determining cost for various categories of inventories are as follows:
 - a) Raw material : Weighted Average Cost
 - b) Traded / Finished goods : Weighted Average Cost.

d) MATERIAL EVENTS

Material events occurring after the balance sheet date are taken into cognizance.

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

e) CONTINGENT LIABILITIES

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

f) PRIOR PERIOD ITEMS

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Adjustment Account"

g) DEPRECIATION

- i) Depreciation on Fixed Assets is provided on straight line method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs.
- ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- iii) Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

h) REVENUE RECOGNITION

- i) Sales of goods is recognised on shipment or dispatch to customer sales and net of Sales-tax and return.
- ii) Dividend income from investments is recognised when the Company's right to receive payment is established.
- iii) Income from services rendered is accounted for when the work is performed.
- iv) Interest revenues are recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- v) Profit/Loss on sale investments are recognized on the contract date.
- vi) Benefit on accounts of entitlement to import goods Free of duty under "Duty entitlement Pass Book under the Duty Exemption Scheme" is being accounted in the year of export.

i) GOODWILL

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognized as Goodwill.
Goodwill which has a limited useful economic life is amortised over a period of fifteen years on straight line basis from the year of creation.

j) FIXED ASSETS

- i) Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.
- ii) Expenditure on accounts of modification/alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.
- iii) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, are charged off to revenue in the year of incurrence.

k) FOREIGN CURRENCY TRANSACTIONS

i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

Consolidated Financial Statements
ADANI ENTERPRISES LIMITED

iii) **Exchange Differences**

All exchange differences arising on settlement and conversion on foreign currency transaction are included in the Profit and Loss Account.

iv) **Forward Exchange Contracts**

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract.

v) **Derivative instruments**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The use of such foreign currency forward contracts is governed by the Company's policies approved by the management, which provide principles on use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instrument for speculative purposes.

I) INVESTMENTS

- i) Long-term Investments are stated at cost. Provision for diminution in the value of long-term Investments is made only if such a decline is other than temporary in the opinion of the management.
- ii) Current investment are carried at the lower of cost and quoted/fair value, computed category wise.
- iii) Investment in shares of foreign subsidiary Company is expressed in Indian Currency at the rates of exchange prevailing at the time when the investment was made.

m) RETIREMENT BENEFITS

- i) **Provident Fund and Pension Fund:** The Company contributes towards provident and pension fund which is administered by the Central Government and are charged against revenue every year.
- ii) **Gratuity and Superannuation Fund:** Liabilities for payment of Gratuity & Super Annuation to employees are covered through Group Gratuity & Super Annuation Scheme of Life Insurance Corporation of India and are charged against revenue every year.
- iii) **Leave Encashment:** The Company has provided the liabilities pertaining to accrued leave encashment as at the year end in its books of accounts on the basis of the actuarial valuer's certificate.

n) BORROWING COSTS

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

o) RELATED PARTY TRANSACTIONS

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate statement annexed to this Schedule. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

p) LEASES

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, etc.) and land. The leasing arrangements which are not cancelable range between 11 months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

q) EARNING PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

r) TAXES ON INCOME

i) DEFERRED TAXATION

In accordance with the Accounting Standard 22 Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) CURRENT TAXATION

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

iii) FRINGE BENEFIT TAX

Provision for Fringe Benefit Tax has been recognized on the basis of a harmonious, contextual interpretation of the provisions of the Income Tax Act, 1961.

s) IMPAIRMENT OF FIXED ASSETS

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the profit and loss account.

t) CONTINGENCIES/PROVISIONS

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

u) COMMODITY HEDGING TRANSACTIONS

The commodity hedging contracts are accounted on the date of their settlement & realised gain / loss in respect of settled contracts are recognised in the Profit and Loss account, together with the underlying transactions. In the case of unsettled contracts, mark to mark position is recognized in the case of losses and ignored in the case of profits, considering conservative principle.

v) ACCOUNTING OF CLAIMS

Claims received are accounted at the time of lodgement depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any are made in the year in which disputes are finally settled.

w) EXPORT INCENTIVES

Export benefits under various scheme announced by the Central Government under Exim policies are accounted on accrual basis to the extent considered receivable depending on the certainty of receipt.

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

x) PROPOSED DIVIDEND

Dividend proposed by the Directors is provided for in the books of account pending approval by the members at the Annual General Meeting.

y) CAPITAL WORK-IN-PROGRESS

The cost of assets not put to use before the year ended, are disclosed under capital work-in-progress.

z) DOUBTFUL DEBTS/ADVANCES

Provision is made in the accounts for Debts / Advances which in the opinion of the management are considered doubtful of recovery.

aa) MISCELLANEOUS EXPENDITURE DEFERRED REVENUE EXPENSE AND PRELIMINARY EXPENDITURE

This represents preliminary and pre-operating costs incurred during the period. It will be fully written off on commencement of operations.

bb) OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out in the notes to accounts under "Statement of Accounting Policies" of the financial statements of the Company, AGL, AGFZE, AGPTE, AVINC, AAGL, BBELLC, PTAG, AALL, APL, VYOM, ASPL, LSPL, AIDPL, AEPL, AE FIRM, ATRECO FIRM, SRTL, CCPL, ATRECO, ALDPL, ADPL, AHPL, ARL, ARPL and AWL.

(B) NOTES ON ACCOUNTS:

- In AGL, AGFZE, AGPTE, AVINC, BBELLC, PTAG, ASPL, LSPL, the summarized revenue and expenses transactions at the year end reflected in Profit & Loss Account have been translated into Indian Rupees at an average of monthly exchange rate.

The assets and liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year end. The resultant translation exchange, gain / loss has been disclosed as Exchange Reserves in Reserves and Surplus.

2. Contingent liabilities not provided for

(Rs. in Crores)

PARTICULARS		AS AT 31-03-2007	AS AT 31-03-2006
a)	Claims against the Company not acknowledged as debts	47.68	10.84
b)	In respect of Corporate Guarantee given:-		
	(i) To Companies under the same Management	92.46	110.19
	(ii) For obligations to other parties	206.35	136.56
c)	Bills of Exchange Discounted	590.15	935.95
d)	Demand against the company not admitted as debts regarding sales tax against which appeals are pending	10.59	0.92
e)	In respect of Bank Guarantees given to Government agencies.	206.00	7.40
f)	Letter of Credit	1,068.42	160.79
g)	In respect of partly paid shares.	0.02	0.04
h)	Export obligations though completed but procedural relinquishment are pending of Rs.11.29 before DGFT (Previous Year Rs.NIL) and of Rs.0.08 before Customs (Previous Year Rs.1.76).		
i)	Export obligations of Rs.6.82 (Previous Year Rs. 0.24) is pending which is equivalent to 8 times of duty saved Rs. 0.85 (Previous Year Rs.0.00).		
j)	Certain claims / show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from internal evaluation of the management.		
k)	Show Cause notice in terms of value of export goods under section 14 of the Customs Act, 1962 read with section 11 of FTDR Act, 1992 and rule 11 & 14 of FT(Regulation) Rule, 1993 in which liability is unascertainable.		
l)	330,000 Equity Shares of Adani Power Limited & 5,10,00,000 Equity Shares of Adani Agri Logistics Limited, under the head of Investments are pledged with Banks / Financial Institutions towards collateral security for loan taken by a group Company. - Amount unascertainable.		

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

3. Pursuant to the Accounting Standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2007 is as follows: (Rs. in Crores)

Particulars of Disclosures	Excise Duty		Leave Encashment/Gratuity	
	2006-07	2005-06	2006-07	2005-06
Opening Balance	0.04	0.00	2.77	1.26
Add : Additional Provision During the Year	0.06	0.01	2.23	1.34
Less : Provision Used/ Reversed during the Year	0.04	0.00	1.38	0.13
Add: Currency Translation			(0.01)	0.01
Closing Balance	0.06	0.01	3.61	2.48

4. **Segment Reporting**

i) **Primary Segment**

Segments have been identified in line with Accounting Standard-17 "Segment Reporting", taking into account the organization structure as well as different risk and returns of these segments.

ii) **Secondary Segment**

Two Secondary Segments have been identified based on the geographical locations of customers : within India and outside India.

Primary Segment Information:

(Rs. in Crores)

Particulars	Trading	Real Estate	Others	Inter Segment Elimination	Total
REVENUE					
Sales and Operating Earning (External)	15579.68	-	1369.38	-	16949.06
	12106.97		234.51		12341.48
Inter Segment transaction	14.09	-	0.19	-	14.28
	-	-	-	-	-
Total Sales and Operating Earning (Net)	15593.77	-	1369.57	(14.28)	16949.06
	12106.97		234.51		12341.48
Other Income	4.42		0.64	(0.90)	4.16
	1.77		0.45	(0.87)	1.35
Total Revenue	15598.19	-	1370.21	(15.18)	16953.22
	12108.74		234.96	(0.87)	12342.83
RESULT					
Segment Result (PBIT)	427.73	(1.22)	31.12	(0.06)	457.57
	324.90		2.90	(0.87)	326.93
Interest Expenses (Net)					228.58
					153.28
Income taxes					51.64
					39.02
Net Profit after tax					177.35
					134.63
Share of Associate Loss					3.43
					0.05
Share of Minority Interest					0.64
					-
Net Profit Attributable to Share holders					173.28
					134.58
OTHER INFORMATION					
Segment assets	6770.07	1252.85	1674.17	(1786.94)	7910.15
	4357.02		177.26	(142.68)	4391.60
Segment liabilities	5507.25	1254.10	1135.62	(1137.37)	6759.60
	3460.06		91.87	(12.83)	3593.10
Depreciation/Amortisation	7.37	0.01	8.95	-	16.33
	3.48		2.08		5.03
Capital Expenditure	138.25	2.24	918.15	0.16	1058.80
	23.08		42.10		65.18

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

Secondary Segment Information :

(Rs. in Crores)

Particulars	Within India	Outside India	Elimination	Total
Sales	10472.13	8649.73	(2445.79)	16676.07

5. Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below:

Being the Company is lessee:

- (i) The Company's significant leasing arrangements are in respect of godowns / residential / office premises (Including furniture and fittings therein, as applicable). The aggregate lease rental payable is charged to Profit and Loss Account as Rent in Schedule 18.
- (ii) The Leasing arrangements, which are cancelable, range between 11 months and 5 years. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given.

6. Related Party Disclosure (As identified by the Management)

i) Name of related parties & description of relationship

A Associate Entities

Adani Port Infrastructure Pvt. Ltd.
Adani Retail Ltd.
Advantage Retail Pvt. Ltd.
Adani Energy Ltd.
Mundra Port and Special Economic Zone Ltd.
Adani Logistics Ltd.
Mundra Special Economic Zone Ltd.
Komal Marketing Pvt. Ltd.
Aditya Corpex Pvt. Ltd.
Komal Infotech Pvt. Ltd
Gujarat State Exports Corporation Ltd.
M/s. Intercontinental (India)
Adani Agro Pvt. Ltd.
B2B India Pvt. Ltd.
Adani Properties Pvt. Ltd.

B Key Management Personnels

Shri Gautam S. Adani
Shri Rajesh S. Adani
Shri Pradeep Mittal

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

ii) Nature & Volume of Transaction with Related Parties

(Rs. in Crores)

	Particulars	Associate Entities	Key Mgmt Personnel
1	Sales (Net of Return)	49.41	-
		38.72	-
2	Purchase (Net of Return)	468.18	-
		27.63	-
3	Sale of Investment	32.70	-
		-	-
4	Purchase of Fixed Asset	265.27	-
		3.41	-
5	Purchase of Investments	95.99	0.00
		64.64	-
6	Interest - received / (paid)	0.16	-
		0.09	-
7	Funds given [includes investment in preference shares/equity participation/ business arrangement]	1,069.76	0.08
		418.69	-
8	Funds received [including redemption of preference share/business arrangement]	1,337.70	0.12
		302.86	-
9	Service rendered	8.58	-
		3.41	-
10	Service availed	202.13	-
		42.67	-
11	Profit/(Loss) Sharing/Business Arrangement	(1.28)	-
		11.16	-
12	Rent paid	0.52	-
		4.66	-
13	Rent received	3.45	-
		0.01	-
14	Remuneration	-	11.78
		-	8.35
15	Guarantee & Collateral securities (Outstanding facility as on 31-03-2007)	0.91	-
		2.73	-
16	Balance Outstanding		
	31st March, 2007 (Due from)	106.18	0.00
	31st March, 2007 (Due to)	357.49	-
	31st March, 2006 (Due from)	146.82	-
	31st March, 2006 (Due to)	6.68	-

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

7. Pursuant to Accounting Standard (AS 27) Financial Reporting of Interests in Joint Venture, the disclosures relating to the Joint Venture are as follows :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2007	Percentage of ownership interest as at 31st March, 2006
Adani Wilmar Ltd.	India	50.00%	8.37%
		As at 31st March, 2007 (Rs. in Crores)	As at 31st March, 2006 (Rs. in Crores)
I	ASSETS		
1.	Fixed Assets (Including Capital Work In Progress)	267.20	280.66
2.	Investments	2.01	2.01
3.	Current Assets, Loans & Advances		
(a)	Inventories	310.87	370.14
(b)	Sundry Debtors	79.39	103.02
(c)	Cash & Bank Balances	107.95	151.77
(d)	Loans & Advances	37.86	61.74
II	LIA BILITIES		
1.	Share Capital	131.94	131.94
2.	Reserve & Surplus	52.99	49.04
3.	Loan Funds		
(a)	Secured Loans	127.88	177.08
(b)	Unsecured Loans	-	-
4.	Deferred Tax Net	18.77	16.22
5.	Current liabilities and Provisions		
(a)	Current Liabilities	472.82	594.64
(b)	Provisions	0.88	0.81
6.	MISCELLANEOUS EXPENSES	-	0.39
III	INCOME	2006 - 2007	2005 - 2006
1.	Sales And Operating Earnings	2,641.43	2,680.21
2.	Other Income	0.40	0.25
IV	EXPENSES		
1.	Operating Expenses	2,577.27	2,627.51
2.	Finance Expenses	41.38	29.70
3.	Miscellaneous Expenditure Written off	0.39	6.20
4.	Depreciation	15.38	13.70
	PROFIT FOR THE YEAR BEFORE PRIOR PERIOD ADJUSTMENTS	7.42	3.34
Add:	Prior Period Income / (Expenses)	(0.01)	0.03
	PROFIT FOR THE YEAR BEFORE TAXATION	7.41	3.37
Less:	Provision For Taxation	3.80	1.95
Add:	Excess Tax Provision of Earlier years (P.Y. Rs.239/-)	0.33	-
	PROFIT AFTER TAXATION	3.94	1.42
	Surplus brought forward from previous year	14.04	12.62

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

8. Earning Per Share

(Rs. in Crores)

Particulars	Year ended 31-03-2007	Year ended 31-03-2006
Net Profit after tax available for Equity Shareholders	173.28	134.58
Number of shares used in computing Earning Per Share		
Basic	237134906	225918062
Diluted	237134906	250639842
Earning Per Share (Equity Shares, face value Rs.1/-)		
Basic (in Rs.)	7.31	5.96
Diluted (in Rs.)	7.31	5.54

Dilutive potential equity shares are those which are deemed for the purpose of the computation pertains to the expected conversion of Bonds/Debentures.

9. a) Deferred Tax

(Rs. in Crores)

	As At 31-03-2007	As At 31-03-2006
Deferred Tax Liability on account of		
(i) Depreciation	36.71	11.35
Total	36.71	11.35
Deferred Tax Assets on Account of		
(i) Leave Encashment	1.07	0.73
(ii) Other	9.43	2.54
Total	10.50	3.27
Net Deferred Tax Liability	26.21	8.08

b) In accordance with "Accounting Standard 22", the deferred tax Liabilities of Rs. 11.38 Crores (Previous year of Rs. 0.43 Crores) for the year has been recognised in the Profit & Loss Account.

- 10.** On February 22, 2007, the Board for Industrial & Financial Reconstruction ("BIFR") sanctioned a Scheme of Rehabilitation ("the Scheme") for Khatau Makanji Spinning & Weaving Company Limited ("KML"). Besides other provisions, the Scheme has provided, with effect from the Appointed Date, viz. April, 1, 2006, for the de-merger of the Byculla and Borivli units of KML into Swayam Realtors & Traders Limited ("Swayam"), in which a subsidiary of the Company hold 60% of the paid-up equity share capital. Swayam has prepared its financial statements for the period ended December 31, 2006. The BIFR Order sanctioning the Scheme was passed subsequent to the completion of the audit and hence the effect of the de-merger could not be considered in its audited accounts. Considering that the scheme is yet to be fully implemented, the impact of the de-merger at this stage, on the consolidated accounts of the Company, is not ascertainable. The Board of Directors of Swayam has confirmed that there are no other material transaction save and except the demerger aforesaid during the period from 1st January, 2007 to 31st March, 2007.
- 11.** In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statement", the consolidated financial statement do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.
- 12.** Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

Signature to Schedules " 1 " to " 20 ".

For and on behalf of the Board

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007

Place : Ahmedabad
Date : 21st May, 2007

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

**Consolidated Financial Statements
ADANI ENTERPRISES LIMITED**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs. In Crores)

Particulars		2006-2007		2005-2006	
A	CASH FLOW FROM OPERATIONS				
	Net Profit before tax & extraordinary items		228.99		173.60
	Adjustment for:				
	Depreciation	16.33		5.03	
	Income from investments	(0.14)		(0.00)	
	Unrealised Exchange Rate Difference	4.10		2.77	
	Income from Mutual Fund	(0.83)		(0.72)	
	Loss on sale of fixed assets	0.08		0.26	
	Provision for Bad Debts	5.00		0.36	
	Deferred Revenue Expenditure	0.22		0.53	
	Share of Minority Interest	(0.64)		-	
	Interest Expense	370.89		327.41	
	Interest Income	(121.38)		(304.16)	
	Operating Profit before working capital changes		273.63		31.46
	Adjustment for:				
	Trade & other receivables	(24.65)		(14.57)	
	Inventories	(1336.04)		(129.93)	
	Loans & Advances	(88.33)		(188.15)	
	Trade Payables	194.92		18.57	
	Cash generated from operations		(1254.10)		(314.06)
	Direct tax (paid) / refund		(751.48)		(109.01)
	Net cash from operating activities		(43.16)		(36.11)
			(794.64)		(145.11)
B	Cash Flow from Investing Activities				
	Additions to fixed assets	(169.29)		(28.99)	
	Additions to Intangible assets	(2.91)		(2.63)	
	Additions to work in progress	(922.73)		(36.43)	
	Sale of fixed assets	2.31		0.31	
	Deferred Revenue Expenditure	(3.24)		(0.40)	
	Sale of Investments	37.21		0.28	
	Purchase of Investments	(6.92)		(38.82)	
	Income from Mutual Fund	0.83		0.72	
	Income from Investments	0.14		-	
	Interest received	149.13		300.82	
	Net cash used in Investing Activities		(915.47)		194.87
C	Cash Flow from Financing Activities				
	Share Application Money Received	0.25			
	Proceeds/(repayment) from working capital borrowings (net)	87.63		13.24	
	Proceeds from long term borrowings (net)	2210.86		517.96	
	Proceeds from short term borrowings (net)	820.67		(7.72)	
	Interest Paid	(381.37)		(296.41)	
	Dividend paid	(21.66)		(9.86)	
			2716.38		217.22
D	Others				
	Exchange Reserve	1.46		0.20	
	Adjustment for Subsidiary and Joint Venture	(109.06)		(59.47)	
			(107.60)		(59.27)
	Net Increase/(Decrease) in cash & cash equivalents		898.67		207.71
	Cash & cash equivalent at the beginning of the year		737.97		530.26
	Cash & cash equivalent as at 31/03/2007		1636.64		737.97

Notes :

Cash and Cash equivalents includes Short Term Investments of Rs. 5 crores (Previous Year Rs. 23 crores) and Rs. crores (Previous Year Rs. 437.59 Crores), which are not available for use by the company (refer schedule 9 to accounts)

As per out attached report of even date.

For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

Devang S. Desai
Chief Financial Officer

Gautam S. Adani
Chairman
Date : 21st May, 2007

D. A. Parikh
Proprietor

Birva C. Patel
Company Secretary

Rajesh S. Adani
Managing Director
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007

Place : Ahmedabad
Date : 29th May, 2007

ADANI AGRI FRESH LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors have pleasure in presenting the Third Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2007.

FINANCIAL HIGHLIGHTS

During the period under review as the Company's project is under implementation, it has not started any commercial activities. Hence, no profit and loss account has been prepared. Total expenditure incurred up to 31/03/2007 is about Rs. 31,35,330/-

FIXED DEPOSITS

During the period under review, the Company has not accepted any deposits from Public.

The Company has not made any loan / advances which are required to be disclosed in the annual accounts of the Company pursuant to clause 32 of the Listing Agreement with the parent Company.

DIRECTORS

Shri Atul Chaturvedi retires by rotation but being eligible offers himself for re-appointment.

AUDITORS

The statutory auditors, M/s. Sharp and Tannan, Chartered Accountants, New Delhi, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Notes forming part of accounts, which are specifically referred to by the auditors in their report are self-explanatory and therefore, do not call for any further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that the directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

As the Company is not a manufacturing Company, a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not appended. There is no foreign exchange earnings and outgo during the year under review.

PERSONNEL

The particulars of employees as required by Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 are not given as no employee is in receipt of remuneration of Rs. 24,00,000 per annum or Rs.2,00,000 or more per month.

ACKNOWLEDGMENT

Your Directors have pleasure in taking this opportunity to thank the Government Agencies, bankers and all other personnel.

FOR & ON BEHALF OF THE
BOARD OF DIRECTORS

Place: Ahmedabad
Date: 9th May, 2007

Chairman

ADANI AGRI FRESH LIMITED**AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ADANI AGRI FRESH LIMITED**

We have audited the attached Balance Sheet of Adani Agri Fresh Limited as at 31st March 2007 and Cash Flow statement for the year ended on that date, annexed thereto. No Profit & Loss Account has been prepared for the year ended 31st March 2007 for the reason referred to in Note no. (1) of schedule 'I'. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

we report that:

- (1) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to on Paragraph (1) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting policies in schedule 'H' and Note no. 1 regarding Trail Run along with other Notes on Account in Schedule 'I', give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
- (ii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Sharp & Tannan
Chartered Accountants
By the hand of

Pavan K. Aggarwal
Partner

Place: New Delhi
Date: 9th May, 2007

ADANI AGRI FRESH LIMITED

Annexure to the Auditor's Report

(Referred to in paragraph (1) of our report of even date)

- 1 (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
 (b) As explained to us, these fixed assets have been physically verified by the management, In our opinion, the physical verification is reasonable and no material discrepancies were noticed on such verification.
 (c) The company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern status.
- 2 (a) As explained to us, the inventories have been physically verified by the management during the year. The inventories stored in chambers of Controlled Atmosphere Storage (CAS) have not been physically verified and has been recorded on the basis of a certificate, certifying the quantities by the CAS Manager. In our opinion, such verification is reasonable.
 (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- 3 (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firm and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the company.
 (b) According to the information and explanations given to us, the company has taken an interest free unsecured loan of Rs. 1,03,01,154/- from Holding Company in which one of the Directors of the company is interested, covered in the register maintained under section 301 of the Companies Act, 1956.
 Based on the information available and explanations given, in our opinion the rate of interest and other terms and conditions of the unsecured loan are prima facie not prejudicial to the interest of the Company. In absence of an agreement on repayment terms and conditions, we are unable to comment about the regularity of principal payment.
- 4 In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and nature of its business, for the purchase of fixed assets and for the sales of products & services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5 (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- 7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 According to the information and explanations given to us, the maintenance of Cost records as per Paragraph 4(viii) of Companies (Auditor's Report) Order 2003 is not applicable on the company during the period.
- 9 (a) According to the information and explanations given to us, in our opinion, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, education cess, Income tax, Sales tax and Custom Duty as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2007, for a period of more than six months from the date they became payable.
 (b) According to the information and explanations given to us, there were no cases of disputed Education cess, Income tax, Sales tax and Custom Duty as at 31st March 2007, which have not been deposited on account of any dispute.
- 10 No Profit and Loss account has been prepared (refer Note no. (1) in schedule 'I') hence Clause 4(x) of Companies (Auditor's Report) Order 2003 regarding accumulated losses and cash losses is not applicable on the Company during the period.
- 11 According to the information and explanations given to us, in our opinion the company has not defaulted in the repayment of dues to any financial institutions or bank as at the balance sheet date. The Company has not issued any debentures.

ADANI AGRI FRESH LIMITED

- 12 According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 According to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/Societies.
- 14 To the best of our knowledge and as explained, the company is not dealing/ trading in Shares/Securities/Debentures and other investments. Accordingly the provisions of clause 4(xiv) of Companies (Auditor's Report) Order 2003 is not applicable to the company.
- 15 In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by associates and others, from bank or financial institutions during the period.
- 16 To the best of our knowledge and as explained, the term loans raised during the period have been applied for the purpose for which they were raised.
- 17 According to the information and explanations given to us, the company has raised an Interest free unsecured loan of Rs. 1,03,01,154/- from the holding company. The repayment terms are required to be entered into. In absence of the said repayment schedule, we are unable to comment whether funds raised are short term or long term loans and used accordingly.
- 18 The Company has made preferential allotment of shares (refer to point no.2 of Notes on Account) and according to the information and explanations given, we are of the opinion that the price at which shares have been issued, is not prejudicial to the interest of the Company.
- 19 The company has not issued any debentures during the year. Hence, reporting on paragraph 4 (xix) of the Order pertaining to creation of security or charge for debentures does not arise.
- 20 The company has not raised any money through a public issue during the year; accordingly, paragraph 4(xx) of the Order is not applicable to the company.
- 21 During the course of our examination of books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Sharp & Tannan
Chartered Accountants
By the hand of

Place: New Delhi
Date: 9th May 2007

Pavan K. Aggarwal
Partner

ADANI AGRI FRESH LIMITED
"ADANI HOUSE", NEAR MITHAKHALI SIX ROADS, NAVRANGPURA,
AHMEDABAD - 380009, GUJARAT

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule No.	As at March 31, 2007		As at March 31, 2006	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS					
Shareholders' funds	A				
Share capital			456,100,000		315,600,000
Share application money			20,000,000		-
Loan funds					
Secured Loans	B	882,343,913		77,257,806	
Unsecured loans	C	10,301,154		10,298,061	
			892,645,067		87,555,867
TOTAL			1,368,745,067		403,155,867
APPLICATION OF FUNDS					
Fixed Assets	D				
Gross Block		104,189,470		20,983,469	
Less: Depreciation		8,970,950		2,319,461	
Net Block		95,218,520		18,664,008	
Add : Capital Work In Progress		1,428,256,007		318,644,005	
			1,523,474,527		337,308,013
Current Assets, Loans and Advances	E				
Inventories		78,680,753		-	
Sundry Debtors		16,895,580		-	
Cash and Bank Balances		4,852,537		50,246,502	
Loans and Advances		22,498,061		15,923,542	
		122,926,931		66,170,044	
Less : Current Liabilities and Provisions	F				
Net current Assets			(157,864,790)	3,443,410	62,726,634
Miscellaneous Expenditure (to the extent not written off or adjusted)	G		3,135,330		3,121,220
Significant Accounting Policies	H				
Notes to the Accounts	I				
TOTAL			1,368,745,067		403,155,867

The schedules referred to above and the Notes attached form an integral part of the accounts.

As per our report attached of even date

For and on behalf of the Board

Sharp & Tannan
Chartered Accountants
By The Hand of

Pranav V. Adani
Managing Director

Pavan K. Aggarwal
Partner

Sunil Bansal
Company Secretary

Rajesh S. Adani
Director

Place: New Delhi
Date: 9th May, 2007

Place: Ahmedabad
Date: 5th May 2007

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at 31-3-2007 Amount (Rs.)	As at 31-3-2006 Amount (Rs.)
Schedule A :- Share Capital		
Authorised 5,00,00,000 equity shares of Rs.10 each	500,000,000	500,000,000
Issued, subscribed and paid up 4,56,10,000 equity shares of Rs.10 each (previous year 31560000 Equity shares of Rs. 10 each)	456,100,000	315,600,000
Share Application Money	20,000,000	-
	476,100,000	315,600,000
Schedule B :- Secured Loans		
From Banks		
Term Loan (Including interest accrued and due Rs.NIL, Previous Year Rs 430,845) (secured by First charge on all the movable & immovable fixed assets of the company both present and future and second charge on the current assets) (Amount repayable in next 12 months Rs. 331.19 Lacs)	840,762,681	75,930,846
Cash Credits (secured by First charge on entire stock of raw material,semi finished and finished goods,spares,book debts,bills and receivables and second charge on immovable fixed assets of the company both present and future ranking paripassu with other participating banks)	40,957,189	-
Vehicle Loans (against Hypothecation of Vehicles) (Amount repayable in next 12 months Rs 6.24 Lacs)	624,043	1,326,960
	882,343,913	77,257,806
Schedule C :- Unsecured Loans		
Adani Enterprises Limited (formerly Adani Exports Ltd.) (Interest free loan from Holding Company, Maximum balance Outstanding at any time during the year Rs.10,301,154; previous year Rs.10,298,061)	10,301,154	10,298,061
	10,301,154	10,298,061

ADANI AGRI FRESH LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007
Schedule D :- Fixed Assets

(Amount in Rs.)

Particulars	GROSS BLOCK				Depreciation			Net Block	
	Opening Balances as on 1-4-2006	Addition during the year	Sales/ Adjustment	As at March 31, 2007	Opening Balances as on 1-4-2006	Charged during the year	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
(A) Tangible Assets									
Owned Assets									
Free hold Land	12,151,000	44,992,671	-	57,143,671	-	-	-	57,143,671	12,151,000
Building - Porta Cabin	195,515	78,750	-	274,265	195,514	78,749	274,263	2	-
D G set		20,823,907	-	20,823,907	-	1,682,412	1,682,412	19,141,495	-
Material handling eqp.	126,934	11,980,202	-	12,107,136	10,229	1,280,587	1,290,816	10,816,320	116,705
Furniture & Fixture	3,565,228	1,504,540	-	5,069,768	721,611	1,525,882	2,247,493	2,822,275	2,843,618
Office Equipment	976,993	1,550,503	-	2,527,496	182,656	603,624	786,279	1,741,217	794,337
Computers	1,796,856	2,275,428	-	4,072,284	595,587	1,077,107	1,672,694	2,399,590	1,201,269
Bicycle	1,851			1,851	1,851	-	1,851	-	-
Owned Assets (sub total- i)	18,814,377	83,206,001	-	102,020,378	1,707,448	6,248,360	7,955,808	94,064,570	17,106,929
Leased Assets									
Vehicles	2,156,092		-	2,156,092	599,015	403,127	1,002,142	1,153,950	1,557,077
Leased Assets (sub total - ii)	2,156,092	-	-	2,156,092	599,015	403,127	1,002,142	1,153,950	1,557,077
Sub Total(A) (i+ii)	20,970,469	83,206,001	-	104,176,470	2,306,463	6,651,487	8,957,950	95,218,520	18,664,006
(B) Intangible Assets									
Computer Software	13,000		-	13,000	13,000		13,000	-	-
Sub Total(B)	13,000	-	-	13,000	13,000	-	13,000	-	-
Grand Total (A+B)	20,983,469	83,206,001	-	104,189,470	2,319,463	6,651,487	8,970,950	95,218,520	18,664,006
(C) CWIP-Tangible Assets									
Civil works & Site Development	44,551,886	197,484,748	-	242,036,635				242,036,636	44,551,888
Plant & Machinery	235,132,060	334,248,818	-	569,380,878				569,380,878	235,132,060
Material Handling Equipment	-	386,979,772	-	386,979,772				386,979,773	-
Expenditure during Construction Period Awaiting Allocation	38,960,059	190,898,663	-	229,858,722				229,858,721	38,960,059
Sub Total (C)	318,644,005	1,109,612,002	-	1,428,256,007	-	-	-	1,428,256,008	318,644,007
Total	339,627,474	1,192,818,003	-	1,532,445,478	2,319,463	6,651,487	8,970,950	1,523,474,527	337,308,013
Previous year	7,214,845	333,492,254	1,079,625	339,627,474	290,000	2,029,461	2,319,461	337,308,013	6,924,845

Notes:

- Freehold Land includes advance of Rs.12.27 lacs for Land pending registration
- Capital work-in-progress includes advances of Rs. 585 lacs (Previous year Rs. 2543 lacs)
- Capital work-in-progress includes Foreign Exchange Fluctuation amounting to Rs. 63.39 lacs (Previous year -Nil)

ADANI AGRI FRESH LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

(Amount in Rs.)

Particulars	As at March 31, 2007		As at March 31, 2006	
Schedule E :- Current Assets, Loans and Advances				
Inventories				
-Stores and Spares	5,555,897		-	
-Stock in trade	73,124,856	78,680,753	-	-
Debtors (unsecured considered good) Outstanding Less than six months		16,895,580		-
Cash & Bank Balances			18,166	
-Cash on hand	72,832			
-Scheduled Banks	4,779,705	4,852,537	50,228,336	50,246,502
Loans and Advances (Unsecured and considered good) Advances recoverable in cash or in kind for value to be received	15,834,357		13,224,962	
Security and Other Deposits	6,663,704	22,498,061	2,698,850	15,923,542
		122,926,931		66,170,044
Schedule F :- Current Liabilities and Provisions				
Acceptances		124,427,386	-	
Sundry creditors				
-Capital	135,680,971		1,165,755	
-Others	8,542,672	144,223,643	2,273,495	3,439,250
Other Liabilities		12140692		-
Interest Accrued but not due on loans		-		4,160
		280,791,721		3,443,410
Schedule G :- Miscellaneous Expenditure (to the extent not written off or adjusted)				
Preliminary Expenses		32,220		32,220
Shares issue expenses		3,103,110		3,089,000
Total		3,135,330		3,121,220

SCHEDULE: H

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

- a) The Company maintains its accounts on accrual basis following the Historical Cost Convention in accordance with Generally Accepted Accounting Principles (GAAP) on accrual basis and in accordance with applicable accounting standards referred to in Section 211(3C) and other provisions of the Companies Act, 1956.
- b) The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of the fixed assets and intangible assets, Provision for advances, future obligations in respect of retirement benefits plans etc . Actual results could differ from these estimates.

2. INVENTORY VALUATION:

- a) Inventories are valued at lower of cost or net realizable value.
- b) Cost of inventories includes cost incurred on acquisition of material, cost of conversion and other costs i.e. cost incurred to bring the material to its present location and condition.
- c) The basis of determining cost of various categories of inventories is weighted average rate for stock in trade and stores and spares..

3. DEPRECIATION:

- a) Depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except on computer software which are depreciated in the year of purchase at the rate of 100% and read with the relevant circulars issued by the Department of Company Affairs.
- b) Depreciation on assets acquired / disposed off during the period is provided on pro rata basis with reference to the date of addition / disposal.
- c) Depreciation on assets whose unit cost is less than Rs. 5000/- has been charged off fully in the year of acquisition except that they are recorded in the Books of Accounts at the nominal value of Re 1/- for internal Control purposes.

4. REVENUE RECOGNITION :

- a) Sale of goods is recognized on dispatch to customer for sales when substantial risks and reward are passed to the customer as per terms of contract / order.
- b) Insurance claims are accounted for on receipt basis.

5. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition or construction. The cost so ascertained is adjusted with the accumulated depreciation/amortization and provisions for impairment if any to determine the net carrying value of the fixed assets hence they are stated at historical cost less accumulated depreciation.

6. FOREIGN CURRENCY TRANSACTIONS:

- a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. The exchange difference arising out of the settlements other than those on liabilities relating to fixed assets acquired outside India are dealt with in the Profit & Loss account / Pre-operative expenditure.
- b) Foreign currency current assets and liabilities are converted at the year end rates.
- c) Exchange difference arising on account of liabilities incurred for acquiring fixed assets from a country outside India are adjusted to carrying cost of fixed assets.

7. RETIREMENT BENEFIT :

- a) Provident fund and pension fund : The company contributes towards provident and pension fund which are administered by central government and the contributions are charged against revenue / pre-operative expenditure every year.
- b) Gratuity : Liability for payment of gratuity has been provided for the accrued amount on the basis of period of service of employees.
- c) Leave encashment : The company has provided for accrued leave encashment as at the year end in books of accounts

8. BORROWING COSTS :

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

9. LEASES :

Assets financed by leasing agreements that give rights approximating to ownership (finance leases) have been capitalised at their fair value and depreciation is provided on the basis of the depreciation policy. The capital elements of future obligations under finance leases are included as liabilities in the balance sheet and the current year's interest element, having been allocated to accounting periods to give a constant periodic rate of charge on the outstanding liability, is charged to the income statement.

10. IMPAIRMENT OF FIXED ASSETS :

The carrying amount of assets other than inventories is reviewed at the balance sheet date to determine whether there is any indication of impairment.

11. MISCELLANEOUS EXPENDITURE :

Preliminary and Share Issue expenses shall be amortized over the period of five years starting from the year of commercial production.

12. CAPITAL WORKS IN PROGRESS :

- a) Advance paid towards the acquisition and/or construction of fixed assets and the cost of assets not fully completed before the year end, are disclosed under Capital Works In Progress.
- b) Expenditure during construction awaiting allocation are disclosed under Capital Works In Progress.

13. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

Events occurring after the balance sheet, where material (if any), are considered up to the date of approval of the accounts by the Board of Directors.

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - i) The Company has a present obligation as a result of past event;
 - ii) A probable outflow of resources is expected to settle the obligation; and
 - iii) The amount of the obligation can be reliably estimated.
- b) Contingent liability is disclosed in the case of
 - i) A present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii) A possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent assets are neither disclosed nor recognized.
- d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

As per our report attached of even date

For and on behalf of the Board

Sharp & Tannan
Chartered Accountants
By The Hand of

Pranav V. Adani
Managing Director

Pavan K. Aggarwal
Partner

Sunil Bansal
Company Secretary

Rajesh S. Adani
Director

Place : New Delhi
Date: 9th May, 2007

Place : Ahmedabad
Date: 5th May, 2007

ADANI AGRI FRESH LIMITED

SCHEDULE: I

NOTES ON ACCOUNTS

1. As there were no commercial activities during the year, no profit and loss account has been prepared for the year. The company has done trial run during the year. The company has procured apple and has done sorting, grading and storing of same in CA chambers. Part of apples was sold in the market. General Administration and other expenses incurred has been carried as expenditure during pre-operative period and pending for capitalization are as follows :

(Amount In Rs.)

Particulars	Upto 31-03-06	During the year 06 - 07		Upto 31-03-07
Staff Cost	15,034,576		55,159,618	70,194,194
Power & Fuel	-		20,800,186	20,800,186
Business Promotion & Advertisement	336,807		4,700,000	5,036,807
Travelling & Conveyance	4,693,825		14,508,626	19,202,451
Audit Fees	83,060		207,952	291,012
Legal & Professional Charges	-		1,729,000	1,729,000
Rent, Rates & Taxes	6,136,693		1,521,053	7,657,746
Other Administrative Exp.	4,090,708		15,668,281	19,778,989
Insurance	79,817		2,379,435	2,459,252
Interest and Finance Charges	6,185,111		73,198,038	79,383,149
Depreciation	2,319,462		6,651,488	8,970,950
Fringe Benefit & Income Tax	-		1,258,568	1,258,568
Sales	-	(115,212,287)		
Cost of Sales	-	108,308,705	(6,903,582)	(6,903,582)
Total	38,960,058		190,898,663	229,858,722

During the year, the company has stored 4200 MT apples in 32 rooms out of total 54 rooms commissioned at three locations in Himachal Pradesh.

In the course of trial run, the company has sold 2,690 M.T. of apples amounting to Rs. 1,152.12 lacs at the gap of different time periods after obtaining the test report about the quality of apples. All the expenses incurred in the process has been treated as expenditure during construction period and accounted as pre-operative expenses.

The company's Management is of the opinion that the storage and sales have been carried out to do the trial run and test the equipments installed in controlled atomosphere storage (CA) units. So the project can start commercial operation after its successful trial run and accordingly the income derived from the sales has been reduced from the pre-operative expenses

2. 14,050,000- Equity Shares were allotted as fully paid up during the year to the Adani Enterprise Ltd., formerly known as Adani Exports Limited (100% Holding Company).
3. Share Application money pending allotment for Rs. 200 Lacs has been received from Adani Enterprises Ltd. formerly known as Adani Exports Ltd (100% Holding Company).
4. Contingent liabilities not provided for: Bank Guarantee Rs. 4,13,12,571/- (Previous year Nil).
5. Estimated amount of Contracts remaining to be executed (net of advances) on capital Account and not provided for Rs 2,398.09 Lacs. (Previous Year Rs. 8,523.08 Lacs).
6. Directors Remuneration :

(Amount in Rs.)

	2006-2007	2005-06
Salaries and Allowances	2,400,000	1,900,000

The Managing Directors remuneration has been approved by passing a Special resolution in pursuant to the provisions of Section 198,269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

ADANI AGRI FRESH LIMITED

7. Provisions and/or payments in respect of Auditors Remuneration (excluding service tax and education cess).

(Amount in Rs)

Particulars	2006 - 2007	2005 - 2006
Statutory Audit Fees	2,00,000	50,000
Certification / other services	-	21,000
Reimbursement of expenses	7,952	3,795

8. Foreign Exchange outgo:

(Amount in Rs.)

Particulars	2006 - 2007	2005 - 2006
Value of import on C.I.F. Basis -Capital Goods	109,121,623	1,867,984
Expenditure in foreign exchange Travelling	941,990	105,642

9. The Sanctioned Rupee Term Loan of Rs. 10599 Lacs and disbursed till the year end Rs. 8408 Lacs (previous year Rs. 755 lacs) is repayable in 32 equated quarterly installments after a moratorium of 24 months from the date of first disbursement.

The first repayment installment shall be payable in January 2008.

10. Unsecured Loans represents an Interest free Loan of Rs. 10,301,154/- (previous year Rs.10,298,061/-) from the Holding company. An agreement is required to be entered for the terms and conditions regarding repayment schedule.

11. Amount payable to SSI :

There are no amounts payable to small-scale undertakings due for more than 30 days as at March 31, 2007.

12. Segmental reporting

The company is focused in the business segment of Cold Storage Chain in India. Therefore there is only one reportable segment as per the Accounting Standard 17 "Segment Reporting" issued by the ICAI.

13. In accordance with the requirements of Accounting Standard AS-18 Related Party Disclosure the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and / or year ended 31st March, 2007 balances with them as identified by the management.

I. Relationships

- (i) List of related parties with whom transactions were carried out during the year and description of relationship :

Holding Company

Adani Enterprises Limited (formerly known as Adani Exports Limited)

Key Management Personnel

Mr. Pranav V. Adani - Managing Director

Associate Companies

Adani Logistics Ltd & Inland Conware Pvt Ltd.

- II. The following transactions were carried out with the related parties in the ordinary course of business during the year ended 31st March, 2007:

(Amount in Rs.)

SI No.	Particulars	Holding Company	Key Management Personnel & Relatives	Associate Companies
1.	Directors Remuneration		2,400,000	
2.	Interest free unsecured loan	10,301,154		
3.	Recovery of Expenses			4,629,774
4.	Balance outstanding as on 31-03-07	10,301,154		4,629,774

ADANI AGRI FRESH LIMITED

14. Finance Leases

In accordance with Accounting Standard 19 Leases issued by the Institute of Chartered Accountants of India, the assets acquired under finance leases are capitalized and a loan liability is recognized for an equivalent amount. Consequently depreciation is provided on such leases. Lease rentals paid are allocated to the liability and the interest added to expenditure during construction period.

Consequently, the gross block of fixed assets is higher by Rs.2,156,092/-, depreciation for the year is higher by Rs 403,127/-(previous year Rs. 543,958/-)

Assets acquired on finance lease comprise of Cars. The minimum lease rentals and their present value as at March 31, 2007 in respect of assets acquired under finance lease are as follows:

(Amount in Rs.)

Minimum lease payments	2006-2007	2005-2006
Payable not later than 1 year	637,335	748,320
Payable after 1 year but not later than 5 years	-	637,335
Total	637,335	1,385,655
Less : Future finance charges	13,292	54,535
Total	624,043	1,331,120
Present value of minimum lease payments		
Payable not later than 1 year	624,043	707,077
Payable after 1 year but not later than 5 years	-	624,043
Total	624,043	1,331,120

15. Since there is no profit & loss account for the year ended 31.03.2007, so earning per share is not calculated during the year.

16. As at March 31, 2007 the company has reviewed the future earnings of all its future cash generating units in accordance with the AS 28 Impairment of Assets issued by ICAI. As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to the carrying amount of assets is considered necessary by the Management

17. No provisions for the wealth tax has been made for the current year (previous year Nil) as there is no taxable wealth under the provisions of the Wealth Tax Act 1957.

18. Capital Subsidy

As per revised guidelines of Government of India vide circular no. 4-18/2005-Host TM dated 6th February, 2006 the company is eligible to get the credit linked back ended capital subsidy @ 33.33 % of the project cost of Rs. 1600 Lacs per unit for setting up of Controlled Atmosphere (CA) Store in Himachal Pradesh. The company has submitted three such project proposals and is eligible to get the subsidy of Rs. 1599 Lacs (33.33 % of Rs. 4800 Lacs) on completion of the project. No effect of such subsidy has however been given in the accounts.

19. Quantative Data:

Particulars	Unit	2006-2007		2005-2006	
		Quantity	Rs. In Lacs	Quantity	Rs. In Lacs
Opening Stock - Fruits	M.T.	-	-	-	-
Purchases Fruits	M.T.	4,787	1,499.16	-	-
Sales Fruits	M.T.	2,690	1,152.12	-	-
Closing Stock - Fruits	M.T.	2,097	731.25	-	-

20. Previous years figures have been regrouped and rearranged wherever necessary to confirm to this years classification.

As per our report attached of even date

Sharp & Tannan
Chartered Accountants
By The Hand of

Pavan K. Aggarwal
Partner

Place : New Delhi
Date: 9th May, 2007

For and on behalf of the board

Pranav V. Adani
Managing Director

Rajesh S. Adani
Director

Place : Ahmedabad
Date: 5th May, 2007

ADANI AGRI FRESH LIMITED

Balance Sheet Abstract and Company's General Business Profile

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

I.	Registration Details :		
	Registration No.	:	U63022GJ2004PLC45143
	State Code	:	04
	Balance Sheet Date	:	31.03.2007
II.	Capital Raised during the year (Amount in Rs. Thousands)		
	Public Issue - NIL		Right Issue - NIL
	Bonus Issue - NIL		Private Placement - 140500
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
	Total Liabilities	:	1368745
	Total Assets	:	1368745
	Sources of Funds:		
	Paid up Capital	:	476100
	Reserves & Surplus	:	---
	Secured Loans	:	882344
	Unsecured Loans	:	10301
	Application of Funds :		
	Net Fixed Assets	:	1523475
	Investments	:	---
	Net Current Assets	:	(157865)
	Miscellaneous Expenditure	:	3135
	Accumulated Losses	:	---
IV.	Performance of Company (Amount in Rs. Thousands)		
	Turnover(Including other Income)	:	---
	Total expenditure	:	---
	Profit/(Loss) before tax	:	---
	Profit/(Loss) after tax	:	---
	Earning per share (Rs.)	:	Not Applicable
	Dividend Rate %	:	---
V	Generic Names of Three Principal products/services of Company(As per monetary terms)		
	Item Code No. (ITC Code)		Not Ascertainable
	Product Description		Cold Storage Chains
	Item Code No. (ITC Code)		As Above
	Product Description		
	Item Code No. (ITC Code)		As Above
	Product Description		

As per our report attached of even date

For and on behalf of the board

Sharp & Tannan
Chartered Accountants
By The Hand of

Pranav V. Adani
Managing Director

Pavan K. Aggarwal
Partner

Sunil Bansal
Company Secretary

Rajesh S. Adani
Director

Place : New Delhi
Date: 9th May, 2007

Place : Ahmedabad
Date: 5th May, 2007

ADANI AGRI FRESH LIMITED

Cash Flow Statement for the year ended 31st March, 2007

Particulars	As at March 31, 2007		As at March 31, 2006	
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
A. Cash flow from Investing Activities :				
Fixed assets	(1,127,333,795)		(330,069,250)	
Increase in Loans and Advances/deposits	(6,574,519)		(13,420,866)	
Increase in Debtors	(16,895,580)			
Increase in Inventory	(78,680,753)			
Increase in Creditors	277,348,311		1,175,167	
Share Issue expenses	(14,110)		(3,089,000)	
Interest Received	13,444	(952,137,002)	418,082	(344,985,867)
B. Cash flow from Financing Activities :				
Proceeds from issuance of Share Capital	160,500,000		315,100,000	
Proceeds from Secured Loans	805,789,023		75,500,000	
Proceeds from Unsecured Loans	3,093		10,298,061	
Repayment of Secured Loans	(702,917)		(675,553)	
Repayment of Unsecured Loans			(12,059,625)	
Interest paid on Secured Loan	(58,846,162)	906,743,037	430,846	388,593,729
Net Increase in cash & Cash equivalents (A+B+C)		(45,393,965)		43,607,862
Cash & cash equivalents at the Beginning of the Year		50,246,502		6,638,640
Cash & cash equivalents at the end of the Year		<u>4,852,537</u>		<u>50,246,502</u>

Notes :

1. In the absence of Profit & Loss Account, Cash Flow Statement has been prepared under the Direct method, as set out in the Accounting Standard -3 issued by the Institute of Chartered Accountants of India.
2. Notes to the Accounts form an integral part of the Cash Flow Statement.

As per our report attached of even date

For and on behalf of the board

Sharp & Tannan
Chartered Accountants
By The Hand of

Pranav V. Adani
Managing Director

Pavan K. Aggarwal
Partner

Sunil Bansal
Company Secretary

Rajesh S. Adani
Director

Place : New Delhi
Date: 9th May, 2007

Place : Ahmedabad
Date: 5th May, 2007

Adani Agri Logistics Limited

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting the Second Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2007.

FINANCIAL HIGHLIGHTS

During the year under review, your company is still in the construction stage and has not yet commenced commercial activities. Hence, no profit and loss account has been prepared. The expenses incurred during the year under review in relation to implementation of the project are shown as capital work in progress and is Rs. 316.96 crore as compared to Rs. 21.67 crore in previous year.

OPERATIONAL HIGHLIGHTS

Your Company on entering into agreement with Food Corporation of India is in the process of implementing a pioneering project for handling, storage and transportation of food-grains in bulk under the National Policy on Development and Operation of Bulk Food-grains Handling, Storage and Transportation Facilities formulated by the government of India and the FCI. The project has been divided into two circuits and each circuit has storage capacity of 200,000 metric tonne aggregating 400000 tonne.

The project is undergoing as per plan. Kaithal and Monga, the base depots will soon be ready for receipts. Out of five field depots Coimbatore and Navi Mumbai depots are at advance stage and are expected to be completed by September 2007. The other field depots i.e. Chennai, Bangalore and Hoogly are at basic construction stage.

HOLDING COMPANY

During the year under review, the company has become wholly owned subsidiary of the Adani Enterprises Limited.

DIVIDEND

As company has not started commercial activity and the project is under implementation, the directors do not propose to recommend any dividend for the year under review.

FIXED DEPOSIT

During the year under review, your Company has not accepted any deposits from public.

The Company has not made any loan / advances which are required to be disclosed in the annual accounts of the Company pursuant to clause 32 of the Listing Agreement with the parent Company.

DIRECTORS

Shri Gautam S. Adani retires by rotation and being eligible, offers himself for reappointment at the Annual General Meeting.

AUDITORS AND AUDITORS' REPORT

M/s G. K. Choksi & Co., Chartered Accountants, Auditors of the Company, retire as auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible offer them-selves for reappointment. The observations made in the Auditors' Report, if any, are self explanatory and, therefore, do not call for any further comments under Section 217 of the Companies Act, 1956.

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

As the Company has not started any commercial activity therefore details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are not annexed as the same is not applicable.

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note 6 of Schedule 'H' of the Accounts

HUMAN CAPITAL

The Company believes that human resources are key to the success of business. It has been taking several steps to enhance employee skills through training & development, empowerment and nurturing talent.

PARTICULARS OF EMPLOYEES

As no employee is in the receipt of the remuneration in excess of limits specified by Section 217(2A) of the Companies Act, 1956, the particulars of employees as required by section 217(2A) and companies (Particulars of employees) Rules, 1975 is not given.

Adani Agri Logistics Limited

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act 1956, your Directors state that:

- I. in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. the accounting policies selected and applied are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- III. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS

Your Directors wish to place on record and acknowledge their appreciation for the continued support and co-operation received from the financial institutions, banks, various central and state government agencies, Statutory Bodies, suppliers and employees.

For and on behalf of the Board of the Directors

Place : Ahmedabad
Date : 19th May, 2007

Gautam S. Adani
Chairman

Adani Agri Logistics Limited

AUDITOR'S REPORT

To
The Members,

Adani Agri Logistics Limited

1. We have audited the attached Balance Sheet of Adani Agri Logistics Limited as at March 31, 2007 and Cash Flow Statement of the Company for the year ended on that date annexed thereto. No profit and loss account has been prepared for the period ended on that date as the Company has not commenced its commercial operation. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
 - e. on the basis of written representations received from the directors of the Company as at March 31, 2007 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director of Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view; in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007
and
 - b. in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For G. K. Choksi & Co.
Chartered Accountants

Place : Ahmedabad.
Date : 19th May, 2007

Rohit K. Choksi
Partner

Adani Agri Logistics Limited

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) As explained to us, all major items of fixed assets were physically verified by the Management at the end of the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such verification.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- (ii) (a) The management has conducted physical verification of inventory comprising of capital stores at reasonable intervals during the period.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and hence clause 4 (iii) (a), (b), (c) and (d) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company.
- (b) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and hence clause 4 (iii) (e) (f) and (g) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of fixed assets and purchase of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
- (v) (a) In our opinion and according to information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the Register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements in the Register maintained under Section 301 of the Companies Act, 1956 have been made at the prices which are reasonable having regard to the prevailing market prices at relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the Act.
- (vii) In our opinion and according to the information and explanations given to us, the provisions relating to the internal audit are not applicable to the Company. Accordingly, provisions of paragraph 4(vii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the class of companies to which the Company belongs. Accordingly clause 4(viii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- (ix) (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues.
- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at March 31, 2007

Adani Agri Logistics Limited

- (x) The Company has been registered for a period of less than five years and hence we are not required comment on whether or not the accumulated losses at the end of the financial period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year
- (xi) As per the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures during the period.
- (xii) As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) As per the information given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that Company has not utilised any funds raised on short term basis for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period under review.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

For **G. K. Choksi & Co.**
Chartered Accountants

Place: Ahmedabad.
Date: 19th May, 2007

Rohit K. Choksi
Partner

Adani Agri Logistics Limited

Balance Sheet as at 31st March, 2007

Particulars	Schedule	As at 31st March, 2007		As at 31st March, 2006
		Rs.	Rs.	Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	53 45 37 500		11 52 26 500
Advance Against Share Capital		-		23 91 03 500
			53 45 37 500	35 43 30 000
Loan Funds				
Secured Loans	B	3 16 96 45 119		25 00 66 096
Unsecured Loans		72 35 976		2 23 94 018
			3 17 68 81 095	27 24 60 114
Total			3 71 14 18 595	62 67 90 114
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	C	23 84 00 420		15 53 03 918
Less : Depreciation		11 74 799		2 56 900
Net Block		23 72 25 621		15 50 47 018
Capital Work- in- Progress		3 16 96 33 603		21 66 85 362
			3 40 68 59 224	37 17 32 380
Preoperative Expenses (Pending Allocation)	D		2 23 65 566	4 23 31 373
Current Assets, Loans and Advances				
Cash and Bank Balances	E	24 35 34 798		17 95 02 636
Other Current Assets		75 305		1 80 278
Loans and Advances		13 95 00 792		84 32 120
			38 31 10 895	18 81 15 034
Less : Current Liabilities and Provisions	F	13 24 14 702		71 32 239
Net Current Assets			25 06 96 193	18 09 82 795
Miscellaneous Expenditure (to the extent not written off or adjusted) (See Note # 9)			3 14 97 612	3 17 43 566
Total			3 71 14 18 595	62 67 90 114
Significant Accounting Policies	G			
Notes forming part of the Accounts	H			

As per our attached Report of even date

For and on behalf of the Board

FOR G. K. Choksi & Co.
Chartered Accountants

Gautam S. Adani
Chairman

Rohit K. Choksi
Partner

Sanjay Tiwari
Company Secretary

A. K. Kohli
Managing Director

Place : Ahmedabad
Date : 19th May, 2007

Place : Ahmedabad
Date : 19th May, 2007

Adani Agri Logistics Limited

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

Particulars	As at 31st March, 2007		As at 31st March, 2006
	Rs.	Rs.	Rs.
Schedule - 'A' : Share Capital			
Authorised			
10,00,00,000 (Previous year 10,00,00,000) Equity Shares of Rs.10 each		1 00 00 00 000	1 00 00 00 000
		1 00 00 00 000	1 00 00 00 000
Issued and Subscribed			
9,98,28,000 Equity Shares (Previous year 9,98,28,000) of Rs.10 each.		99 82 80 000	99 82 80 000
		99 82 80 000	99 82 80 000
4,88,28,000 Equity Shares (Previous year 68,75,000) of Rs.10 each fully Paid up		48 82 80 000	6 87 50 000
5,10,00,000 Equity Shares (Previous year NIL) of Rs.10 each fully paid up	51 00 00 000		-
Less:			
Calls in arrears	46 37 42 500		-
Nil Equity Shares (Previous year 9,29,53,000) of Rs.10 each Rs.0.50 per share paid up		-	4 64 76 500
of the above 9,98,28,000 shares held by the Holding Company, Adani Enterprise Ltd. and its nominees.		53 45 37 500	11 52 26 500
Schedule - 'B' : Loan Funds			
Secured Loans			
Term Loans from Banks			
Rupee Loans	1 41 51 00 114		25 00 00 000
Suppliers and Contractors Bills accepted under letters of credit issued against Secured Term Loans sanctioned by Banks	4 89 32 475		-
Interest Accrued and Due	-		66 096
	1 46 40 32 589		25 00 66 096
Foreign Currency Loans			
Buyers Credit Facility granted against Secured Term Loans sanctioned by Banks	33 85 36 876		-
Suppliers and Contractors Bills accepted under letters of credit issued against Secured Term Loans sanctioned by Banks	61 70 75 655		-
	95 56 12 530		-
Term Loans from Financial Institutions		2 41 96 45 119	25 00 66 096
Rupee Loans	75 00 00 000		-
		75 00 00 000	-
		3 16 96 45 119	25 00 66 096
Unsecured Loans			
Inter Corporate Loan (Amount repayable within one year is Rs 7,235,976, previous year Rs. 22,394,018.)		72 35 976	2 23 94 018
		3 17 68 81 095	27 24 60 114

Notes:

- Secured Term Loans from Banks are secured by equitable mortgage of immovable properties of the Company and first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenue and receivables of project and pledge of 51% of promoters equity shares.
- Term Loans from Banks include amount repayable within one year Rs. NIL (Previous year Rs. Nil)

Adani Agri Logistics Limited
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

Schedule - 'C' : Fixed Assets										Amount in Rupees	
Particulars	Gross Block (At Cost)				Depreciation				Net Block		
	As at 01-04-2006	Additions	Deductions	As at 31-03-2007	Up to 31-03-2006	For the Year	Deductions	Up to 31-03-2007	As at 31-03-2007	As at 31-03-2006	
Freehold Land	151,722,559	84,353,743	4,137,796	231,938,506	-	-	-	-	231,938,506	151,722,559	
Computer	676,671	2,572,179	-	3,248,850	82,818	344,880	-	427,698	2,821,152	593,853	
Furniture & Fixtures	406,410	353,914	-	760,324	23,170	149,550	-	172,720	587,604	383,240	
Office Equipment	1,352,855	522,651	568,189	1,307,317	116,627	355,544	40,890	431,281	876,036	1,236,228	
Vehicles	1,145,423	-	-	1,145,423	34,285	108,815	-	143,100	1,002,323	1,111,138	
	155,303,918	87,802,487	4,705,985	238,400,420	256,900	958,789	40,890	1,174,799	237,225,621	155,047,018	
Capital Work-in-Progress	216,685,362	2,952,948,241	-	3,169,633,603	-	-	-	-	3,169,633,603	216,685,362	
TOTAL	371,989,280	3,040,750,728	4,705,985	3,408,034,023	256,900	958,789	40,890	1,174,799	3,406,859,224	371,732,380	
Previous Year	-	373,676,672	3,180,000	370,496,672	-	256,900	-	256,900	370,239,772	-	

1. Additions during the Year and Capital Work- in- Progress include Rs 10,26,18,485 on account of Borrowing Cost (Previous year Rs. 9,946,687)
2. Additions during the Year and Capital Work- in- Progress include Rs.1,156,243 on account of Exchange Differences. (Previous year Rs. Nil).
3. Capital Work- in- Progress includes advances Rs. 48,09,91,733 (Previous year Rs. 12,00,43,055).

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

Particulars	As at 31st March, 2007	As at 31st March, 2006
Schedule - 'D' : Preoperative Expenses (pending allocation)		
Opening Balance as per last year	4 23 31 373	-
Add: Additions during the year		
Professional Fee / Charges	78 69 975	94 81 712
Fee & Subscription	20 49 080	6 45 526
Payments to and Provisions for Employees	-	1 47 29 279
Communication Expenses	15 37 539	4 35 408
Travelling Expenses	-	43 42 442
Auditors' Remuneration	3 92 840	2 30 000
Advertisement	-	2 66 23 666
Rates and Taxes	-	56 01 920
Fringe Benefit Tax	6 16 478	3 89 918
Loss on sale of Equipment	2 77 699	-
Profit on sale of Land	(245,954)	(20,000)
Other Expenses	25 44 902	13 81 581
Interest and Finance Charges	-	99 46 687
Depreciation	9 58 788	2 56 900
	1 60 01 347	7 40 45 039
	5 83 32 720	7 40 45 039
Less: Allocated to various projects	3 62 13 108	-
Less : Amounts which cannot be allocated to Fixed Assets (transferred to Miscellaneous Expenditure) (Refer Note # 9 in Schedule H.)	(245,954)	3 17 13 666
Total	2 23 65 566	4 23 31 373

Adani Agri Logistics Limited
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

Particulars	As at 31st March, 2007		As at 31st March, 2006
	Rs.	Rs.	Rs.
Schedule - 'E' : Current Assets, Loans and Advances			
Cash and Bank Balances			
Cash on Hand	1 29 053		6816
Balances with Scheduled Banks in :			
Current Accounts	8 15 60 159		16 67 95 820
Term Deposit Accounts	16 18 45 586		1 27 00 000
	24 34 05 745		17 94 95 820
		24 35 34 798	17 95 02 636
Other Current Assets			
Interest Accrued on Deposits		75 305	1 80 278
Loans and Advances (Unsecured, Considered Good)			
Advances Recoverable in Cash or in Kind or for Value to be Received	1 99 32 964		64 94 378
Deposits	48 13 492		19 37 742
Customs Duty Receivable (Refer Note # 11 in Schedule H)	11 47 54 336		-
		13 95 00 792	84 32 120
		38 31 10 895	18 79 34 756
Schedule - 'F' : Current Liabilities and Provisions			
Current Liabilities			
Sundry Creditors	2 66 84 833		34 50 026
Deposits from Customers / Contractors	2 32 09 282		4 10 798
Interest Accrued but not Due on Loans	39 81 781		-
Other Liabilities	7 77 94 926		32 71 415
		13 16 70 822	71 32 239
Provisions			
For Leave Encashment	7 43 880		-
		7 43 880	-
		13 24 14 702	71 32 239

Adani Agri Logistics Limited

Schedule: 'G' Significant Accounting Policies

1. General

These financial statements have been prepared to comply in all material respect with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

2. Use of Estimates

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actuals and estimates is recognized in the subsequent period when the actuals are known.

3. Revenue Recognition

The company is still in the construction stage and has not yet commenced commercial activities during the period ended 31st March 2007.

4. Fixed Assets and Capital Work-in-Progress

- (i) Fixed Assets are stated at cost less accumulated depreciation. Cost includes interest on borrowings attributable to the acquisition of the Fixed Assets, up to the date of their commissioning, and other incidental expenses incurred up to that date.
- (ii) Capital Work-in-Progress includes projects under implementation and other capital work-in-progress, which are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Advance payments on capital account are also included in Capital Work-in-Progress.

5. Expenditure during the Construction Period

Expenditure (including finance charges) incurred during the period of implementation of projects is treated as preoperative expenditure pending allocation to fixed assets and is shown under "Capital Work-in-Progress" and the same will be apportioned to fixed assets on commencement of commercial activities.

6. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to that Act.

7. Foreign Currency Transactions

I. Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

II. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

III. Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise, except exchange differences on transactions relating to fixed assets acquired from a country outside India, which are adjusted to the carrying amount of fixed assets.

8. Retirement Benefits

- a) Contributions to Provident/Pension Funds are made and accounted for on actual liability basis;
- b) Liability for Gratuity/Superannuation is covered by Group Gratuity and Superannuation Scheme of the Life Insurance Corporation of India to which necessary contributions are made every year;
- c) Provision for Leave Encashment Benefit payable on retirement is made on actuarial valuation basis.

9. 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.

Adani Agri Logistics Limited

Schedule-'H': Notes forming part of the Accounts

1. Nature of Operations

Adani Agri Logistics Limited (hereinafter referred to as 'the Company') has signed an agreement on 28th June, 2005 with Food Corporation of India (FCI) to design, develop, construct, operate and maintain project facilities for warehousing and transportation of the food grains on Build, Own, Operate (BOO) for a period of twenty years.

The Company is in the process of setting up of two base depots and five field depots for the storage and handling of food grains and other agricultural commodities. The Company is also in the process of development of wagons for transportation of food grains and other agricultural commodities.

Company is still in the construction stage and has not yet commenced commercial activities during the year ended 31st March, 2007. As the Company has not commenced commercial operations as at 31st March, 2007, no Profit and Loss Account has been prepared, but in lieu thereof, a statement of Pre-operative expenses (pending allocation) has been prepared as per Schedule 6. Expenses incurred during the year ended March 31, 2007 in relation to the construction of the project, have been included under the said Schedule, to be allocated appropriately at the time of commencement of commercial operations,

2. Contingent Liabilities and Commitments on Capital Account

Particulars	As at 31-03-2007 Rs.	As at 31-03-2006 Rs.
Guarantees	25,20,00,000	25,02,00,000
Estimated amount of Unexecuted Capital Contracts (Net of Advances)	80,99,72,865	73,32,87,730

3. Related Party Disclosures

(a)	List of related parties :		
	Key Management Personnel and their Relatives:		
	<input type="checkbox"/> Mr. A. K. Kohli		
	<input type="checkbox"/> Mr. Sanjay Gupta		
	Associates / Holding Company:		
	<input type="checkbox"/> Adani Enterprises Limited.(Holding Company)		
	<input type="checkbox"/> Adani Logistics Limited		
	<input type="checkbox"/> Mundra Port and Special Economic Zone Limited		
	<input type="checkbox"/> Inland Conware Private Limited		

(b)	Transactions with related parties	As at 31-03-2007 Rs.	As at 31-03-2006 Rs.
	(i) Purchase of Goods / Services		
	- Associates	7,49,956	-
	(ii) Allocation of Common Expenditure		
	- to (from) Associates	89,89,049	(1,33,83,967)
	(iii) Funds given / (Repayment) of Loan		
	- Holding Company	(1,55,81,518)	-
	- Associates	2,45,00,000	4,24,69,018
	- Associates	(2,45,00,000)	-

(iv) Share Application/Call Money Received			
- Holding Company		17,59,07,510	28,55,80,000
- Associates		42,99,990	6,87,45,000
(v) Outstanding balances as at the end of the year.			
- Associates		72,35,976	2,23,94,018
(vi) Allotment of Shares			
- Holding Company		-	4,64,76,500
- Associates		-	6,87,45,000
(vii) Calls in Arrears			
- Holding Company		46,37,42,500	-

The particulars given above have been identified on the basis of information available with the Company.

4. Auditors' Remuneration is made up of

Particulars	As at 31-03-2007 Rs.	As at 31-03-2006 Rs.
Audit Fees	3,50,000	1,75,000
Other Certification	-	55,000

5. Dues to Small Scale Industries

In view of insufficient information received by the Company from suppliers as defined under the Interest on Delayed Payments to Small Scale & Ancillary Industrial Undertakings Act, 1993 concerning their status, it is not possible to give particulars regarding unpaid amount together with interest on delayed payments to such suppliers.

6. Additional Information pursuant to the provisions of para 4C and 4D of Part-II of Schedule-VI to the Companies Act, 1956 to the extent applicable

Expenditure in Foreign Currency:	As at 31-03-2007 Rs.	As at 31-03-2006 Rs.
Purchase of Fixed Assets/CWIP	94,43,57,357	--
Interest paid/due on LC	83,87,721	--
Professional Fee	1,60,25,685	64,48,000
Foreign Traveling	1,12,766	7,69,000

7. Director's Remuneration

The company has appointed Mr. A. K. Kohli as the Managing Director w.e.f. 15th July 2005 with an annual remuneration of Rs. 60,00,000 per annum. However during the period, no managerial remuneration has been paid by the company to Mr. Kohli and the same has been waived off by him.

8. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet. Provision has been made for all known liabilities and the same is adequate and not in excess of the amount considered reasonably necessary.

9. Pursuant to the Guidance Note on 'Treatment of Expenditure during Construction Period', issued by 'The Institute of Chartered Accountants of India', certain expenses incurred are not qualified as components forming part of fixed assets. Accordingly, the company has transferred certain amounts to Miscellaneous Expenditure (to the extent not written off or adjusted) to be charged off to profit and loss account once the company starts commercial operation. The details are given below :

Particulars	Amount (Rs.)
Opening balance	3,17,43,566
Additions (Deductions)	
Profit on Sale of Land	(2,45,954)
Closing Balance	3,14,97,612

Adani Agri Logistics Limited

10. Common Sharing Expenditure

During the year the company has incurred certain common expenditure for its group companies namely Adani Logistics Limited and Inland Conware Pvt. Limited. In opinion of the management of the Company, expenses attributable to such companies are Rs 42,46,646 and 47,42,403 respectively and has been allocated to such companies.

11. Customs Duty Receivable

The project of the company is approved under National Policy on Handling, Storage and Transportation of Food Grains. The Department of Revenue, Ministry of Finance has, vide their letter dated 5th April 2007, granted adhoc exemption from payment of Customs Duty on import of equipments. They have further instructed to refund the amount of customs duty amounting to Rs. 11,47,54,336 already paid by the Company on eligible imports.

12. Balances of Sundry Creditors, Loans and Advances are subject to confirmation by the parties concerned.

13. The figures of the previous period are for the 15 months period from January 25, 2005 till March 31, 2006. Previous year figures have been regrouped wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For **G. K. Choksi & Co.**
Chartered Accountants

Gautam S. Adani
Chairman

Rohit K. Choksi
Partner

Sanjay Tiwari
Company Secretary

A. K. Kohli
Managing Director

Place: Ahmedabad
Date: 19th May, 2007

Place: Ahmedabad
Date: 19th May, 2007

Adani Agri Logistics Limited

Balance Sheet Abstract and Companys General Business Profile:

I. Registration Details:

Registration No. : 045356

State Code : 04

Balance Sheet Date: 31st March, 2007

II. Capital raised during the year

(Rs. in Thousands)

Public Issue :	--	Right Issue :	--
Bonus Issue :	--	Private Placement :	--

III. Position of Mobilization and Deployment of funds

(Rs. in Thousands)

Total Liabilities	3,71,14,19	Total Assets	3,71,14,19
Sources of funds		Application of Funds	
Paid -up Capital	53,45,38	Net Fixed Assets / CWIP	3,40,68,59
Calls in Advance	-	Investments	
Reserves and Surplus	-	Net Current Assets	25,06,96
Amounts Received under Long Term Infrastructure Usage Agreement		Miscellaneous Expenditure	3,14,98
Secured Loans	3,16,96,45	Pre operative Exps	2,23,66
Unsecured Loans	72,36		
Deferred Tax Liability			

IV. Performance of the Company

(Rs. in Thousands)

Turnover and Other Income	Nil	Total Expenditure	Nil
Profit before tax	Nil	Profit after tax	Nil
Earning per share	Nil	Dividend Rate	Nil

V. Generic names of three Principal Products/Services of the Company

(As per monetary terms)

Product/Service Description	Item code No.
Food Grain Warehousing	Not Applicable

For and on behalf of the Board

Sanjay Tiwari
Company Secretary

Gautam S. Adani
Chairman

Place : Ahmedabad
Date 19th May, 2007

A. K. Kohli
Managing Director

Adani Agri Logistics Limited

Cash Flow Statement for the year ended 31st March, 2007

Particulars	For the Year ended 31st March, 2007 Rs.	For the Period ended 31st March, 2006 Rs.
A. Cash flow from Investing Activities :		
Purchase of Fixed Assets / CWIP	(2,978,743,763)	(417,600,228)
Customs Duty	(114,754,336)	-
Miscellaneous Expenses	245,954	(31,713,666)
Sale of Fixed Assets	6,083,350	3,200,000
Preliminary Expenses incurred	-	(29,900)
Interest Received	965,378	343,750
Total [A]	(3,086,203,416)	(445,800,044)
B. Cash flow from Financing Activities :		
Proceeds from Issuance of Share Capital/Advance against Share Capital	180,207,500	354,330,000
Proceeds (Repayment) from Long Term Loans	3,017,291,667	250,000,000
Proceeds (Repayment) from Short Term Loans	(15,158,042)	22,394,018
Interest paid	(98,868,887)	(1,421,338)
Total [B]	3,083,472,238	625,302,680
Net Increase (Decrease) in Cash & Cash Equivalents	Total [A+B] (2,731,178)	179,502,636
Cash & Cash equivalents at the beginning of the Year	179,502,636	-
Cash & Cash equivalents at the end of the Year	176,771,458	179,502,636
Cash and Cash Equivalent comprise		
Cash on hand	129,053	6,816
Balances with Banks - Current Account	14,796,819	166,795,820
- Term Deposit Account	161,845,586	12,700,000
Total Cash and Cash Equivalent as per Cash Flow Statement	176,771,458	179,502,636

- a. Purchase of fixed assets / CWIP are stated inclusive of movement of capital work in progress, creditors, project and other advances.
b. Overdraft as per books is netted off from balances with banks.
c. Figures in brackets indicate cash outflows.

As per our attached Report of even date

For and on behalf of the Board

For **G. K. Choksi & Co.**
Chartered Accountants

Gautam S. Adani
Chairman

Rohit K. Choksi
Partner

Sanjay Tiwari
Company Secretary

A. K. Kohli
Managing Director

Place : Ahmedabad
Date : 19th May, 2007

Place : Ahmedabad
Date : 19th May, 2007

ADANI DEVELOPERS PRIVATE LIMITED

DIRECTOR'S REPORT

Your Directors present their Second Report together with the audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

Particulars	For the year ended 31.03.2007 Rupees	For the year ended 31.03.2006 Rupees
Income	Nil	Nil
Profit/ (Loss) Before Taxation	(18,21,053)	(2,92,346)
Provision for Taxation		
Deferred tax liability/ (Assets)	(708,900)	(14,300)
Fringe Benefit tax	2,36,000	Nil
Profit/ (Loss) after Taxation	(13,48,153)	(2,78,046)
Deficit brought forward from last year	(2,78,046)	Nil
Deficit carried forward to Balance Sheet	(16,26,199)	(2,78,046)

2. DIVIDEND

In view of the losses, no Dividend has been recommended for the year.

3. OPERATIONS

During the year under review the Company has entered into an agreement for commercial development of a property, pursuant to a Slum Rehabilitation scheme in Mumbai.

4. CAPITAL

The Authorized Capital of the Company has been increased from Rs 5,00,000 to Rs 10,00,00,000 during the year under review. The paid up capital has been increased from Rs 1,00,000 to Rs 5,00,000 by issue of 40,000 equity shares of Rs.10 each at par, on a rights basis to the existing members of the Company.

5. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Deloitte Haskins and Sells, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

6. DIRECTORS

Mr. Pranav. V. Adani resigned from the Board of Directors of the Company with effect from 23rd June 2006. The Board of Directors places on record their appreciation for the valuable services rendered by him during the tenure of his office. Mr. Devang Desai retires by rotation and being eligible offers himself for re-appointment.

7. PUBLIC DEPOSITS AND LOANS / ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The following are the loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company.

ADANI DEVELOPERS PRIVATE LIMITED

Name of the Company	Relation	Amount Outstanding at the end of the year	Maximum Amount outstanding during the Year (Net of TDS)
Adani Enterprises Limited	Ultimate Holding Company	Nil	200,00,00,000
Adani Infrastructure and Developers Private Limited.	Holding Company	647,77,62,840	647,77,62,840
Adani Estates Private Limited	Fellow Subsidiary	Nil	1,67,24,000

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

During the year under review the Company has incurred an expenditure of Rs 1,39,852/-on outflow of foreign exchange.

9. EMPLOYEES

The Company had no employees who are in receipt of remuneration of not less than Rs .24, 00,000 during the year ended March 31, 2007 or not less than Rs.2, 00,000 per month during any part of the said year.

10. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March, 2007 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board

Place : Ahmedabad
Date : 12th April, 2007

Rajesh S. Adani
Chairman

ADANI DEVELOPERS PRIVATE LIMITED

Auditors' Report to the Members of Adani Developers Private Limited

1. We have audited the attached Balance Sheet of **Adani Developers Private Limited** as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In terms of para 2 (iv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company.
4. Further, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date: 12th April, 2007

ADANI DEVELOPERS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007		As at March 31, 2006
		Rupees	Rupees	Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		500,000	100,000
Share Application Money (Pending Allotment)			-	900,000
Loan Funds				
Unsecured Loans	2		7,233,934,928	250,000
Total			7,234,434,928	1,250,000
APPLICATION OF FUNDS				
Fixed Assets	3		10,867,804	-
Investments	4		-	198,000
Deferred Tax Asset			723,200	14,300
Current Assets, Loans and Advances				
Inventories	5	7,237,855,797		-
Cash and Bank Balances	6	5,556,766		325,790
Loans and Advances	7	4,246,467		450,700
		7,247,659,030		776,490
Less : Current Liabilities and Provisions				
Current Liabilities	8	26,205,305		16,836
Provisions	9	236,000		-
		26,441,305		16,836
Net Current Assets			7,221,217,725	759,654
Miscellaneous Expenditure				
(To the extent not written off or adjusted)				
Preliminary expenses				-
Profit & Loss Account -Debit Balance			1,626,199	278,046
Total			7,234,434,928	1,250,000
Notes to Accounts	14			

Schedules referred to above form an integral part of the accounts

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Tarwinder Singh
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI DEVELOPERS PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Schedule	Year ended March 31,2007 Rupees	Year ended March 31,2006 Rupees
INCOME			
Income		-	-
Total		-	-
EXPENDITURE			
Operating Expenses	10	-	-
Personnel Expenses	11	-	-
Administration & Other Expenses	12	1,821,053	291,971
Interest & Finance Charges	13	-	375
Total		1,821,053	292,346
Profit / (Loss) before taxation		(1,821,053)	(292,346)
Less: Provision for taxation			
Deferred Tax		(708,900)	(14,300)
Fringe Benefit Tax		236,000	-
Profit / (Loss) after taxation		(1,348,153)	(278,046)
Add Carried forward from Previous Year		(278,046)	-
Balance carried to Balance Sheet		(1,626,199)	(278,046)
Earnings per Share			
- Basic & Diluted		(133.35)	(27.80)
(Refer Note 2 of Schedule 14)			
Notes to Accounts	14		

Schedules referred to above form an integral part of the accounts

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Tarwinder Singh
Director

Place : Ahmedabad
Date : 12th April,2007

Place : Ahmedabad
Date : 12th April,2007

ADANI DEVELOPERS PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 1 " SHARE CAPITAL Authorised 100,00,000 (Previous Year - 50,000) Equity Shares of Rs. 10 /- each	100,000,000	500,000
	100,000,000	500,000
Issued, Subscribed and Paid Up 50,000 Equity Shares of Rs. 10 /- each (All the above 50,000 (Previous Year - Nil) shares are held by Adani Infrastructure and Developers Private Limited, the holding company and its nominees)	500,000	100,000
	500,000	100,000
SCHEDULE " 2 " UNSECURED LOANS From Companies (Refer Note 3 of Schedule 14) From a Director	7,233,934,928 -	- 250,000
	7,233,934,928	250,000

SCHEDULE " 3 "
FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK	
	As at April 1,2006	Additions	Deductions	As at March 31,2007	Upto April 1,2006	For the Year	Upto March 31,2007	As at March 31,2007	As at March 31,2006
Furniture & Fixtures	-	8,628,799	-	8,628,799	-	1,823,967	1,823,967	6,804,832	-
Office Equipments	-	1,226,039	29,559	1,196,481	-	124,527	124,527	1,071,954	-
Computers	-	2,294,972	-	2,294,972	-	235,548	235,548	2,059,424	-
Vehicles	-	998,097	-	998,097	-	66,503	66,503	931,594	-
Total	-	13,147,907	29,559	13,118,349	-	2,250,545	2,250,545	10,867,804	-
Previous Year Total	-	-	-	-	-	-	-	-	-

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 4 " INVESTMENTS Long Term Investments (At Cost) Unquoted (Trade) -Equity Shares, Fully paid up		
Adani Townships & Real Estate Company (Mumbai)Private Limited (Nil (Previous Year 9,900) equity shares of face value of Rs.10 each, fully paid up)	-	99,000
Adani Townships & Real Estate Company (Ahmedabad) Private Limited (Nil (Previous Year 9,900) equity shares of face value of Rs.10 each ,fully paid up)	-	99,000
	-	198,000
SCHEDULE " 5 " INVENTORIES Work in progress (representing cost of development rights and related expenditure)	7,237,855,797	-
	7,237,855,797	-
SCHEDULE " 6 " CASH AND BANK BALANCES Cash on hand	921	33,165
Balance with a scheduled bank - In Current Account	5,555,845	292,625
	5,556,766	325,790

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 7 " LOANS AND ADVANCES (Unsecured, Considered Good) Advances recoverable in cash or in kind or for value to be received	4,019,722	450,700
Taxes	226,745	-
	4,246,467	450,700
SCHEDULE " 8 " CURRENT LIABILITIES Sundry Creditors	26,205,305	16,836
	26,205,305	16,836
SCHEDULE " 9 " PROVISIONS Taxation	236,000	-
	236,000	-

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 10 " OPERATING EXPENSES Opening stock	-	-
Add : Expenses Incurred during the year		
Development Rights	6,800,000,000	-
Architect Fees	10,275,000	-
Development Expenditure		
- Personnel Expenses	15,609,326	-
- Administration and Other Expenses	21,011,916	-
- Interest and Finance Charges	390,959,555	-
	7,237,855,797	-
Closing Stock	7,237,855,797	-
SCHEDULE " 11 " PERSONNEL EXPENSES Salaries & Allowances	15,488,007	-
Staff Welfare Expenses	121,319	-
	15,609,326	-
Less Allocated to Project	15,609,326	-
	-	-
SCHEDULE " 12 " ADMINISTRATION AND OTHER EXPENSES Communication Expenses	722,619	-
Legal & Professional Charges	9,960,732	-
Printing and Stationery	278,651	790
Repair & Maintenance	20,861	-
Travel & Conveyance	1,661,766	-
Audit Fees	56,120	16,836
Office Expenses	2,006,629	3,345
Depreciation	2,250,545	-
Rent	5,297,150	-
Insurance Expenses	1,896	-
Donation	-	250,000
Membership & Subscription	576,000	-
Preliminary Expenses written off during the period	-	21,000
	22,832,969	291,971
Less Allocated to Project	21,011,916	-
	1,821,053	291,971
SCHEDULE " 13 " INTEREST & FINANCE CHARGES Interest	390,938,283	-
Bank Charges	21,272	375
	390,959,555	375
Less Allocated to Project	390,959,555	-
	-	375

ADANI DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE 14

NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalization, and the exchange differences arising on foreign loans taken for acquiring the assets.

c) Depreciation :

- i) Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on Leased Assets / Assets created on lease hold premises (Furniture & Furniture) has being amortized over the period of the lease.

d) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalized as cost of that asset.

However, borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

e) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

f) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

g) Inventories :

Inventories are valued at lower of costs and net realisable value.

2. Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

ADANI DEVELOPERS PRIVATE LIMITED

	Particulars	March 31, 2007	March 31, 2006
A	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(13,48,153)	(2,78,046)
B	Weighted Average number of Equity Shares(No.)	10110	10,000
C	Basic & Diluted Earnings per share (Rs.)	(133.35)	(27.80)

3. Unsecured Loans

Unsecured Loans includes interest accrued and due amounting to Rs. 22,66,15,220/--

4. Inventories

Inventories include Development Rights, Architect Fees, Interest on borrowings, and all expenses incidental to the project being undertaken by the Company. In the opinion of the management, the net realizable value of the Work in progress will not be lower than the costs so included therein.

5. Deferred Tax

In line with Accounting Standard 22 "Accounting for taxes on income", the Company has recognized in the accounts, Net Deferred Tax Asset of Rs. 7,08,900 as at 31st March, 2007.

The Component of Deferred Tax Asset (DTA) as at 31st March, 2007 is as follows :

Particulars	Rupees
Deferred tax Asset Relating to Unabsorbed losses	6,19,159
Deferred tax Asset Relating to timing difference in Rates of Depreciation	89,741
Net Deferred Tax Asset	7,08,900

6. Leases

The Company's significant leasing arrangements are in respect of operating leases for office premises. The leasing arrangements are for a specified period of 33 months. The aggregate lease rentals are charged as rental expenses.

7. Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

8. Segment Reporting

Considering the organization structure, nature of products and risks and return profile based on geographical distribution, the realty business is considered as a single segment in accordance with the Accounting Standard AS -17 "Segment Reporting"

9. Salaries and Allowances

Salaries and Allowances include expenditure incurred in respect of employees of other company deputed to the Company.

10. Expenditure in Foreign Currency

During the year the Company has incurred an expenditure of Rs.1,39,852/- (Nil) on Travel Expenses.

11. Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

ADANI DEVELOPERS PRIVATE LIMITED

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited Ultimate Holding Company
2. Adani Infrastructure and Developers Private Limited- Holding Company with 100% shareholding

B Subsidiary Companies

Nil

C Fellow Subsidiary Companies

1. Adani Developers Private Limited
2. Adani Township and Real Estates Company Private Limited
3. Adani Habitats Private Limited
4. Adani Land Developers Private Limited

II Nature and Volume of Transactions with Related Parties

Nature of Transaction	Enterprises Controlling the Company		Enterprises Under Common Control including Fellow Subsidiaries
	Ultimate Holding Company	Holding Company	
	Amt in Rs.	Amt in Rs.	Amt in Rs.
Rendering of Services	675,425	-	187,271
Services Availed/Expenses	17,383,739	-	-
Loan/Advance Received	3,505,900,000	6,259,319,708	16,724,000
Interest Paid / Payable	158,847,769	221,550,376	-
Payable including Interest	17,383,739	6,477,762,840	-

12. Previous Year Figures

The Previous year figures have been regrouped wherever necessary to confirm to current year classification. Schedules referred to above form an integral part of the accounts

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Tarwinder Singh
Director

Place : Ahmedabad
Date : 12th April,2007

Place : Ahmedabad
Date : 12th April,2007

ADANI DEVELOPERS PRIVATE LIMITED

Additional information Pursuant to the provision of part IV of schedule VI to the Companies Act 1956 Balance Sheet Abstract and Companys General Business Profile:

I. Registration details:

Registration No	U45200GJ2005PTC46759	State Code	04
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital raised during the year (Amount in Rs.Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (Amount in Rs.Thousands)

Total Liabilities	7259250	Total Assets	7259250
Sources of Funds			
Paid-Up Capital	500	Reserves & Surplus	Nil
Secured Loans	7233935	Unsecured Loans	Nil
Application of Funds			
Net Fixed Assets	10868	Investments	Nil
Net Current Assets	7221941	Misc. Expenditure	Nil
Accumulated Losses	1626		

IV. Performance of the Company (Amount in Rs.Thousands):

Turnover (Including Other Income)			Total Expenditure		
Nil			1821		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
	✓	1821		✓	1348
Earnings per share in Rupees			Dividend rate (%)		
(133.35)			Nil		

V. Generic Names of three Principal Products/Services of the Company (As per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Rajesh S. Adani
Director

Place : Ahmedabad
Date : 12th April,2007

Tarwinder Singh
Director

ADANI DEVELOPERS PRIVATE LIMITED
CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(1,821,053)	(292,346)
Adjustments for :		
Depreciation	2,250,545	-
Operating profit before working capital changes	429,492	(292,346)
Changes in:		
Inventories	(7,237,855,797)	-
Trade and other receivables	(3,795,767)	(450,700)
Trade and other payables	26,188,469	16,836
Cash Generated from Operations	(7,215,033,603)	(726,210)
Income Tax Paid/Received	-	-
Net Cash from Operating Activities	(7,215,033,603)	(726,210)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(13,147,907)	-
proceeds from sale of Fixed Assets	29,559	-
Investment in Subsidiaries	-	(198,000)
Proceeds from sale of Investment	198,000	-
Net Cash from Investing Activities	(12,920,349)	(198,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	400,000	100,000
Proceeds from Share Application money	-	900,000
Repayment of Share Application Money	(900,000)	-
Proceeds from borrowings	7,233,684,928	250,000
Net Cash from Financing Activities	7,233,184,928	1,250,000
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	5,230,976	325,790
Cash & Cash Equivalents (Opening)	325,790	-
Cash & Cash Equivalents (Closing)	5,556,766	325,790

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Tarwinder Singh
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI ESTATES PRIVATE LIMITED

DIRECTOR'S REPORT

Your Directors present their Second Report together with the audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

Particulars	For the year ended 31.03.2007 Rupees	For the year ended 31.03.2006 Rupees
Income	11,83,42,633	32,31,835
Profit/ (Loss) before Taxation	7,85,440	18,56,809
Provision for Taxation		
Current Tax	2,37,290	6,50,000
Deferred tax Liability / (Assets)	29,760	Nil
Fringe Benefit Tax	29,100	Nil
Profit/ (Loss) after Taxation	4,89,290	12,06,809
Surplus brought forward from last year	12,06,809	Nil
Surplus carried forward to Balance Sheet	16, 96,099	12,06,809

2. DIVIDEND

With a view to conserve the Cash resources of your Company, the Directors deems it prudent not to recommend a Dividend for the year.

3. OPERATIONS

During the year under review, the Company has made strategic investments through its subsidiaries for pursuing Real Estate developments in Mumbai.

4. CHANGE IN NAME OF COMPANY

In line with your Company's business and activities, the name of your Company was changed from Adani Township and Real Estate Company (Mumbai) Private Limited to Adani Estates Private Limited.

5. CAPITAL

The Paid up Capital of the Company has been increased from Rs 1,00,000 to Rs 5,00,000 by issue of 40,000 equity shares of Rs 10 each at par, on a rights basis to the existing members of the Company

6. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Sec 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Deloitte Haskins and Sells, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

7. DIRECTORS

Devang Desai and Mr. Bhavik Shah retire by rotation and, being eligible, offer themselves for re-appointment.

8. SUBSIDIARY COMPANY

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of your Company's Subsidiary Companies ie Swayam Realtors & Traders Limited and Columbia Chrome (India) Private Limited is attached.

9. PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The following are the loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company

Name of the Company	Relation	Amount Outstanding at the end of the year	Maximum Amount outstanding during the Year (net of TDS)
Adani Enterprises Limited	Ultimate Holding Company	Nil	150,00,00,000
Adani Infrastructure and Developers Private Limited.	Holding Company	48,23,70,909	48,23,70,909
Adani Developers Private Limited	Fellow Subsidiary	Nil	1,67,24,000
Adani Township & Real Estate Company Private Limited	Fellow Subsidiary	7,43,60,497	250,92,36,500
Columbia Chrome (India) Private Limited	Subsidiary Company	40,10,22,688	40,10,22,688

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

11. EMPLOYEES

The Company had no employees who are in receipt of remuneration of not less than Rs. 24,00,000 during the year ended March 31, 2007 or not less than Rs. 2,00,000 per month during any part of the said year

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March, 2007 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Ac, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board,

Rajesh S. Adani
Chairman

Place : Ahmedabad
Date : 12th April, 2007

ADANI ESTATES PRIVATE LIMITED**Auditors' Report****To the Members of
ADANI ESTATES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **Adani Estates Private Limited (Formerly Known as Adani Townships and Real Estate Company (Mumbai) Private Limited)** as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In terms of para 2 (iv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company.
4. Further, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 12th April, 2007

ADANI ESTATES PRIVATE LIMITED

(Formerly Known as Adani Townships and Real Estate Company (Mumbai) Private Limited)

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007		As at March 31, 2006
		Rupees	Rupees	Rupees
Shareholders' Funds				
Share Capital	1		500,000	100,000
Share Application Money (Pending Allotment)			-	312,000,000
Reserves & Surplus	2		1,696,099	1,206,809
Loan Funds				
Unsecured Loans	3		482,370,909	401,000
Deferred Tax Liability			29,760	-
Total			484,596,768	313,707,809
APPLICATION OF FUNDS				
Fixed Assets	4		1,114,665	-
Investments	5		7,081,200	1,081,200
Current Assets, Loans and Advances				
Cash and Bank Balances	6	1,533,934		195,368
Loans and Advances	7	478,807,064		313,200,635
		480,340,998		313,396,003
Less : Current Liabilities and Provisions				
Current Liabilities	8	3,023,705		119,394
Provisions	9	916,390		650,000
		3,940,095		769,394
Net Current Assets			476,400,903	312,626,609
Total			484,596,768	313,707,809
Notes to Accounts	13			

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells,**
Chartered Accountants

Rajesh . S. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI ESTATES PRIVATE LIMITED

(Formerly Known as Adani Townships and Real Estate Company (Mumbai) Private Limited)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Schedule	Rupees	Year ended March 31,2007 Rupees	Year ended March 31,2006 Rupees
INCOME				
Interest			118,342,633	3,231,835
TDS Deducted Rs 13,27,805 (Previous Year -Rs 7,25,224)				
Total			118,342,633	3,231,835
EXPENDITURE				
Personnel Expenses	10		2,271,613	-
Administration and Other Expenses	11		1,409,603	1,374,806
Interest and Finance Charges	12		113,875,977	220
Total			117,557,193	1,375,026
Profit before taxation			785,440	1,856,809
Less: Provision for taxation				
Current Tax		237,290		650,000
Deferred Tax Liability		29,760		-
Fringe Benefit Tax		29,100		-
			296,150	650,000
Profit after taxation			489,290	1,206,809
Add Brought forward from Previous Year			1,206,809	-
Balance carried to Balance Sheet			1,696,099	1,206,809
Earnings per Share				
- Basic & Diluted			48.40	120.68
(Refer Note 2 of Schedule 13)				
Notes to Accounts	13			

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells,**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI ESTATES PRIVATE LIMITED

(Formerly Known as Adani Townships and Real Estate Company (Mumbai) Private Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 (Amount in Rupees)

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 1 " SHARE CAPITAL		
Authorised 50,000 Equity Shares of Rs. 10 /- each	500,000	500,000
	500,000	500,000
Issued, Subscribed and Paid Up 50,000 Equity Shares of Rs. 10 /- each (All the above 50,000 (Previous Year - Nil) shares are held by Adani Infrastructure and Developers Private Limited, the holding company and its nominees)	500,000	100,000
	500,000	100,000
SCHEDULE " 2 " RESERVES AND SURPLUS Profit & Loss Account	1,696,099	1,206,809
	1,696,099	1,206,809
SCHEDULE " 3 " UNSECURED LOANS From a Company (Refer Note 3 of Schedule 13)	482,370,909	401,000
	482,370,909	401,000

SCHEDULE " 4 "
FIXED ASSETS

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at April 1, 2006	Additions	Deductions	As at March 31, 2007	Upto April 1, 2006	For the Year	Upto March 31, 2007	As at March 31, 2007	As at March 31, 2006
Office Equipments	-	15,394	-	15,394	-	15,394	15,394	-	-
Computers	-	138,634	-	138,634	-	6,929	6,929	131,705	-
Vehicles	-	1,077,467	-	1,077,467	-	94,507	94,507	982,960	-
Total	-	1,231,495	-	1,231,495	-	116,830	116,830	1,114,665	-
Previous Year Total	-	-	-	-	-	-	-	-	-

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE "5 " INVESTMENTS		
Long Term Investments (At Cost)		
Unquoted (Trade) - Equity Shares, Fully paid up		
Columbia Chrome (India) Private Limited (7,812 (Previous Year 7,812) Equity shares of face value of Rs 100 each fully paid up)	781,200	781,200
Swayam Realtors and Traders Limited (P/Y - 30,000 shares) (6,30,000 (Previous Year 30,000) equity shares of face value of Rs 10 each fully paid up)	6,300,000	300,000
	7,081,200	1,081,200
SCHEDULE " 6 " CASH AND BANK BALANCES		
Cash on hand	3,522	1,000
Balance with Scheduled Banks - In Current Account	1,530,412	194,368
	1,533,934	195,368
SCHEDULE " 7 " LOANS AND ADVANCES (Unsecured Considered Good) Advances recoverable in cash or in kind or for value to be received (Refer Note 9 of Schedule 13) Advance Tax	476,337,676 2,469,388	312,475,411 725,224
	478,807,064	313,200,635
SCHEDULE " 8 " CURRENT LIABILITIES Sundry Creditors	3,023,705	119,394
	3,023,705	119,394
SCHEDULE " 9 " PROVISIONS Provision for Taxation	916,390	650,000
	916,390	650,000

ADANI ESTATES PRIVATE LIMITED

(Formerly Known as Adani Townships and Real Estate Company (Mumbai) Private Limited)

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2007

Particulars	Year ended March 31,2007 Rupees	Year ended March 31,2006 Rupees
SCHEDULE "10 "		
PERSONNEL EXPENSES		
Salaries & Allowances	2,266,469	-
Staff Welfare Expenses	5,144	-
	2,271,613	-
SCHEDULE "11 "		
ADMINISTRATION AND OTHER EXPENSES		
Communication Expenses		
Legal & Professional Charges	15,542	-
Printing and Stationery	703,531	1,331,145
Repair & Maintenance	13,914	1,150
Travel & Conveyance	21,244	-
Audit Fees	449,375	-
Office Expenses	18,520	16,836
Depreciation	70,647	4,675
Preliminary Expenses written off	116,830	-
	-	21,000
	1,409,603	1,374,806
SCHEDULE "12 "		
INTEREST & FINANCE CHARGES		
Interest Charges	113,874,175	-
Bank Charges	1,802	220
	113,875,977	220

SCHEDULE 13

NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalization, and the exchange differences arising on foreign loans taken for acquiring the assets.

c) Depreciation :

Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

d) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalized as cost of that asset.

However, borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

e) Revenue Recognition

Interest Income is accounted on an accrual basis at contracted rates.

f) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

g) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

2. Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

	Particulars	March 31, 2007	March 31, 2006
A.	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	4, 89,290	12,06,809
B.	Weighted Average number of Equity Shares(No.)	10, 110	10,000
C.	Basic & Diluted Earnings per share (Rs.)	48.40	120.68

ADANI ESTATES PRIVATE LIMITED

3 Unsecured Loan

Unsecured Loans includes interest accrued and due amounting to Rs 95,97,284/--

4 Deferred Tax

In line with Accounting Standard 22 "Accounting for taxes on income", the Company has recognized in the accounts, Deferred Tax Liability of Rs 29,760 at 31st March 2007.

The Component of deferred Tax Liability (DTL) as at 31st March 2007 is as follows:

Deferred Tax Liability	Rupees
Difference in rates of Depreciation	29,760

5 Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

6 Segment Reporting

Considering the organization structure, nature of products and risks and return profile based on geographical distribution, the Realty business is considered as a single segment in accordance with the Accounting Standard AS -17 "Segment Reporting"

7 Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited Ultimate Holding Company
2. Adani Infrastructure and Developers Private Limited- Holding Company with 100% shareholding

B Subsidiary Companies

1. Swayam Realtors and Traders Limited
2. Columbia Chrome (India) Private Limited

C Fellow Subsidiary Companies

1. Adani Developers Private Limited
2. Adani Township and Real Estates Company Private Limited
3. Adani Habitats Private Limited
4. Adani Land Developers Private Limited

II Nature and Volume of Transactions with Related Parties

Nature of Transaction	Enterprises Controlling the Company		Enterprises Under the Control of the Company Subsidiary Companies	Enterprises Under Common Control including Fellow Subsidiaries
	Ultimate Holding Company	Holding Company		
Services Availed /Expenses	2,543,885	-	-	179,408
Loan/Advance Received	2,585,920,800	472,773,625	-	-
Loan/Advance Given	-	-	46,500,000	2,534,399,000
Interest Received /Receivable	-	-	42,928,940	75,413,693
Interest Paid /Payable	104,140,374	9,733,801	-	-
Receivables including Interest	-	-	401,022,688	74,567,551
Payables including Interest	2,543,885	482,370,909	-	-

8 Salaries and Allowances

Salaries and Allowances include expenditure incurred in respect of employees of other company deputed to the company.

9 Loans & Advances

Loans & Advances include advances to subsidiary Companies as per details mentioned below:

Sr. No.	Name of Subsidiary	Amount (Rs)
1.	Columbia Chrome (India) Private Limited	401,022,688

10 Previous Year Figures

The Previous year figures have been regrouped wherever necessary to confirm to current year classification.

As per our attached report

For **Deloitte Haskins & Sells,**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 12th April, 2007

On behalf of the Board of Directors

Rajesh S. Adani
Director

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

ADANI ESTATES PRIVATE LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details:

Registration No	U45300GJ2005PTC46949	State Code	04
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital raised during the year (Amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands) :

Total Liabilities	488537	Total Assets	488537
Sources of Funds			
Paid-Up Capital	500	Reserves & Surplus	1696
Secured Loans	Nil	Unsecured Loans*	482401
Application of Funds			
Net Fixed Assets	1115	Investments	7081
Net Current Assets	476401	Misc. Expenditure	Nil
Accumulated Losses	Nil		

*Includes Deferred Tax Liability

IV. Performance of the Company (Amount in Rs. Thousands):

Turnover (Including Other Income)			Total Expenditure		
118343			117557		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
✓		785	✓		489
Earnings per share in Rupees			Dividend rate (%)		
48.40			Nil		

V. Generic Names of three Principal Products / Services of the Company (As per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Rajesh S. Adani
Director

Place : Ahmedabad
Date : 12th April, 2007

Bhavik B. Shah
Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANIES.**

A. Name of the Subsidiary	Swayam Realtors & Traders Limited	Columbia Chrome (India) Private Limited
B. Financial year of the Subsidiary ended on	31st December, 2006	31st March, 2007
C. The Companys interest in the subsidiary on the aforesaid date:		
a) Number of Shares Held	30,000 equity shares	7,812 equity shares
b) Face value of the shares	Rs 10/-	Rs 100/-
b) Extent of Holding	60%	60%
D. The aggregate of the Profit/Loss of the Subsidiary so far it concerns the members of the Company		
a) Not dealt with in the accounts of the Company amounted to		
1. For the Subsidiarys financial year ended in B above	Nil	Nil
2. For the Previous years of the Subsidiary since it became the Companys subsidiary	N. A	N. A
b) Dealt with in the accounts of the Company amounted to		
1. For the Subsidiarys financial year ended in B above	(Rs. 1653)	(Rs.47,966)
2. For the Previous years of the Subsidiary since it became the Companys subsidiary	(Rs.70,305)	Rs.721,125

For and on behalf of the Board,

Rajesh .S. Adani
Director

Bhavik B. Shah
Director

Note

On February 22, 2007, the Board for Industrial & Financial Reconstruction (“**BIFR**”) sanctioned a Scheme of Rehabilitation (“**the Scheme**”) for Khatau Makanji Spinning & Weaving Company Limited (“**KML**”). Besides other provisions, the Scheme has provided, with effect from the Appointed Date, viz. April, 1, 2006, for the de-merger of the Byculla and Borivli units of KML into Swayam Realtors & Traders Limited (“**Swayam**”), in which the Company hold 60% of the paid-up equity share capital.

Swayam has prepared its financial statements for the period ended December 31, 2006. The BIFR Order sanctioning the Scheme was passed subsequent to the completion of the audit and hence the effect of the de-merger could not be considered in its audited accounts.

Considering that the scheme is yet to be fully implemented, the impact of the de-merger at this stage, on the consolidated accounts of the Company, is not ascertainable. The Board of Directors of Swayam has confirmed that there are no other material transaction save and except the demerger aforesaid during the period from 1st January, 2007 to 31st March, 2007.

ADANI ESTATES PRIVATE LIMITED

(Formerly Known as Adani Townships and Real Estate Company (Mumbai) Private Limited)

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Year ended March 31,2007 Rupees	Year ended March 31,2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	785,440	1,856,809
Adjustments for :		
Depreciation	116,830	-
Interest Income	(118,342,633)	-
Interest Paid	113,874,175	-
Operating profit before working capital changes	(3,566,188)	1,856,809
Changes in:		
Trade and other receivables	(168,075,817)	(313,925,859)
Trade and other payables	2,904,311	119,394
Cash Generated from Operations	(168,737,694)	(311,949,656)
Income Tax Paid/Received	2,469,388	725,224
Net Cash from Operating Activities	(166,268,306)	(311,224,432)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,231,495.00)	-
Investment in Subsidiaries	(6,000,000)	(1,081,200)
Interest Income	118,342,633	-
Net Cash from Investing Activities	111,111,138	(1,081,200)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	400,000	100,000
Proceeds from Share Application money	-	312,000,000
Repayment of Share Application Money	(312,000,000)	-
Proceeds from borrowings	481,969,909	401,000
Interest Paid	(113,874,175)	-
Net Cash from Financing Activities	56,495,734	312,501,000
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	1,338,566	195,368
Cash & Cash Equivalents (Opening)	195,368	-
Cash & Cash Equivalents (Closing)	1,533,934	195,368

As per our attached report

On behalf of the Board of Directors

For Deloitte Haskins & Sells,
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI GLOBAL FZE

DIRECTOR'S REPORT TO THE SHAREHOLDER PERIOD ENDED 31st MARCH 2007

The directors have pleasure in submitting the financial statements of Adani Global FZE, Jebel Ali, Dubai for the period ended 31st March, 2007.

Review of operations

The directors are pleased to report that the establishment continued to perform well and all its business activities continue to grow. The directors are confident of maintaining the growth rate, both in volume of business and profitability in the coming years.

Turnover, profit and dividend

The turnover of the establishment for the period ended 31st March, 2007, amounted to AED 1,296,059,289 (15 Months) as compared to AED 1,107,447,958 (12 Months) in the previous year.

The profit for the period amounted to AED 11,932,615. The Board of Directors paid a dividend of AED 360,000 during the period.

Events after the balance sheet date

There were no major events occurred after the balance sheet date which materially affect the establishment.

The following served as directors of the establishment during the period:

Mr. Vinod Shantilal Shah - Indian national
Mr. Rakesh Shantilal Shah - Indian national

Messrs Pannell Kerr Forster, Chartered Accountants, Dubai were appointed as auditors of the establishment for the period ended 31st March, 2007. A resolution to re-appoint them for the year ending 31st March, 2008 will be proposed at the forthcoming annual general meeting.

For and on behalf of the board of directors of
Adani Global Fze

Vinod Shantilal Shah
Director

Date : 15th April, 2007

ADANI GLOBAL FZE
(Incorporated in the United Arab Emirates)
AUDITORS' REPORT

TO
THE MEMBERS OF
ADANI GLOBAL FZE

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of Adani Global FZE as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in United Arab Emirates Dirhams ('AED') originally audited by the Statutory Auditors of the Company.
2. The financial statements in United Arab Emirates Dirhams ('AED') originally audited by the statutory auditors of the Company are for the year ended 31st March, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the period.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from AED into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in AED by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
6. The above procedure do not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Enterprises Limited and to comply with the provisions of the Companies Act, 1956.

For **Dharmesh Parikh & Co.**
 Chartered Accountants

Place: Ahmedabad
 Date: 15th April, 2007

D. A. Parikh
 Proprietor

ADANI GLOBAL FZE
BALANCE SHEET AS AT 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	(AED)		(Rs. in crores)		(AED)		(Rs. in crores)	
			AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
A	SOURCES OF FUNDS :									
	I. SHAREHOLDERS' FUND									
	(A) Share capital	1	18000000		23.02		18000000		23.02	
	(B) Reserves & surplus	2	72168812		84.48		60596197		73.40	
				90168812		107.50		78596197		96.42
	II. LOAN FUNDS :									
	(A) Secured loans	3	35451202		41.97		19163007		23.51	
	(B) Unsecured loans	4	383,199		0.45		-		-	
				35834401		42.43		19163007		23.51
	TOTAL			126003213		149.92		97759204		119.93
B	APPLICATION OF FUNDS :									
	I. FIXED ASSETS									
	(A) Gross block	5	3190286		3.78		2614503		3.21	
	(B) Less : Depreciation		2529799		3.00		2314004		2.84	
	(C) Net block			660487		0.78		300499		0.37
	II. INVESTMENTS	6		184		0.00		3670184		4.50
	III. CURRENT ASSETS, LOANS & ADVANCES									
	(A) Inventories	7	17235297		21.15		32113448		39.40	
	(B) Receivables	8	67634105		80.07		56673365		69.52	
	(C) Cash & bank balances	9	32806523		38.84		34312399		42.09	
	(D) Loans & advances	10	26684169		31.59		18263392		22.40	
			144360094		171.65		141362604		173.42	
	LESS :-									
	CURRENT LIABILITIES & PROVISIONS									
	(A) Current liabilities	11	18373385		21.75		46970842		57.62	
	(B) Provisions	12	644167		0.76		603241		0.74	
			19017552		22.52		47574083		58.36	
	NET CURRENT ASSETS			125342542		149.14		93788521		115.06
	TOTAL			126003213		149.92		97759204		119.93

Notes forming part of the accounts 19

As per our Report of even date attached

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place : Ahmedabad
Date : 15th April, 2007

For and on behalf of the Board,

Vinod Shantilal Shah
Director

Rakesh Shah
Director

Place : Dubai
Date : 15th April, 2007

ADANI GLOBAL FZE

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	(AED)		(Rs. in crores)		(AED)		(Rs. in crores)	
			For Period 01-01-2006 to 31-03-2007	For Period 01-01-2006 to 31-03-2007	For Period 01-01-2005 to 31-12-2005	For Period 01-01-2005 to 31-12-2005				
A	INCOME :									
	Sales & Operating earnings	13	1296059289	1590.28	1107447958	1328.93				
	Other income	14	249777	0.31	26532	0.03				
			1296309066	1590.59	1107474490	1328.96				
B	EXPENDITURE :									
	Cost of materials	15	1261001564	1547.26	1078659686	1294.38				
	Personnel expenses	16	7166535	8.79	2322310	2.79				
	Operation & other expenses	17	6746194	8.28	4859401	5.83				
	Finance Charges	18	9141363	11.22	9123667	10.95				
	Depreciation		320795	0.38	178095	0.22				
			1284376451	1575.93	1095143159	1314.17				
	Profit for the year Before Prior Period Adjustments		11932615	14.66	12331331	14.79				
	Add / (Less) : Prior period adjustment (net)									
	Add : Excess provision written back									
	Profit for the year before taxation		11932615	14.66	12331331	14.79				
	Provision for taxation:									
	- Current Tax					0.00				
	Profit after taxation		11932615	14.66	12331331	14.79				
	Add : Surplus brought forward from previous year		60596197	72.36	48624866	58.01				
	Profit available for appropriation		72528812	87.02	60956197	72.80				
	APPROPRIATIONS :									
	Proposed Dividend on Equity Shares		360000	0.43	360000	0.44				
	Balance carried to balance sheet		72168812	86.59	60596197	72.36				
			72528812	87.02	60956197	72.80				
	Earning per Share - AED 1000000- each (in Rupees)									
	- Basic & Diluted			8141824.38		8218193.18				
	- Annualised			6513459.51		8218193.18				

Notes forming part of the accounts 19
As per our Report of even date attached

For and on behalf of the Board,

For Dharmesh Parikh & Co.
Chartered Accountants

Vinod Shantilal Shah
Director

D. A. Parikh
Proprietor

Rakesh Shah
Director

Place : Ahmedabad
Date : 15th April, 2007

Place : Dubai
Date : 15th April, 2007

ADANI GLOBAL FZE
SCHEDULES 1 TO12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	(AED)		(Rs. in crores)		(AED)		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 1								
SHARE CAPITAL								
AUTHORISED								
18 Equity Shares of AED 1,000,000/- each	18000000		23.02		18000000		23.02	
ISSUED, SUBSCRIBED & PAID-UP								
18 Equity Shares of AED 1,000,000/- each (Above shares are held by Adani Global Ltd., A holding company)	18000000		23.02		18000000		23.02	
	18000000		23.02		18000000		23.02	
SCHEDULE : 2								
RESERVES & SURPLUS								
EXCHANGE RESERVE	0		-0.40		-		1.98	
TRANSLATION RESERVE	0		-1.71		-		(0.94)	
SURPLUS IN PROFIT & LOSS ACCOUNT	72168812		86.59		60596197		72.36	
	72168812		84.48		60596197		73.40	
SCHEDULE : 3								
SECURED LOANS								
From banks (Secured by Guarantees, securities and Covenants)	35451202		41.97		19163007		23.51	
	35451202		41.97		19163007		23.51	
SCHEDULE : 4								
UNSECURED LOANS								
Loans from Group Company/Shareholder	383,199.00		0.45		-		-	
	383,199.00		0.45		-		-	

**SCHEDULE : 5
FIXED ASSETS :**

(Rs. in Crores)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/01/06	Addition during the year	Deductions during the year	As at 31/03/07	As at 01/01/06	Provided for the year	Deductions during the year	As at 31/03/07	As at 31/03/07	31/12/2005
1	Goodwill										
2	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
3	Building	1.05	0.00	0.00	1.05	1.05	0.00	0.00	1.05	0.00	-
4	Plant & Machinery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
5	Furniture & Fixtures	1.66	0.13	0.00	1.79	1.40	0.15	0.00	1.55	0.24	0.26
6	Electric Fittings & Installations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
7	Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
8	Computer Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
9	Vehicles	0.39	0.67	0.12	0.94	0.29	0.23	0.12	0.40	0.54	0.11
	Total	3.10	0.80	0.12	3.78	2.74	0.38	0.12	3.00	0.78	0.37
	Previous Year	3.12	0.09	0.00	3.21	2.62	0.22	0.00	2.84	0.37	

SCHEDULES 1 TO 9 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	(AED)		(Rs. in crores)		(AED)		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 6								
INVESTMENTS								
INVESTMENT IN SUBSIDIARY COMPANIES								
UNQUOTED								
1) 50 (50) fully paid up equity shares of Adani Virginia Inc. USA Ltd. of US\$ 1/- each	184		0		184		0.00	
UNQUOTED								
India Millenium Deposit (100 certificates of US\$ 10,000 each) Resurgent India Bonds	0		0		3670000		4.50	
	184		0.00		3670184		4.50	

ADANI GLOBAL FZE
SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	(AED)		(Rs. in crores)	
	AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-12-2005	AS AT 31-12-2005
SCHEDULE : 7				
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)				
Finished Goods	17235297	21.15	32113448	39.40
	17235297	21.15	32113448	39.40
SCHEDULE : 8				
RECEIVABLES (UNSECURED, CONSIDERED GOOD)				
Others	67634105	80.07	56673365	69.52
	67634105	80.07	56673365	69.52
SCHEDULE : 9				
CASH & BANK BALANCES				
Cash in hand	201332	0.24	240815	0.30
Deposit with Banks	29118514	34.47	27098688	33.24
Cash at Bank	3486677	4.13	6972896	8.55
	32806523	38.84	34312399	42.09
SCHEDULE : 10				
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)				
Loans to Director/Susidairy	8745021	10.35	9005020	11.05
Advances recoverable in cash or kind or for value to be received	17861750	21.15	6003797	7.37
Advance to Shareholder	0	0.00	1236735	1.52
Interest accrued but not due	77398	0.09	2017840	2.48
	26684169	31.59	18263392	22.40
SCHEDULE : 11				
CURRENT LIABILITIES				
Sundry Creditors	8701772	10.30	32395311	39.74
Other liabilities	9671613	11.45	14575531	17.88
	18373385	21.75	46970842	57.62
SCHEDULE : 12				
PROVISIONS				
Proposed dividend	360000	0.43	360000	0.44
Provision for Staff End of Service Gratuity	284167	0.34	243241	0.30
	644167.00	0.76	603241	0.74

ADANI GLOBAL FZE

**SCHEDULES 13 & 18 FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2007**

PARTICULARS	(AED)		(Rs. in crores)		(AED)		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 13								
SALES & OPERATING EARNINGS								
Sales	1296059289		1,590.28		1107447958		1,328.93	
	1296059289		1,590.28		1107447958		1,328.93	
SCHEDULE : 14								
OTHER INCOME								
Profit on sale of fixed asset	43000		0.05		-		-	
Miscellaneous Income	206777		0.25		26532		0.03	
	249777		0.31		26532		0.03	
SCHEDULE : 15								
Purchase of traded goods								
	1246123413		1529.01		1108388465		1,330.06	
Decrease / (Increase) in stock								
Opening stock of finished / traded goods	32113448	39.40		2384669	2.86			
Closing stock of finished / traded goods	17235297	21.15		32113448	38.54			
	14878151		18.26		29728779		(35.68)	
	1261001564		1,547.26		1078659686		1,294.38	
SCHEDULE : 16								
PERSONNEL EXPENSES								
Salaries & bonus	7166535		8.79		2322310		2.79	
	7166535		8.79		2322310		2.79	
SCHEDULE : 17								
OPERATION & OTHER EXPENSES								
Rent	285402		0.35		168600		0.20	
Commission	3389164		4.16		2416129		2.90	
Other expenses	3071628		3.77		2274672		2.74	
	6746194		8.28		4859401		5.84	
SCHEDULE : 18								
FINANCE CHARGES								
INTEREST EXPENSES								
Interest on Others	0		0.00		19759		0.02	
Interest on Bank Borrowings	9421510		11.56		7180745		8.62	
	9421510		11.56		7200504		8.64	
LESS : INTEREST INCOME								
Interest on Deposit & others (Gross)	-2711404	-3.33		-1012978	-1.22			
	6710106	8.23		6187526	7.42			
Bank Commission / Charges	2988849	3.67		3119834	3.74			
Exchange Rate Difference	-57592	-0.68		-183693	-0.22			
	9141363.00	11.22		9123667	10.95			

ADANI GLOBAL FZE

ADANI GLOBAL FZE

SCHEDULE: “ 19 ”

NOTES FORMING PART OF THE ACCOUNTS

A) BACK GROUND:

The financial statements of **Adani Global FZE** for the accounting year 31st March, 2007 being a Company registered in Jebel Ali Free Zone of United Arab Emirates, are audited by PANNELL KERR FORSTER, Chartered Accountants, Dubai and we have been furnished with their audit report dated 19th April, 2007.

The financial statements of Adani Global FZE are presented in Indian Rupees duly converted, on the basis of aforesaid audit report to comply with the requirements of Section 212 of the Companies Act, 1956.

ADANI GLOBAL FZE is registered as a Free Zone Establishment in Jebel Ali Free Zone of United Arab Emirates. The establishment was incorporated on 22 November 1997 with limited liability pursuant to Law No. 9 of 1992 and the Implementing Regulations No. 1/92 issued by Jebel Ali Free Zone Authority.

The establishment is a wholly owned subsidiary of Adani Global Limited, (the “holding Company”), a private Company incorporated in Mauritius. Adani Enterprises Limited, India, a public joint stock Company is the “ultimate holding Company”.

The establishment has a general trading license and it principally trades in agro-commodities, metal scrap, edible oil, metal finished products, coal & petroleum products.

The reporting date has been changed from 31 December to 31 March, to coincide with the reporting date of the ultimate holding Company in India for the purpose of consolidation of group accounts.

Adani Global FZE is not a ‘Company’ as defined in the Companies Act, 1956. The auditors have not included the matters specified in paragraph 4 & 5 of Companies (Auditor’s Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the ‘Company’ in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

B) SIGNIFICANT ACCOUNTING POLICIES adopted by the Company in the preparation and presentation of the Accounts and notes thereon:-

a) SYSTEM OF ACCOUNTING

- i) The accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

b) CONVERSION TO INDIAN RUPEES

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Exchange Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange differences on account of translation at the year end are transferred to Translation Reserve Account and the said account is being treated as “Reserve and Surplus”.

c) FIXED ASSETS

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any, Property, plant and equipment are being depreciated on the straight-line basis so as to write them off over their estimated useful life as follows:

	Life (Years)
Building	6-7
Furniture and Fixtures	5
Office Equipment	5
Motor vehicles	3

d) INVESTMENTS IN SUBSIDIARY

Investments in Investee Company where it holds more than 50% of the share capital is treated as subsidiary company. Investments are accounted under the cost method less provision for impairment losses, if any and income from such investments is accounted when declared.

e) INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the weighted average method and comprises invoice value plus applicable landing charges. Net realizable value is based on estimated selling price less any estimated cost of completion and disposal.

f) STAFF END-OF-SERVICE GRATUITY

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with the local labour law.

g) REVENUE

Revenue represents net amount invoiced for goods sold during the year. The establishment's sales are on trans-shipment basis i.e. the supplier ships goods directly to the customer. Revenue is recognized when significant risks and rewards relating to the ownership of goods concerned are transferred to the customer and is based on amount invoiced to customers for trans-shipments made during the year.

h) LEASES

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the income statement on a straight-line basis over the year of the lease.

i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances including bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

C) Note to Accounts :

1) The transaction are in local currency United Arab Emirates Dirhams ("AED"), which have been converted into Indian Currency (Indian Rupees) for reporting and the rate applied is as per para B(b) of the significant accounting policies.

2) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when, and only when the establishment becomes a party to the contractual provision of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of the ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Current financial assets that have fixed or determinable payments and for which there is no active market, which comprise trade and other receivables, loan to shareholder and related party balances, are classified as receivables and stated at cost or, if the impact is material, at amortized cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals if any thereof are recognized in the income statement.

Current and non-current financial liabilities, which comprise bank borrowings, trade and other payables and loan from shareholder, are measured at cost or, if the impact is material, at amortized cost using the effective interest method.

3) Contingent liabilities and capital commitments

(AED)

	31st MAR 2007	31st DEC 2005
Bankers letters of Guarantees	250,000	733,500
Unutilised balances of Commercial Letters' of Credit *	94,494,188	1,354,422

ADANI GLOBAL FZE

(Rs. in Crores)

	31st MAR 2007	31st DEC 2005
Bankers letters of Guarantees	0.30	0.90
Unutilised balances of Commercial Letters' of Credit *	111.87	1.66

* Includes AED Nil (Rs.550,500/-) opened on behalf of the subsidiary.

Significant judgments and key assumptions

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment:

At each balance sheet date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory Provision

Management regularly undertakes a review of the company's inventory, stated at AED 17,235,297/- (Rs. 20.41 crores) {Pervious year AED 32,113,448 (Rs.38.54 crores)} in order to assess the likely realization proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Doubtful Debt Provisions

Management regularly undertakes a review of the amounts of receivables owed to the company from third parties or from related parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumption are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than receivables (see above) are based on assumptions regarding future cash-flows expected to be received from the related assets.

Staff end-of-service gratuity

The establishment computes the provision for the liability to staff end-of-service stated at AED 284,167/- (Rs 0.34 crores) {previous year AED 243,241/-(Rs 0.30 Crores)} assuming that all the employees were to leave as of the balance sheet date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite affects.

Adoption of revised and new International Financial Reporting standards

The following International Financial Reporting Standards, amendments thereto and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to 31st March, 2007 but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods, as referred to below. It is anticipated that their adoption in the relevant accounting periods will have an impact only on disclosures within the financial statements.

- * Amendment to IAS1: Capital Disclosures (1st January, 2007)
- * IFRS7: Financial Instruments: Disclosures (1st January, 2007)

4. RELATED PARTIES

The establishment enters into transactions with companies that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in normal course of business.

Related parties comprises of the ultimate holding Company, companies under common ownership and common management control (including subsidiary & fellow subsidiary), directors and a relative of the director.

At the balance sheet date balances with related parties were as follows:

	31-03-2007	31-12-2005
		(AED)
Included in trade and other receivables :		
Ultimate holding company	72,207	793,124
Director	1,339,994	1,126,606
Included in trade and other payables:		
Subsidiary Company	1,025,779	--
Fellow subsidiary	2,314,793	--
Loan to subsidiary	----	----
Investment in Subsidiary	7,378,168	7,378,168
Amount due from a subsidiary	----	1,627,036
Amount due from a director	1,367,037	----
Disclosed as loan (to)/from a shareholder	383,199	(876,735)

ADANI GLOBAL FZE

The nature of significant related party transactions and the amount involved during the year are as follows:

(AED)

	31-03-2007	31-12-2005
Sales		
Ultimate holding company	56,436,075	--
Other related parties	2,320,259	22,514,691
Purchases		
Ultimate holding company	3,597,793	32,102,778
Other related parties	397,983,910	323,941,335
Directors remuneration and expenses	3,654,800	375,227
Interest net received / (paid) on shareholders loan	91,700	(19,759)
Salary to relative of a director	225,000	180,000
Letter of credit opened on behalf of subsidiary (Note 26)	----	556,500

(Rs. In Crores)

	31-03-2007	31-12-2005
Included in trade and other receivables:		
Ultimate holding company	0.08	0.97
Director	1.64	1.38
Included in trade and other payables:		
Subsidiary Company	1.26	----
Fellow subsidiary	2.84	----
Loan to subsidiary	-----	-----
Investment in Subsidiary	8.74	8.74
Amount to due from a subsidiary	----	2.00
Disclosed as loan (to)/from a shareholder	0.45	(1.08)
Amount due from a director	1.76	----

The nature of significant related party transactions and the amount involved during the year are as follows:

(Rs. In Crores)

	31-03-2007	31-12-2005
Sales		
Ultimate holding company	69.25	----
Other related parties	2.85	27.02
Purchases		
Ultimate holding company	4.41	38.52
Other related parties	488.33	388.73
Directors remuneration and expenses	4.48	0.45
Interest on shareholders loan	0.11	0.02
Salary to relative of a director	0.28	0.22
Letter of credit opened on behalf of subsidiary	---	0.67

The company also provides interest-free funds to related parties as and when required.

ADANI GLOBAL FZE

5. Fixed deposit amounting to AED 20,562,751/- (Rs. 24.34 crores) {Previous year AED 20,566,896/- (Rs. 25.23 crores)} and margin deposit are under lien by banks as security for bank facilities and letters of guarantee issued.

6. Operating leases

Leases as lessees

The establishment has entered in to non-cancelable operating lease for 130 months with a new renewable option for a further period of 15 years. The total of the future lease payment commitment is as follows :

(AED)

	Year ended 31st March, 2007	Year ended 31st December,2005
Upto 1 year	50,000	50,000
Greater than 1 year but less than 5 years	60,417	110,417

(Rs. in Crores)

	Year ended 31st March, 2007	Year ended 31st December,2005
Upto 1 year	0.06	0.06
Greater than 1 year but less than 5 years	0.07	0.13

7. Earning Per Share

	Year ended 31st March, 2007	Year ended 31st December,2005
Net Profit after tax available for Equity Shareholders (Rs. in Crores)	14.66	14.79
Weighted Average No. of Equity Share of AED 10,00,000 each Outstanding during the year	18	18
Basic Earning per Share (in Rs.)	8141824.38	8218193.188

8. Financial Instruments: Credit, Interest Rate and Exchange Rate Risk Exposures

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed comprise credit, currency, liquidity and cash flow interest rate risk.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up. As part of the establishment's credit risk management, where it is considered necessary, such receivables are covered by letters of credit or bank guarantees in favour of the establishment, issued by high credit quality financial institutions.

The establishment buys and sells goods in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirham is pegged.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risks.

Borrowing facilities are regularly reviewed to ensure that the establishment obtains the best available pricing, terms and conditions on its borrowings.

ADANI GLOBAL FZE

Exposures to the aforementioned risks are detailed below :

Credit risk

Financial assets that potentially expose the establishment to concentrations of credit risk comprise principally bank balances and trade and other receivables and amounts due from subsidiary.

The establishment's bank accounts are placed with high credit quality financial institutions.

Amount due from related parties and trade and other receivables are stated net of the allowance for doubtful recoveries.

At the balance sheet date, the establishment's maximum exposure to credit risk from trade and other receivables situated outside the UAE is as follows:

	(AED)	
Particulars	31-03-2007	31-12-2005
European countries	7,821,805	3,636,243
Asian countries	58,461,088	53,483,972
Far East and GCC countries	-----	494,939

	(Rs. in Crores)	
Particulars	31-03-2007	31-12-2005
European countries	9.26	4.46
Asian countries	69.21	65.61
Far East and GCC countries	----	0.61

At the balance sheet date, 60% of the trade receivables were due from two customers (previous year 15% due from one customer). Significant concentrations of credit risk by industry are as follows :

	(AED)	
Scrap traders	25,887,553	50,208,614
Agro products	40,839,497	2,875,074
Furnace	----	505,142
Fabric traders	674,327	2,188,978

	(Rs. in Crores)	
Scrap traders	30.65	61.59
Agro products	48.35	3.53
Furnace	----	0.62
Fabric traders	0.80	2.69

The long term loan of AED 7,377,984 (Rs. 8.74 Crores) represent amount due from Adani Virginia Inc., USA, Which is engaged in ship breaking activity.

At the balance sheet date, the establishment's bank balance with banks outside UAE are as follows:

(AED)

Particulars	31-03-2007	31-12-2005
AGCC Countries	6,580,629	3,894,346
European Countries	3,955,486	119,397
Australia	575,325	552,866

(Rs. in Crores)

AGCC Countries	7.79	4.78
European Countries	4.68	0.15
Australia	0.68	0.69

Interest rate risk

The establishment's deposits with banks, vehicle loans and shareholders loan are at a fixed rate of interest at the levels generally obtained in the UAE and therefore exposed to fair value interest rate risk. Bank trust receipts are at floating rates of interest at levels which are generally obtained in the UAE and are therefore exposed to cash flow interest rate risk

Exchange rate risk

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Fair Value

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the establishment's financial assets and financial liabilities which are required to be carried at cost or amortised cost approximate to their carrying values.

9. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

ADANI GLOBAL FZE

- q. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile :

I.	Registration Details :	
	Registration No.	: NA
	State Code	: NA
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year (Amount in Rs. Thousand)	
	Public Issue -- Nil	Right Issue -- NIL
	Bonus Issue -- Nil	Private Placement -- NIL
III.	Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)	
	Total Liabilities	: 1,724,363
	Total Assets	: 1,724,363
	Sources of Funds :	
	Paid -- up Capital	: 230,182
	Reserves & Surplus	: 844,757
	Secured Loans	: 419,716
	Unsecured Loans	: 4,537
	Deferred Tax Liability	: -----
	Application of Funds:	
	Net Fixed Assets	: 7,820
	Investments	: 2
	Net Currents Assets	: 1,491,388
	Miscellaneous Expenditure	: -----
	Accumulated Losses	: -----
IV.	Performance of Company (Amount in Rs. Thousand)	
	Turnover (Including other Income)	: 15,905,868
	Total expenditure	: 15,759,315
	Profit/(Loss) before tax	: 146,553
	Profit/(Loss) after tax	: 146,553
	Earning per share (Rs.)	: 8,141,824.39
	Dividend Rate %	: 2%
V	Generic Names of Three Principal products/services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters

Signature to Schedule "1" to "19"

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Vinod Shantilal Shah
Director

D. A. Parikh
Proprietor

Rakesh Shah
Director

Place : Ahmedabad
Date : 15th April, 2007

Place : Dubai
Date : 15th April, 2007

ADANI GLOBAL FZE

Cash Flow Statement for the year ended 31st March, 2007

	PARTICULARS	15 Months ended 31/03/2007	15 Months ended 31/03/2007	2005	2005
		(AED)	(Rs. in crores)	(AED)	(Rs. in crores)
A	Cash flows from Operating Activities				
	Net profit for the year	11,932,615	14.64	12,331,331	14.79
	Adjustment for :				
	Finance Cost	12,410,359	15.23	10,320,338	12.38
	Depreciation	320,795	0.39	178,095	0.22
	Interest Income	(2,711,404)	(3.33)	(1,012,978)	(1.21)
	Profit from sale of Property, Plant & Equipment	(43,000)		-	-
	Operating Profit before working capital changes	21,909,365	26.94	21,816,786	26.18
	Adjustment For:				
	Inventories	14,878,151	17.61	(29,728,779)	(36.47)
	Trade & Other Receivables	(21,321,959)	(25.24)	35,517,338	43.57
	Trade & Other Payables	(28,556,531)	(33.81)	6,567,794	8.06
	Payment to subsidiary company	-	0.00	(1,627,036)	(2.00)
	Net Cash flows from Operating Activities	(13,090,974)	(14.50)	32,546,103	39.35
B	Cash flows from Investing Activities				
	Addition to Fixed Assets	(680,783)	(0.81)	(77,198)	(0.09)
	Sale of Property, plant and equipment	43,000	0.05	-	-
	Interest received	4,651,846	5.71	145,240	0.17
	Proceeds of disposal of investments held to maturity	3,670,000	4.35	-	0.00
	Investment in subsidiary	-	0.00	(7,378,168)	(9.05)
	Net Cash flows from Investing Activities	7,684,063	9.30	(7,310,126)	(8.97)
C	Cash flows from Financing Activities				
	Proceeds from trust receipts (net)	16,024,878	18.97	15,484,139	19.00
	Shareholder's loan received/(repaid)	383,199	0.45	(3,139,042)	(3.85)
	Proceeds for vehicle loans	263,317	0.31	-	0.00
	Interest paid	(12,410,359)	(15.23)	(10,300,579)	(12.36)
	Dividend Paid	(360,000)	(0.43)	-	-
	Net Cash flows from Financing Activities	3,901,035	4.51	2,044,518	2.78
D	Others				
	Exchange Reserve		(2.56)		0.61
			(2.56)		0.61
	Net increase/(decrease) in cash and cash equivalents	(1,505,876)	(3.25)	27,280,495	33.77
	Cash & Cash equivalents at beginning of the year	34,312,399	42.09	7,031,904	8.32
	Cash & Cash equivalents at end of the year	32,806,523	38.84	34,312,399	42.09
	Represented by				
	Call Deposits	29,118,544	34.47	28,176,011	34.57
	Cash at bank and in hand	3,688,009	4.37	6,136,388	7.53
		32,806,553	38.84	34,312,399	42.09

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) on Cash Flow Statement issued by The Institute of Chartered Accountant of India.
2. Prior Year Comparatives have been reclassified to confirm with current year's presentation, where ever applicable

As Per Our Report Of Even Date Attached

For And On Behalf Of The Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Vinod Shantilal Shah
Director

D. A. Parikh
Proprietor

Rakesh Shah
Director

Place : Ahmedabad
Date : 15th April, 2007

Place : Dubai
Date : 15th April, 2007

ADANI GLOBAL LIMITED

Director's Report

The directors are pleased to present their report together with audited financial statements of the Company for the period ended 31 March, 2007.

Principal activity

The principal activity of the Company is that of international trading and investments holding.

Results and dividend

The results for the year are shown after auditors' report.

The directors recommend the payment of a dividend of USD 96,000 for the year under review (2005: USD 98,093).

Statement of Directors' Responsibilities in respect of financial statements

The directors are responsible for the preparation of financial statements which comply with the Companies Act 2001. In preparing those financial statements, the directors have:

1. Selected suitable accounting policies and then applied them consistently;
2. Made judgements and estimates that are reasonable and prudent;
3. Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
4. Prepared the financial statements on the going concern basis.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

Place : Mauritius
Date: 16th May, 2007

Giandeo Reemul
Director

ADANI GLOBAL LIMITED
(Incorporated in the Republic of Mauritius)
AUDITOR'S REPORT

TO THE MEMBERS OF
ADANI GLOBAL LIMITED

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of Adani Global Limited as at March 31st, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in United States Dollars ('USD') originally audited by the Statutory Auditors of the Company.
2. The financial statements in United States Dollars ('USD') originally audited by the statutory auditors of the Company are for the year ended March 31st, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the year.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from USD into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in USD by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
6. The above procedures do not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Exports Limited and to comply with the provisions of the Companies Act, 1956.

For **Dharmesh Parikh & Co.**
Chartered Accountants

Place: Ahmedabad
Date: 16th May, 2007

D. A. Parikh
Proprietor

ADANI GLOBAL LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	(USD)		(Rs in crores)		(USD)		(Rs in crores)	
		AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-12-2005	AS AT 31-12-2005	AS AT 31-12-2005	AS AT 31-12-2005
A SOURCES OF FUNDS :									
I. SHAREHOLDERS' FUND									
(A) Share capital	1	7,519,000		35.49		8,239,000		38.38	
(B) Preference Share Application Money		5,000,000		21.73					
(C) Reserves & surplus	2	379,404		(1.16)		408,866		0.59	
			12,898,404		56.06		8,647,866		38.97
II. LOAN FUNDS :									
(A) Secured loans		-		-		-		-	
(B) Unsecured loans	3	-		-		160,092		0.72	
TOTAL			12,898,404		56.06		160,092		0.72
							8,807,958		39.69
B APPLICATION OF FUNDS :									
I. FIXED ASSETS									
			-		-		-		-
II. INVESTMENTS	4		9,358,492		40.68		9,223,247		41.56
III. CURRENT ASSETS, LOANS & ADVANCES									
(A) Cash & bank balances	5	9,575		0.04		9,174		0.04	
(B) Loans & advances	6	3,632,072		15.79		1,935		0.01	
		3,641,647		15.83		11,109		0.05	
LESS : CURRENT LIABILITIES & PROVISIONS									
(A) Current liabilities	7	3,677		0.02		325,502		1.47	
(B) Provisions	8	98,058		0.43		100,896		0.45	
		101,735		0.45		426,398		1.92	
NET CURRENT ASSETS			3,539,912		15.38		(415,289)		-1.87
TOTAL			12,898,404		56.06		8,807,958		39.69

Notes forming part of the accounts
As per our Report of even date attached

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For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

Giandeo Reemul
Director

D. A. Parikh
Proprietor

Theyvarajen Ponumbalum
Director

Place : Ahmedabad
Date : 16th May, 2007

Place : Mauritius
Date : 16th May, 2007

ADANI GLOBAL LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2007

	PARTICULARS	SCHEDULE	(USD)		(Rs in crores)		(USD)		(Rs in crores)	
			For The Period 01-01-2006 To 31-03-2007		For The Period 01-01-2006 To 31-03-2007		For The Period 01-01-2005 To 31-12-2005		For The Period 01-01-2005 To 31-12-2005	
A	INCOME :									
	Other income	9	98,093		0.44		98,093		0.43	
			98,093		0.44		98,093		0.43	
B	EXPENDITURE :									
	Operation & other expenses	10	5,873		0.03		9,698		0.04	
	Finance charges	11	23,624		0.10		(5,041)		(0.02)	
			29,497		0.13		4,657		0.02	
	Profit for the year before taxation		68,596		0.31		93,436		0.41	
	Provision for taxation:									
	- Current Tax		2,058		0.01		2,803		0.01	
	Profit after taxation		66,538		0.30		90,633		0.40	
	Add : Surplus brought forward from previous year		408,866		1.85		416,326		1.89	
	Profit available for appropriation		475,404		2.15		506,959		2.29	
	APPROPRIATIONS :									
	Dividend		96,000		0.42		98,093		0.44	
	Balance carried to balance sheet		379,404		1.73		408,866		1.85	
			475,404		2.15		506,959		2.29	
	Earning per Share - of US \$ 100 each (in Rupees)									
	- Basic & Diluted				47.22				62.42	
	- Annualised				37.77				62.42	

Notes forming part of the accounts
As per our Report of even date attached

12

For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

For **Giandeo Reemul**
Director

D. A. Parikh
Proprietor

For **Theyvarajen Ponumbalum**
Director

Place : Ahmedabad
Date : 16th May, 2007

Place : Mauritius
Date : 16th May, 2007

ADANI GLOBAL LIMITED

SCHEDULES 1 TO 8 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	(USD)	(Rs in crores)	(USD)	(Rs in crores)
	AS AT 31-03-2007	AS AT 31-03-2007	AS AT 31-12-2005	AS AT 31-12-2005
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
64000 Ordinary Shares of USD 100 each	6,400,000	27.82	6,400,000	30.89
36000 10 % Redeemable Preference Shares of USD 100 each	3,600,000	15.65	3,600,000	28.92
	10,000,000	43.47	10,000,000	59.81
ISSUED, SUBSCRIBED & PAID-UP				
64000 Ordinary Shares of USD 100 each	6,400,000	30.89	6,400,000	30.89
Of the above 64000 (Previous year 64000) Shares are held by Adani Enterprises Limited , a holding company				
11190 (Previous year 18390) 10% Redeemable Preference Shares of USD 100 each	1,119,000	4.60	1,839,000	7.48
Of the above 11190 (Previous year 18390) Shares are held by Adani Enterprises Limited , a holding company				
16050 Redeemable Preference Shares privately placed with holding company , redeemable at par in 5 equal instalments commenced from 28/12/03				
19950 Redeemable Preference Shares privately placed with holding company, redeemable at par in 5 equal instalments, shall be commencing from 05/08/04				
	7,519,000	35.49	8,239,000	38.38
SCHEDULE : 2				
RESERVES & SURPLUS				
EXCHANGE RESERVE	-	(0.09)	-	(0.01)
TRANSLATION RESERVE	-	(2.80)	-	(1.25)
SURPLUS IN PROFIT & LOSS ACCOUNT	379,404	1.73	408,866	1.85
	379,404	(1.16)	408,866	0.59
SCHEDULE : 3				
UNSECURED LOANS				
Inter Corporate Loans	0.00	0.00	160,092.00	0.72
	0.00	0.00	160,092.00	0.72
SCHEDULE : 4				
INVESTMENTS (LONG-TERM) (NON TRADING)				
INVESTMENT IN SUBSIDIARY COMPANIES UNQUOTED				
1) 18 equity shares of Adani Global FZE of AED 10,00,000 each	4,904,632	21.32	4,904,632	22.10
2) 88,50,000 equity share of Adani Global Pte. Ltd. (Singapore) of SGD 1 each.	4,318,615	18.77	4,318,615	19.46
3) 1000 equity share of Adani Shipping Pte Ltd of 1 SGD each	645	0.00	-	
4) 155000 equity share of Libra Shipping Pte Ltd of 1 SGD each	100,000	0.43	-	
5) 346 equity Shares of PT Adani Global of Rupiah 925,800 each	34,600	0.15	-	
	9,358,492	40.68	9,223,247	41.56
SCHEDULE : 5				
CASH & BANK BALANCES				
CASH & BANK BALANCES	9,575	0.04	9,174	0.04
	9,575	0.04	9,174	0.04
SCHEDULE : 6				
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)				
Loans Advances recoverable in cash or kind or for value to be received	3,630,077	15.78	-	0.00
Interest	1,995	0.01	1,935	0.01
	3632072	15.79	1,935	0.01
SCHEDULE : 7				
CURRENT LIABILITIES				
Sundry Creditors	-	0.00	321,000	1.45
Other liabilities	3,677	0.02	4,502	0.02
	3,677	0.02	325,502	1.47
SCHEDULE : 8				
PROVISIONS				
Provision for taxation	2,058	0.01	2,803	0.01
Proposed dividend	96,000	0.42	98,093	0.44
	98,058	0.43	100,896	0.45

ADANI GLOBAL LIMITED

SCHEDULES 9 TO 11 FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2007

PARTICULARS	(USD)		(Rs in crores)		(USD)		(Rs in crores)	
	For The Period 01-01-2006 To 31-03-2007		For The Period 01-01-2006 To 31-03-2007		For The Period 01-01-2005 To 31-12-2005		For The Period 01-01-2005 To 31-12-2005	
SCHEDULE : 9								
OTHER INCOME								
Dividend (Gross)	98,093	0.44	98,093	0.43				
	98,093	0.44	98,093	0.43				
SCHEDULE : 10								
OPERATION & OTHER EXPENSES								
Postage, telephone & telex expenses	-	0.00	280	0.00				
Miscellaneous expenses	-	0.00	1,785	0.01				
Payment to auditors	2,214	0.01	4,900	0.02				
Membership & Subscription	-	0.00	1,740	0.01				
Legal & Professional	3,659	0.02	993	0.00				
	5,873	0.03	9,698	0.04				
SCHEDULE : 11								
FINANCE CHARGES								
INTEREST EXPENSES								
Interest	24,986	0.11	14,187	0.06				
Bank Charge \ commission	759	0.00	316	0.00				
Exchange rate difference	-	0.00	30	0.00				
	25745	0.11	14,533	0.06				
LESS : INTEREST INCOME								
Interest on Deposit & others (Gross)	2121	0.01	19,574	0.09				
	23624	0.10	(5,041)	(0.02)				

ADANI GLOBAL LIMITED

SCHEDULE: 12

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD OF 15 MONTHS ENDED 31ST MARCH, 2007

1. Back Ground :

The financial statements of **Adani Global Ltd** for the accounting year 31st March 2007, being a Company registered in the Republic of Mauritius, are audited by DFK – r.c. partner, Chartered Certified Accountants, Mauritius and we have been furnished with their audit report dated 16th May, 2007.

The financial statements of Adani Global Ltd are presented in Indian Rupees duly converted, on the basis of aforesaid audit report to comply with the requirements of Section 212 of the Companies Act, 1956.

The Company was incorporated as a private limited company in the Republic of Mauritius of 21st January 1997, and was granted a Category 1 Global Business License on 28th January 1997. The principal activity of the Company is that of international trading & investments holding.

The Company, as a holder of a Category 1 Global License under the Companies Act 2001 & the Financial Services Development Act, 2001, is required to carry on its business in a currency other than the Mauritian rupee.

The establishment is a wholly owned subsidiary of Adani Enterprises. The accounts have been prepared and audited for the purpose of attachment to the Holding Company to comply with the provisions of the Indian Companies Act, 1956.

Adani Global Ltd is not a 'Company' as defined in the Companies Act, 1956. The auditors have not included the matters specified in paragraph 4 & 5 of Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the 'Company' in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

2 Accounting policies

A summary of the more important accounting policies which have been applied consistently with those of prior years is set out below.

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with the International Financial Reporting Standards. The historical cost convention has been used for the preparation of the financial statements.

Conversion to Indian Rupees

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as "Reserve and Surplus".

(b) Accounting estimates

Impairment tests involve the estimates of future cash flows and net selling price for assessing the recoverable amount of the respective assets. Those estimates are based on various assumptions which imply that actual results may differ from the estimates.

(c) Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates.

Exchange difference arising from investment in net foreign operations which comprise investments in associate are accounted under equity. On disposal of the associate the cumulative exchange difference under equity is recognised to income statement.

(d) Available for sale investments

Available for sale-investments comprise investments in unquoted securities for an undefined long period of time. Unquoted investments for which there are no quoted market price in an active market and their fair values cannot be reliably measured, are shown at cost. Impairment tests are carried out on the balance sheet date so that any permanent diminution in value is recognised as an expense in the period/year in which the diminution is identified.

On disposal of an available-for-sale-investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to income statement.

(e) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Financial instruments

Financial instruments carried on the balance sheet include available-for-sale investments, trade and other receivables, cash and cash equivalents and trade and other payables. Except for unquoted investments, financial instruments are stated at cost which approximate their fair values.

(g) Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(h) Redeemable share capital

Redeemable preference share capital has been classified as equity since the issuer has the sole right to redeem the shares.

3 Taxation

(a) The Company has obtained a Tax Residence Certificate. The Company is liable to income tax in Mauritius at an irrecoverable rate of 15% which effectively reduced to 3%, after allowing for Presumed Foreign Tax Credit.

ADANI GLOBAL LIMITED

4 Related party transactions

(a) During the year under review, the Company has entered into the following related party transactions:

Name of Companies	Nature of relationship	Nature of transactions	15 months ended 31 March 2007 (USD)	12 months ended 31 December 2005 (USD)
Adani Global FZE	Subsidiary	Loan received	-	160,092
Adani Global FZE	Subsidiary	Dividends received	98,093	98,093
Adani Global FZE	Subsidiary	Loan granted	104,415	-
Adani Global Pte Ltd	Subsidiary	Loan granted	3,443,081	-
Adani Shipping Pte Ltd	Subsidiary	Loan granted	67,581	-
Libra Shipping Pte Ltd	Subsidiary	Loan granted	15,000	-
Adani Global FZE	Subsidiary	Loan & Interest Recovered	-	414,864
Adani Enterprises Limited	Parent	Dividend paid	98,093	98,093
Adani Enterprises Limited	Parent	Dividend payable	96,000	98,093
Adani Enterprises Limited	Parent	Payable on share	-	321,000

(b) Outstanding balances resulting from the above transactions as at 31 March 2007:

Name of Companies	Nature of relationship	Nature of transactions	As at 31 March 2007 (USD)	As at 31 December 2005 (USD)
Adani Global FZE	Subsidiary	Loan payable	-	160,092
Adani Global FZE	Subsidiary	Loan receivable	104,415	-
Adani Global Pte Ltd	Subsidiary	Loan receivable	3,443,081	-
Adani Shipping Pte Ltd	Subsidiary	Loan receivable	67,581	-
Libra Shipping Pte Ltd	Subsidiary	Loan receivable	15,000	-
Adani Enterprises Limited	Parent	Dividend payable	96,000	98,093
Adani Enterprises Limited	Parent	Payable on share redemption	-	321,000

ADANI GLOBAL LIMITED

During the year under review, the Company has entered into the following related party transactions:

Name of Companies	Nature of relationship	Nature of transactions	15 months ended 31-Mar-07 (Rs in Crs)	12 months ended 31-Dec-05 (Rs in Crs)
Adani Global FZE	Subsidiary	Loan received	-	0.72
Adani Global FZE	Subsidiary	Dividends received	0.44	0.44
Adani Global FZE	Subsidiary	Loan granted	0.47	-
Adani Global Pte Ltd	Subsidiary	Loan granted	15.52	-
Adani Shipping Pte Ltd	Subsidiary	Loan granted	0.30	-
Libra Shipping Pte Ltd	Subsidiary	Loan granted	0.07	-
Adani Global FZE	Subsidiary	Loan & Interest Recovered	-	1.87
Adani Enterprises Limited	Parent	Dividend paid	0.44	0.43
Adani Enterprises Limited	Parent	Dividend payable	0.42	0.44
Adani Enterprises Limited	Parent	Payable on share redemption	-	1.45

Outstanding balances resulting from the above transactions as at 31 March 2007

Name of Companies	Nature of relationship	Nature of transactions	As at 31-Mar-07 (Rs in Crs)	As at 31-Dec-05 (Rs in Crs)
Adani Global FZE	Subsidiary	Loan payable	-	0.72
Adani Global FZE	Subsidiary	Loan receivable	0.45	-
Adani Global Pte Ltd	Subsidiary	Loan receivable	14.97	-
Adani Shipping Pte Ltd	Subsidiary	Loan receivable	0.29	-
Libra Shipping Pte Ltd	Subsidiary	Loan receivable	0.07	-
Adani Enterprises Limited	Parent	Dividend payable	0.42	0.43
Adani Enterprises Limited	Parent	Payable on share	-	1.45

(c) Contingencies

The Company has pledged its investment in Adani Global Pte Ltd as a security in favour of the latter.

5 Financial instruments

(a) Fair values

The carrying amounts of trade and other receivables, cash and cash equivalents and trade and other payables approximate their fair values. Unquoted investments, which are accounted at historical cost, are carried at values which may differ materially from their fair values. It is not practical to determine their fair values with reliability.

(b) Currency risk

Cash flows from financial instruments in currencies other than the reporting currency may be affected by the prevailing rates of exchange. The financial instruments are disclosed in their respective currencies below :

ADANI GLOBAL LIMITED

	As at 31 March, 2007		As at 31 December, 2005	
	Financial Assets	Financial liabilities	Financial Assets	Financial liabilities
	USD	USD	USD	USD
United States Dollar	3,641,647	99,677	11,109	426,398
Arab Emirates Dhiram	4,904,632	-	4,223,247	160,092
Indonesian	34,600	-	-	-
Singapore Dollar	4,419,260	-	5,000,000	-
	13,000,139	99,677	9,234,356	586,490

	As at 31 March, 2007		As at 31 December, 2005	
	Financial Assets	Financial liabilities	Financial Assets	Financial liabilities
	Rs in Crs	Rs in Crs	Rs in Crs	Rs in Crs
United States Dollar	15.83	0.43	0.05	1.92
Arab Emirates Dhiram	21.32	-	19.03	0.72
Indonesian	0.15	-	-	-
Singapore Dollar	19.21	-	22.53	-
	56.51	0.43	41.61	2.64

c) Credit risk

The Company has no Credit risk. The Company has granted credit only to its subsidiaries and repayment is expected to be within 1 year.

(d) Investment value-risk

The Company has invested in shares in India, Singapore and Indonesia. Those shares are stated at cost and their values may be affected by economic, social and political factors in those specific countries.

6 Functional currency

The financial statements are presented in United States Dollar (USD) since it is the Company's functional currency.

7 Holding and ultimate holding entity

The Company is controlled by Adani Enterprise Limited., a company domiciled in India, which owns 100 % of the Company's share capital. The directors regard Adani Enterprise Limited as the Company's holding and ultimate holding Company.

8 Change of accounting period

The Company has changed its accounting period to 31 March 2007 as from this financial period in order to have coterminous reporting period as that of Companies within the same group.

9 Consolidated accounts

The Company has taken advantage of paragraph 10 of the International Accounting Standards 27(IAS 27), Consolidated and Separate Financial Statements, which exempt the Company from preparation of consolidated financial statements as it satisfies the conditions laid down in the said IAS. The holding Company will prepare the consolidated financial statements, incorporating the Company's results and assets and liabilities, in compliance with the International Financial Reporting Standards.

ADANI GLOBAL LIMITED

10 Comparatives

Where relevant, comparative figures have been re-classified to conform with presentation in the current period.

11 Earnings Per Share

	Year ended 31st March, 2007	Year ended 31st December, 2005
Net Profit after Tax Provision (Rs in Crores)	0.30	0.40
Weighted Average No. of Equity Shares of USD 100 each outstanding during the year	64,000	64,000
Basic Earning per share (In Rs.)	46.90	62.42

12 Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

I.	Registration Details:	
	Registration No.	: NA
	State Code	: NA
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year (Amount in Rs. Thousand)	
	Public Issue - NIL	Right Issue - NIL
	Bonus Issue - NIL	Private Placement - NIL
III.	Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)	
	Total Liabilities	: 565,149
	Total Assets	: 565,149
	Sources of Funds:	
	Paid -up Capital	: 354,427
	Reserves & Surplus	: 11,063
	Secured Loans	: -----
	Unsecured Loans	: -----
	Deferred Tax Liability	: -----
	Application of Funds:	
	Net Fixed Assets	: -----
	Investments	: 406,837
	Net Current Assets	: 153,889
	Miscellaneous Expenditure	: -----
	Accumulated Losses	: -----
IV.	Performance of Company (Amount in Rs. Thousand)	
	Turnover (Including other Income)	: 4,421
	Total expenditure	: 1,329
	Profit/(Loss) before tax	: 3,091
	Profit/(Loss) after tax	: 3,002
	Earning per share (Rs.)	: 46.90
	Dividend Rate %	: -----
V	Generic Names of Three Principal products/services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters

Signature to schedules " 1 " to " 12 "

For and on behalf of the Board

Giandeo Reemul
Director

Place : Mauritius
Date : 16th May, 2007

Theyvarajen Ponumbalum
Director

ADANI GLOBAL LIMITED

Cash Flow Statement For The Year Period Ended 31st March, 2007

	Particulars	15 months ended 31/03/2007	15 months ended 31/03/2007	2005	2005
		(USD)	(Rs in Crores)	(USD)	(Rs in Crores)
A	Cash flows from Operating Activities				
	Net profit before tax	68,596.00	0.31	93,436.00	0.41
	Adjustments for:				
	Dividend received	(98,093.00)	(0.44)	(98,093.00)	(0.43)
	Interest received	(2,121.00)	(0.01)	(19,574.00)	(0.09)
	Interest payable	24,986.00	0.11	14,187.00	0.06
	Operating profit before working capital changes	(6,632.00)	(0.03)	(10,044.00)	(0.05)
	Changes in working capital :				
	Decrease in trade and other receivables	1,935.00	0.01	512,893.00	2.31
	(Decrease)/Increase in trade and other payables	(321,825.00)	(1.40)	1,770.00	0.01
		(326,522.00)	(1.42)	504,619.00	2.27
	Income tax paid	(2,803.00)	(0.01)	(5,350.00)	(0.03)
	Net cash from Operating Activities	(329,325.00)	(1.43)	499,269.00	2.24
B	Cash flow from Investing Activities				
	Cash granted as short term loan	(3,630,077.00)	(15.78)	-	-
	Acquisition of Investments	(135,245.00)	(0.59)	(25,000.00)	(0.11)
	Proceeds from sale of investment	-	-	80,000.00	0.36
	Dividends received	98,093.00	0.44	98,093.00	0.43
	Interest received	126.00	0.00	19,574.00	0.09
	Net cash from Investing Activities	(3,667,103.00)	(15.93)	172,667.00	0.77
C	Cash flows from Financing Activities				
	Redemption of shares	(720,000.00)	(3.13)	(720,000.00)	(3.24)
	Loan Received	(160,092.00)	(0.70)	160,092.00	0.72
	Dividend paid	(98,093.00)	(0.44)	(98,093.00)	(0.44)
	Interest paid	(24,986.00)	(0.11)	(14,187.00)	(0.06)
	Share Application Money	5,000,000.00	21.74	-	-
	Net cash from Financing Activities	3,996,829.00	17.36	(672,188.00)	(3.03)
D	Others				
	Exchange Reserve		-		0.01
	Net increase/ (decrease) in Cash and Cash	401.00	(0.00)	(252.00)	(0.00)
	Cash and Cash Equivalents at beginning of year	9,174.00	0.04	9,426.00	0.04
	Cash and Cash Equivalents at end of year	9,575.00	0.04	9,174.00	0.04
	Represented by				
	Cash at Bank & in Hand	9,575.00	0.04	9,174.00	0.04

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) on Cash Flow Statement issued by The Institute of Chartered Accountant of India.
- Prior Year Comparatives have been reclassified to confirm with current year's presentation, where ever applicable.

As per our Report of even date attached

For and on behalf of the Board

For **Dharmesh Parikh & Co.**
Chartered Accountants

Giandeo Reemul
Director

D. A. Parikh
Proprietor

Theyvarajen Ponumbalum
Director

Place : Ahmedabad
Date : 16th May, 2007

Place : Mauritius
Date : 16th May, 2007

ADANI GLOBAL PTE LTD
(Incorporated in the Republic of Singapore)

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Company for the financial year ended 31 March, 2007. The company changed its financial year end from 31st December to 31st March.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Shah Vinod Shantilal
Mittal Pradeep

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year have no interests in the share capital and its related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50.

4 DIRECTORS' RECEIPT & ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Chapter 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5 OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the Company was granted.

6 OPTIONS EXERCISED

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

7 UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares under option.

8 AUDITORS

The auditors, M/s Prudential Public Accounting Corporation, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board,

Shah Vinod Shantilal
Director

Mittal Pradeep
Director

Place : Singapore
Date : 18th May, 2007

ADANI GLOBAL PTE LTD

STATEMENT BY DIRECTORS

We, being the directors of the company, do here by state that in our opinion:-

1. the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2007 and the results of the business, changes in equity and cash flows of the Company for the financial year then ended
2. at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
3. Consolidated financial statement have not being prepared as the company itself is the wholly owned corporation and ultimate holding company prepares consolidated financial statements.

On behalf of the Board,

Shah Vinod Shantilal
Director

Mittal Pradeep
Director

Place : Singapore
Date : 18th May, 2007

ADANI GLOBAL PTE LTD**AUDITORS' REPORT****TO THE MEMBERS OF
ADANI GLOBAL PTE LTD**

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of Adani Global PTE as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in Singapore Dollar ('SGD') originally audited by the Statutory Auditors of the Company.
2. The financial statements in Singapore Dollar ('SGD') originally audited by the statutory auditors of the Company are for the year ended 31st March, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the period.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from SGD into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in SGD by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
6. The above procedure does not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Enterprises Limited and to comply with the provisions of the Companies Act, 1956.

For Dharmesh Parikh & Co.
Chartered Accountants

Place : Ahmedabad
Date : 18th May, 2007

D. A. Parikh
Proprietor

ADANI GLOBAL PTE LTD.
BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	(SGD)		(Rs in crores)		(SGD)		(Rs in crores)	
		AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
A SOURCES OF FUNDS :									
I. SHAREHOLDERS' FUND									
(A) Share Capital	1	8,850,000		24.07		8,850,000		24.07	
(B) Reserves & Surplus	2	4,163,653		13.22		2,543,019		6.81	
			13,013,653		37.29		11,393,019		30.88
II. LOAN FUNDS :									
(A) Secured Loans	3	255,436,706		731.93		-		-	
(B) Unsecured Loans	4	5,175,003		14.83		98,833		0.27	
			260,611,709		746.76		98,833		0.27
TOTAL			273,625,362		784.05		11,491,852		31.15
B APPLICATION OF FUNDS :									
I. FIXED ASSETS	5								
(A) Gross block		34,264		0.10		109,305		0.30	
(B) Less : Depreciation		5,693		0.02		89,102		0.24	
(C) Net block			28,571		0.08		20,203		0.06
II. INVESTMENTS		-	1,027,845		2.95	-	-		-
III. CURRENT ASSETS, LOANS & ADVANCES									
(A) Inventories	6	58,460		0.17		-		0.00	
(B) Receivables	7	367,306,794		1052.48		61,379,146		166.33	
(C) Cash & Bank balances	8	30,415,631		87.15		24,304,826		65.86	
(D) Loans & Advances	9	1,643,470		4.71		91,512		0.25	
		399,424,355		1144.51		85,775,484		232.44	
IV. LESS :- CURRENT LIABILITIES & PROVISIONS									
(A) Current Liabilities	10	126,406,579		362.21		74,037,335		200.63	
(B) Provisions	11	448,830		1.29		266,500		0.72	
		126,855,409		363.49		74,303,835		201.35	
NET CURRENT ASSETS			272,568,946		781.02		11,471,649		31.09
TOTAL			273,625,362		784.05		11,491,852		31.15

Notes forming part of the accounts 19
As per our Report of even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Vinod Shantilal Shah
Director

D. A. Parikh
Proprietor

Pradeep Mittal
Director

Place : Ahmedabad
Date : 18th May, 2007

Place : Ahmedabad
Date : 18th May, 2007

ADANI GLOBAL PTE LTD.

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	(SGD)		(Rs in crores)		(SGD)		(Rs in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 1								
SHARE CAPITAL								
AUTHORISED								
10000000 Ordinary Shares of S\$ 1 each	10,000,000		27.19		10,000,000		27.19	
ISSUED, SUBSCRIBED & PAID-UP								
8850000 Ordinary Shares of S\$ 1 each (Above 8850000 shares are held by Adani Global Limited)	8,850,000		24.07		8,850,000		24.07	
	8,850,000		24.07		8,850,000		24.07	
SCHEDULE : 2								
RESERVES & SURPLUS								
EXCHANGE RESERVE	-		0.55		-		0.16	
TRANSLATION RESERVE	-		1.29		-		(0.09)	
SURPLUS IN PROFIT & LOSS ACCOUNT	4,163,653		11.38		2,543,019		6.74	
	4,163,653		13.22		2,543,019		6.81	
SCHEDULE : 3								
SECURED LOANS								
From Banks	255,436,706		731.93		-		-	
	255,436,706		731.93		-		-	
SCHEDULE : 4								
UNSECURED LOANS								
Inter Corporate Loans	5,029,540		14.41		-		0.00	
Loans from Directors	145,463		0.42		98,833		0.27	
	5,175,003		14.83		98,833		0.27	

SCHEDULE : 5
FIXED ASSETS :

(Rs. in Crores)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/01/06	Addition during the year	Deductions during the year	As at 31/03/07	As at 01/01/06	Provided for the year	Deductions during the year	As at 31/03/07	As at 31/03/07	31/12/2005
1	Goodwill										
2	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
4	Plant & Machinery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
5	Furniture & Fixtures	0.17	0.01	0.17	0.01	0.12	0.04	0.17	0.00	0.01	0.04
6	Electric Fittings & Installations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
7	Office Equipment	0.06	0.02	0.06	0.02	0.06	0.00	0.06	0.00	0.02	-
8	Computer Equipment	0.09	0.07	0.09	0.07	0.07	0.03	0.09	0.01	0.06	0.02
9	Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	TOTAL	0.32	0.10	0.32	0.10	0.26	0.07	0.31	0.02	0.08	0.06
	Previous Year	0.23	0.07	0.00	0.30	0.19	0.05	0.00	0.24	0.06	

ADANI GLOBAL PTE LTD.
SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	(SGD)		(Rs in crores)		(SGD)		(Rs in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 6								
INVESTMENTS								
6574 (Nil) of PT Adani Global of Rupiah 925,800 each		1,027,845		2.95		-		0
		1,027,845		2.95		-		0
SCHEDULE : 7								
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)								
Finished Goods		58,460		0.17		-		0.00
		58,460		0.17		-		0.00
SCHEDULE : 8								
RECEIVABLES (UNSECURED, CONSIDERED GOOD)								
Others		367,306,794		1052.48		61,007,028		165.32
Due from ultimate holding company		-		0.00		372,118		1.01
		367,306,794		1052.48		61,379,146		166.33
SCHEDULE : 9								
CASH & BANK BALANCES								
Cash and Bank Balance		4,491		0.01		1,512		0.00
Balances with Scheduled Banks :-								
Fixed Deposits with Banks		24,551,370		70.35		15,891,310		43.06
In current account		5,859,770		16.79		8,412,004		22.79
		30,415,631		87.15		24,304,826		65.86
SCHEDULE : 10								
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)								
Loans		1,017,748		2.92		-		0
Advances recoverable in cash or kind or for value to be received		625,722		1.79		91,512		0.25
		1,643,470		4.71		91,512		0.25
SCHEDULE : 11								
CURRENT LIABILITIES								
Sundry Creditors		99,322,741		284.60		61,780,955		167.41
Acceptance		-		0.00		5,883,471		15.94
Due from ultimate holding company		-		0.00		5,552,580		15.05
Other liabilities		27,083,838		77.61		820,329		2.22
		126,406,579		362.21		74,037,335		200.63
SCHEDULE : 12								
PROVISIONS								
Provision for taxation		448,830		1.29		266,500		0.72
		448,830		1.29		266,500		0.72

ADANI GLOBAL PTE LTD.

PROFIT & LOSS ACCOUNT FOR THE PERIOD 01-01-2006 TO 31-03-2007

PARTICULARS	SCHEDULE	(SGD)	(Rs in crores)	(SGD)	(Rs in crores)
		FOR PERIOD 01-01-2006 TO 31-03-2007	FOR PERIOD 01-01-2006 TO 31-03-2007	For The Period 01-01-2005 to 31-12-2005	For The Period 01-01-2005 to 31-12-2005
A INCOME :					
Sales	13	1,906,967,857	5456.88	1,145,658,195	3032.27
Other income	14	59,970	0.17	51,840	0.14
		1,907,027,827	5457.05	1,145,710,035	3032.41
B EXPENDITURE :					
Cost of materials	15	1,841,530,893	5269.63	1,091,701,701	2889.45
Personnel expenses	16	1,119,785	3.20	360,710	0.95
Operation & other expenses	17	44,241,925	126.60	47,320,818	125.25
Finance charges	18	18,082,695	51.74	4,928,495	13.04
Depreciation		25,895	0.07	17,695	0.05
		1,905,001,193	5451.25	1,144,329,419	3028.75
Profit for the year before taxation		2,026,634	5.80	1,380,616	3.66
Provision for taxation:					
- Current Tax		406,000	1.16	270,000	0.73
Profit after taxation		1,620,634	4.64	1,110,616	2.93
Add : Surplus brought forward from previous year		2,543,019	6.74	1,432,403	3.81
Balance carried to balance sheet		4,163,653	11.38	2,543,019	6.74
Earning per Share - S\$ 1 each (in Rupees)					
- Basic & Diluted			5.24		3.31
- Annualised			4.19		3.31

Notes forming part of the accounts 19

As per our Report of even date attached

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place : Ahmedabad
Date : 18th May, 2007

For and on behalf of the Board,

Vinod Shantilal Shah
Director

Pradeep Mittal
Director

Place : Ahmedabad
Date : 18th May, 2007

ADANI GLOBAL PTE LTD.
SCHEDULES 13 TO 18 FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE PERIOD 01-01-2006 TO 31-03-2007

PARTICULARS	(SGD)		(Rs in crores)		(SGD)		(Rs in crores)	
	FOR PERIOD 01-01-2006 TO 31-03-2007		FOR PERIOD 01-01-2006 TO 31-03-2007		For The Period 01-01-2005 to 31-12-2005		For The Period 01-01-2005 to 31-12-2005	
SCHEDULE : 13								
SALES								
Sales		1,906,967,857		5,456.88		1,145,658,195		3,032.27
		1,906,967,857		5,456.88		1,145,658,195		3,032.27
SCHEDULE : 14								
OTHER INCOME								
Miscellaneous Income		59,970		0.17		51,840		0.14
		59,970		0.17		51,840		0.14
SCHEDULE : 15								
COST OF MATERIALS								
Purchase of traded goods		1,841,589,353		5,269.79		1,090,270,579		2,885.67
Decrease / (Increase) in stock								
Opening stock of finished / traded goods		-		-		1,431,122		-
Closing stock of finished / traded goods		58,460		0.17		-		-
		(58,460)		(0.17)		1,431,122		3.78
		1,841,530,893		5,269.63		1,091,701,701		2,889.45
SCHEDULE : 16								
PERSONNEL EXPENSES								
Salaries & bonus		1,057,656		3.03		331,581		0.88
Contribution to provident & other funds		40,840		0.12		28,077		0.07
Staff welfare expenses		21,289		0.06		1,052		0.00
		1,119,785		3.20		360,710		0.95
SCHEDULE : 17								
OPERATION & OTHER EXPENSES								
Rent		116,341		0.33		40,200		0.11
Repairs		13,671		0.04		-		-
Postage, telephone & telex expenses		105,932		0.30		72,324		0.19
Stationery & printing expenses		-		0.00		8,685		0.02
Miscellaneous expenses		1,406,440		4.02		857,386		2.27
Payment to auditors		30,000		0.09		30,000		0.08
Brokerage, commission & service charges		32,905,299		94.16		46,210,162		122.31
Legal & Professional		9,515,677		27.23		11,773		0.03
Travelling & conveyance expenses		144,815		0.41		45,540		0.12
		44,241,925		126.60		47,320,818		125.25
SCHEDULE : 18								
FINANCE CHARGES								
INTEREST EXPENSES								
L/C Charges		1,266,045		3.62		1,010,991		2.68
Exchange rate Difference		790,618		2.26		94,103		0.25
Bank Charges , Commission & Interest		16,829,520		48.16		4,138,580		10.95
		18,886,183		54.04		5,243,674		13.88
LESS : INTEREST INCOME								
Interest on Deposit & others		803,488		2.30		315,179		0.83
		18,082,695		51.74		4,928,495		13.04

SCHEDULE: "19"

NOTES FORMING PART OF THE ACCOUNTS

A) Back ground :

The financial statements of **Adani Global Pte Ltd** for the accounting year 31st MARCH, 2007, being a company registered in the Republic of Singapore, are audited by M/s Prudential Public Accounting Corporation, Certified Public Accountants and Registered Auditors, Singapore, and we have been furnished with their audit report dated 18th May, 2007.

We are presented with the financial statements of Adani Global Pte Ltd. in Indian Rupees duly converted, on the basis of aforesaid audit report to comply with the requirements of Section 212 of the Companies Act, 1956.

Adani Global Pte Ltd is the wholly owned subsidiary of Adani Global Limited incorporated in Mauritius. Adani Enterprises Limited is the ultimate holding company.

The principal activities of the Company are to carry on business as general merchants, importers and exporters, commission agents and manufacturer's representative. There have been no significant changes in the nature of these activities during the financial year.

Adani Global Pte Ltd. is not a 'company' as defined in the Companies Act, 1956. We have not included the matters specified in paragraph 4 & 5 of Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the 'Company' in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

B) SIGNIFICANT ACCOUNTING POLICIES adopted by the Company in the preparation and presentation of the Accounts:-

a) SYSTEM OF ACCOUNTING

- i) The accounts are prepared on the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act & Singapore Financial Reporting Standards (FRS).
- ii) In the current financial year, the company has adopted all the new and revised FRS & interpretations of FRS (INT FRS) issued by the council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after 1st January 2006. The adoption of these new / revised FRSs & INT FRSs does not results in changes to the company's accounting policies and has no material effect on the amount reported for the current year & prior years.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the 's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting judgements estimates and assumptions used that are significant to the financial statements are areas involving a higher degree of judgement or complexity are disclosed in Note 4.

b) CONVERSION TO INDIAN RUPEES

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as "Reserve and Surplus".

c) SUBSIDIARIES

Subsidiaries are entities controlled by the company. Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Investments in subsidiary in the company's financial statements are stated at cost. Provision is made for any impairment in the value of the investment.

ADANI GLOBAL PTE LTD.

d) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

e) FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount. The cost of an asset comprises its purchase price and any direct attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss statement. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements.

Properties in the course of construction for production are carried at cost. Cost includes professional fees and for the qualifying assets borrowing costs capitalised in accordance with the 's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives as follows:

	Years
Computers	3
Office equipment	3
Furniture & fittings	3

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of fixed asset is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

f) IMPAIRMENT OF ASSETS

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) PROVISIONS

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

h) INCOME TAX

Income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

i) FOREIGN CURRENCY TRANSACTIONS

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances measured at fair value that are denominated in foreign currencies are reported at the rates ruling at the balance sheet and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the income statement.

j) RETIREMENT BENEFIT COST

Payments to defined contribution retirement benefit plans (including state - managed retirement benefit schemes, such as the Singapore Central Provident Fund) are charged as an expense when incurred.

k) EMPLOYEE LEAVE ENTILEMENT

Employee entitlements to annual leave are recognised when they accrue to employees.

l) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements of the Company are presented in Singapore dollars, which is also the functional and presentation currency of the Company.

m) INVENTORIES

Inventories are stated at the lower of cost and net realisable value and is determined on a first-in, first-out basis. Cost comprises cost of purchases, cost of conversion and other costs.

C) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

a) FINANCIAL ASSETS

1) Trade and other Receivable

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Further details on accounting policy for impairment of financial assets are stated in Note 3.1 (d).

2) Cash & cash equivalent

Cash and bank balances comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3) Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each balances sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

b) FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments issued by the company are classified accordingly to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

1) Financial Liabilities

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

D) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

a) Critical Accounting Judgement

In the process of applying the company's accounting policies, management is of the opinion that there are no critical judgements involved that have significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainties

The management is of the opinion that there are no key sources of estimation uncertainty at the balance sheet date that have a significant effect on the amounts of assets and liabilities within the next financial year.

E) FINANCIAL RISKS AND MANAGEMENT

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors' monitor the following risks management of the company and believe that the financial risks associated with these financial instruments are minimal.

a) Credit Risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the company resulting in a loss to the company. The carrying amount of cash and cash equivalents, trade and other receivables represents the company's maximum exposure to credit risk in relation to financial assets.

Due to the nature of its customer base the company has no significant concentration of credit risk. The credit risk on liquid fund is limited because the counterparty is a bank with high credit ratings assigned by international credit agencies.

No other financial assets carry a significant exposure to credit risk.

b) Foreign Exchange Risk

Foreign exchange risk arises from the change in foreign exchange rates that may have an adverse effect on the company in the current period and in the future years.

The company trades mainly in the United States dollars. Foreign exchange exposures are naturally hedged as both assets and liabilities are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates.

c) Interest Rate Risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company's results in the current reporting period and in the future years.

The company is exposed to interest rate risk through the impact of rate changes. The interest rates on loans bills payables and bills discounted are subject to changes in accordance with the bank's prime lending rate. The company's policy to obtain most favorable interest rate available in the market. Management believes that the interest rate risk is manageable.

In addition, the company has cash balances placed with reputable banks and financial institutions, which generate interest income for the company. The company manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

d) Liquidity Risk

Liquidity risk refers to the risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of its liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

e) Fair value of Financial Assets & Financial Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

F) AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest free and repayable on demand.

ADANI GLOBAL PTE LTD.

G) RELATED PARTY TRANSACTIONS

The company's transactions and arrangements are with the holding company and the ultimate holding company and the effects of these on the basis determined between the parties are reflected in these financial statements. The inter-company balances are unsecured, interest-free and repayable on demand.

Consolidated financial statements have not been prepared as the company itself is a wholly owned corporation and the ultimate holding company prepares consolidated financial statements.

Significant transactions with ultimate holding company and related parties are as follows

(in SGD)

Particulars	31-03-2007	31-12-2005
Sales to related party	176,785,415	152,323,806
Sales to ultimate holding company	294,526,618	208,819,404
Purchases from ultimate holding company	257,968,721	85,645,096
Purchases from related party	-----	7,840,225

(Rs. in Crores)

Particulars	31-03-2007	31-12-2005
Sales to related party	505.88	403.16
Sales to ultimate holding company	842.80	552.69
Purchases from ultimate holding company	738.19	226.68
Purchases from related party	-----	20.75

Banking facilities have been secured by the Letter of Comfort from the ultimate holding Company.

H) EARNING PER SHARE

Particulars	Period ended 31st March, 2007	Year ended 31st December, 2005
Net Profit after tax available for Equity Share holders (Rs. in Crores)	4.64	2.92
Weighted Average No. of Equity Shares of S\$ 1 each Outstanding during the year	8,850,000	8,850,000
Basic Earning per Share (in Rs.)	5.24	3.30

I) Bank balance and cash comprise cash held by the company and bank deposits with a maturity ranging from one month to two years. Fixed deposits carry an interest rate ranging from 3.75% to 5.52% (2005: 3.72% to 4.29%).

J) CONTINGENT LIABILITIES:

The following outstanding contingent liabilities not provided for in the accounts are as follows

(in SGD)

Particulars	31-03-2007	31-12-2005
Letter of Credit	105,387,077	100,833,839
Bankers Guarantee	3,083,142	78,443

(Rs. in Crores)

Particulars	31-03-2007	31-12-2005
Letter of Credit	301.98	273.24
Bankers Guarantee	8.83	0.21

K) The Company's immediate holding company is Adani Global Ltd. incorporated in Mauritius. The ultimate holding Company is Adani Exports Ltd., incorporated in India.

L) Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

ADANI GLOBAL PTE LTD.

Cash Flow Statement for the year ended 31st March, 2007

	Particulars	15 Months ended 31/03/2007 (S\$)	15 Months ended 31/03/2007 (Rs in Crores)	2005 (S\$)	2005 (Rs in Crores)
A	Cash flows from Operating Activities				
	Profit before income tax	2,026,634	5.80	1,380,616	3.66
	Adjustment for:				
	Depreciation	25,895	0.07	17,695	0.05
	Interest expense	15,130,877	43.30	3,036,875	8.04
	Interest income	(803,488)	(2.30)	(315,179)	(0.83)
	Operating profit before working capital changes	16,379,918	46.87	4,120,007	10.92
	Adjustment for:				
	Stock	(58,460)	(0.17)	1,431,122	3.88
	Trade and other receivables	(305,927,648)	(876.61)	23,170,642	62.79
	Loans & Advances	(1,551,958)	(4.45)	(52,995)	(0.14)
	Trade and other payables	20,710,929	59.35	(11,623,839)	(31.50)
	Trade Creditors	37,541,786	107.57	9,220,061	24.98
	Bills Payable	(5,883,471)	(16.86)	(13,162,211)	(35.67)
	Cash generated from operations	(238,788,904)	(684.29)	13,102,787	35.26
	Tax paid	(223,669)	(0.64)	(149,500)	(0.41)
	Net cash from Operating Activities	(239,012,573)	(684.93)	12,953,287	34.85
B	Cash flows from Investing Activities				
	Interest received	803,488	2.30	315,179	0.83
	Investment in subsidiary	(1,027,845)	(2.95)	-	-
	Purchase of fixed assets	(34,264)	(0.10)	(25,639)	(0.07)
	Net cash (used in)/from Investing Activities	(258,621)	(0.74)	289,540	0.76
C	Cash flows from Financing Activities				
	Interest paid	(15,130,877)	(43.30)	(3,036,875)	(8.04)
	Proceeds from Unsecured Loans	260,512,876	746.48	37,764	0.10
	Net cash from/(used in)/ Financing Activities	245,381,999	703.18	(2,999,111)	(7.94)
D	Others				
	Exchange Reserve		3.79		0.73
			3.79		0.73
	Net increase in Cash & cash equivalent	6,110,805	21.29	10,243,716	28.41
	Cash & cash equivalent at the beginning of the year	24,304,826	65.86	14,061,111	37.45
	Cash & cash equivalent at the end of the year	30,415,631	87.15	24,304,826	65.86

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) on Cash Flow Statement issued by The Institute of Chartered Accountant of India.
- Prior Year Comparatives have been reclassified to confirm with current year's presentation, where ever applicable.

As per our report of even date attached.

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place : Ahmedabad
Date : 18th May, 2007

For and on behalf of the Board,

Vinod Shantilal Shah
Director

Pradeep Mittal
Director

Place : Singapore
Date : 18th May, 2007

ADANI HABITATS PRIVATE LIMITED

DIRECTOR'S REPORT

Your Directors present their First Annual Report together with the audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULT

Particulars	For the period ended 31.03.2007 Rupees
Income	Nil
Profit/ (Loss) Before Taxation	(48,086)
Provision for Taxation	Nil
Profit/ (Loss) after Taxation	(48,086)
Deficit carried forward to Balance Sheet	(48,086)

2. DIVIDEND

In view of the losses, no dividend has being declared for the year.

3. OPERATIONS

The Company has not started commercial operations during the year under review.

4. CAPITAL

The Authorised and Paid up Capital of the Company has been increased from Rs 1,00,000 to Rs 5,00,000 by issue of 40,000 equity shares of Rs 10 each at par, on a rights basis to the existing members of the Company.

5. AUDITORS

M/s. Deloitte Haskin and sells, Chartered Accountants, retire as auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Deloitte Haskins and Sells, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

6. DIRECTORS

Mr. Devang Desai and Mr. Bhavik Shah retire by rotation and, being eligible, offer themselves for re-appointment.

The Board at the meeting held on 26th March 2007, has appointed Mr. Pranav V. Adani as an Additional Director, and he continues to hold office till the forthcoming Annual General Meeting of the Company.

The Company has received notice from a member signifying his intention to propose the name of Mr. Pranav V. Adani as candidate for the office of Director.

7. PUBLIC DEPOSITS AND LOANS / ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

ADANI HABITATS PRIVATE LIMITED

9. EMPLOYEES

The Company had no employees who are in receipt of remuneration of not less than Rs. 24,00,000 during the year ended March 31, 2007 or not less than Rs. 2,00,000 per month during any part of the said year.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March, 2007 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Ac,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board

Place : Ahmedabad
Date : 12th April, 2007

Pranav V. Adani
Chairman

ADANI HABITATS PRIVATE LIMITED

Auditors' Report to the Members of ADANI HABITATS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Adani Habitats Private Limited** as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In terms of para 2 (iv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company.
4. Further, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - ii. in the case of the Profit and Loss Account, of the loss for the period from 11th October, 2006 to 31st March, 2007, and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the period from 11th October, 2006 to 31st March, 2007.

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 12th April, 2007

ADANI HABITATS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31,2007	
		Rupees	Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1		500,000
Total			500,000
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Cash and Bank Balances	2	470,434	
		470,434	
Less : Current Liabilities and Provisions			
Current Liabilities	3	18,520	
		18,520	
Net Current Assets			451,914
Profit & Loss Account -Debit Balance			48,086
Total			500,000
Notes to Accounts	5		

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells.**
Chartered Accountants

Pranav V. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI HABITATS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD OCTOBER 11, 2006 TO MARCH 31, 2007

Particulars	Schedule	For the period ended 31.03.2007 Rupees
INCOME		
Income		-
Total		-
EXPENDITURE		
Administration and Other Expenses	4	48,086
Total		48,086
Profit / (Loss) before taxation		(48,086)
Less: Provision for taxation		-
Profit / (Loss) after taxation		(48,086)
Balance carried to Balance Sheet		(48,086)
Earnings per Share		
- Basic & Diluted (Refer Note 2 of Schedule 5)		(4.70)
Notes to Accounts	5	

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells.**
Chartered Accountants

Pranav V. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI HABITATS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees
SCHEDULE " 1 "	
SHARE CAPITAL	
Authorised	
50,000 Equity Shares of Rs. 10 /- each	500,000
	500,000
Issued, Subscribed and Paid Up	
50,000 Equity Shares of Rs. 10 /- each	500,000
(All the above 50,000 shares are held by Adani Infrastructure and Developers Private Limited, the holding company and its nominees)	500,000
SCHEDULE " 2 "	
CASH AND BANK BALANCES	
Cash on hand	-
Balance with a Scheduled Bank - In Current Account	470,434
	470,434
SCHEDULE " 3 "	
CURRENT LIABILITIES	
Sundry Creditors	18,520
	18,520

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD OCTOBER 11, 2006 TO MARCH 31, 2007

Particulars	For the period ended 31.03.2007 Rupees
SCHEDULE "4 "	
ADMINISTRATION AND OTHER EXPENSES	
Bank Charges	170
Audit Fees	18,520
Stamping and Filing Fees	14,000
Preliminary Expenses written off	15,396
	48,086

ADANI HABITATS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE 5

NOTES TO ACCOUNTS

1. Significant Accounting Policies

(a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

(b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalisation, and the exchange differences arising on foreign loans taken for acquiring the assets.

(c) Depreciation :

Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(d) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition / improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalised as cost of that asset.

However, borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

(e) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

(f) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

2 Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

	Particulars	March 31, 2007
A	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(48,086)
B	Weighted Average number of Equity Shares(No.)	10,233
C	Basic & Diluted Earnings per share (Rs.)	(4.70)

ADANI HABITATS PRIVATE LIMITED

3. Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

4. Segment Reporting

Considering the organization structure, nature of products and risks and return profile based on geographical distribution, the realty business is considered as a single segment in accordance with the Accounting Standard AS -17 "Segment Reporting"

5. Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited Ultimate Holding Company shareholding.
2. Adani Infrastructure and Developers Private Limited- Holding Company with 100%

B Subsidiary Companies

Nil

C Fellow Subsidiary Companies

1. Adani Developers Private Limited
2. Adani Estates Private Limited
3. Adani Township and Real Estates Company Private Limited
4. Adani Land Developers Private Limited

II Nature and Volume of Transactions with Related Parties

The Company has not entered into any transactions with related parties during the period

6. Miscellaneous Expenditure (to the extent not written off or adjusted)

Preliminary expenses i.e. formation expenses, registration fees etc incurred for formation of enterprise have been charged to revenue in accordance with Accounting Standard (26) Intangible Assets, issued by Institute of Chartered Accountants of India

7. Previous Year Figures

The Company was incorporated on 11th October, 2006 and this being the first accounting period of the Company, the requirement for the previous year figures is not applicable.

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells**,
Chartered Accountants

Pranav V. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI HABITATS PRIVATE LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details:

Registration No	U45200GJ2006PTC49220	State Code	04
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital raised during the year (amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilization and deployment of funds (amount in Rs. Thousands) :

Total Liabilities	470	Total Assets	470
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Sources of Funds

Paid-Up Capital	500	Reserves & Surplus	Nil
Secured Loans		Unsecured Loans	Nil

Application of Funds

Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	452	Misc. Expenditure	Nil
Accumulated Losses	48		

IV. Performance of the Company (amount in Rs. Thousands):

Turnover (Including Other Income)			Total Expenditure		
Nil			48		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
	✓	48		✓	48
Earnings per share in Rupees			Dividend rate (%)		
(4.70)			Nil		

V. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Pranav V. Adani
Director

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

ADANI HABITATS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2007

Particulars	March 31, 2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) Before Tax	(48,086)
Operating profit before working capital changes	(48,086)
Changes in:	
Trade and other payables	18,520
Cash Generated from Operations	(29,566)
Income Tax Paid/Received	-
Net Cash from Operating Activities	(29,566)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Net Cash from Investing Activities	-
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Share Capital	500,000
Net Cash from Financing Activities	500,000
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	470,434
Cash & Cash Equivalents (Opening)	-
Cash & Cash Equivalents (Closing)	470,434

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells.**
Chartered Accountants

Pranav V. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI INFRASTRUCTURE & DEVELOPERS PRIVATE LIMITED

DIRECTOR'S REPORT

Your Directors present their first Report together with the Audited Accounts for the Period ended 31st March, 2007.

1. FINANCIAL RESULTS

Particulars	For the Period ended 31.03.2007 Rupees
Income	29, 99, 90,498
Profit / (Loss) before Taxation	8, 53,349
Provision for Taxation Current Tax	2,90,140
Profit / (Loss) after Taxation	5, 63,209
Surplus carried forward to Balance Sheet	5, 63,209

2. DIVIDEND

With a view to conserve the Cash resources of your Company, the Directors deems it prudent not to recommend a Dividend for the year

3. OPERATIONS

During the year under review, the Company has made strategic investments through its subsidiaries for pursuing Real Estate developments in Mumbai and Ahmedabad.

4. CAPITAL

The Authorized and Paid up Capital of the Company has been increased from Rs 1,00,000 to Rs 5,00,000 by issue of 40,000 equity shares of Rs 10 each at par, on a rights basis to the existing members of the Company

5. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Sec 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Deloitte Haskins and Sells, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

6. DIRECTORS

Mr. Devang Desai and Mr. Bhavik Shah retire by rotation and, being eligible, offer themselves for re-appointment.

The Board at the meeting held on 31st March 2007, has appointed Mr. Pranav V. Adani as an Additional Director, and he continues to hold office till the forthcoming Annual General Meeting of the Company.

The Company has received notice from a member signifying his intention to propose the name of Mr. Pranav V. Adani as candidates for the office of Director.

7. SUBSIDIARY COMPANY

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of your Company's Subsidiary Companies is attached.

8. PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

The following are the loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company.

Name of the Company	Relation	Amount Outstanding at the end of the year	Maximum Amount during the Year (Net of TDS)
Adani Enterprises Limited	Holding Company	10,68,54,63,813	10,68,54,63,813
Adani Developers Private Limited	Subsidiary Companies	647,77,62,840	647,77,62,840
Adani Estates Private Limited	Subsidiary Companies	48,23,70,909	48,23,70,909
Adani Land Developers Private Limited	Subsidiary Companies	9,00,00,000	9,00,00,000
Adani Township & Real Estate Company Private Limited	Subsidiary Companies	358,32,12,715	358,32,12,715

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

10. EMPLOYEES

The Company had no employees who are in receipt of remuneration not less than Rs. 24,00,000 during the year ended March 31, 2007 or not less than Rs. 2,00,000 per month during any part of the said year

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March, 2007 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board

Place : Ahmedabad
Date: 17th April, 2007

Bhavik B. Shah
Chairman

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

Auditors' Report to the Members of Adani Infrastructure And Developers Private Limited

1. We have audited the attached Balance Sheet of **Adani Infrastructure and Developers Private Limited** as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In terms of para 2 (iv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company.
4. Further, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - ii. in the case of the Profit and Loss Account, of the profit for the period from 12th July, 2006 to 31st March, 2007, and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the period from 12th July, 2006 to 31st March, 2007.

For **Deloitte Haskins & Sells**
Chartered Accountants

Place: Ahmedabad
Date: 17th April, 2007

Gaurav J. Shah
Partner

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007	
		Rupees	Rupees
Shareholders' Funds			
Share Capital	1		500,000
Reserves & Surplus	2		563,209
Loan Funds			
Secured Loans	3		215,000,000
Unsecured Loans	4		10,685,433,813
Total			10,901,497,022
APPLICATION OF FUNDS			
Investments	5		2,500,000
Current Assets, Loans and Advances			
Cash and Bank Balances	6	61,249,999	
Loans and Advances	7	10,840,036,651	
		10,901,286,650	
Less : Current Liabilities and Provisions			
Current Liabilities	8	1,999,488	
Provisions	9	290,140	
		2,289,628	
Net Current Assets			10,898,997,022
Total			10,901,497,022
Notes to Accounts	13		

Schedules referred to above form an integral part of the accounts

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 17th April, 2007

On behalf of the Board of Directors

Bhavik B. Shah
Director

Pranav V. Adani
Director

Place : Ahmedabad
Date : 17th April, 2007

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD JULY 12, 2006 TO MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007 Rupees
INCOME		
Interest (TDS Deducted Rs 42,07,367)		299,990,498
Total		299,990,498
EXPENDITURE		
Personnel Expenses	10	1,731,143
Administration and Other Expenses	11	147,903
Interest and Finance Charges	12	297,258,103
Total		299,137,149
Profit / (Loss) before taxation		853,349
Less: Provision for taxation Current Tax		290,140
Profit / (Loss) after taxation		563,209
Balance carried to Balance Sheet		563,209
Earnings per Share - Basic & Diluted (Refer Note 2 of Schedule 13)		55.48
Notes to Accounts	13	

Schedules referred to above form an integral part of the accounts

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 17th April, 2007

On behalf of the Board of Directors

Bhavik B. Shah
Director

Pranav V. Adani
Director

Place : Ahmedabad
Date : 17th April, 2007

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees
SCHEDULE " 1 "	
SHARE CAPITAL	
Authorised	
50,000 Equity Shares of Rs. 10 /- each	500,000
	500,000
Issued, Subscribed and Paid Up	
50,000 Equity Shares of Rs. 10 /- each	500,000
(All the above 50,000 shares are held by Adani Enterprises Limited, the holding company and its nominees)	500,000
SCHEDULE " 2 "	
RESERVES AND SURPLUS	
Profit & Loss Account	563,209
	563,209
SCHEDULE " 3 "	
SECURED LOANS	
From a Financial Institution	215,000,000
(Secured by Pledge of 17,50,000/- equity shares of Rs 1 each, of Adani Enterprises Limited, the Holding Company)	215,000,000
SCHEDULE " 4 "	
UNSECURED LOANS	
From a Company	10,685,433,813
(Refer Note 3 of Schedule 13)	10,685,433,813

	Face Value Rupees	Number of Shares	As at March 31, 2007 Rupees
SCHEDULE " 5 "			
INVESTMENTS			
Long Term Investments (At Cost)			
Unquoted (Trade) -Equity Shares, Fully paid up			
Adani Estates Private Limited	10	50,000	500,000
Adani Townships & Real Estate Company Private Limited.	10	50,000	500,000
Adani Developers Private Limited	10	50,000	500,000
Adani Land Developers Private Limited	10	50,000	500,000
Adani Habitats Private Limited	10	50,000	500,000
			2,500,000

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees
SCHEDULE " 6 " CASH AND BANK BALANCES	
Cash on hand	
Balance with a Scheduled Bank - In Current Account	61,249,999
	61,249,999
SCHEDULE " 7 " LOANS AND ADVANCES	
(Unsecured Considered Good)	
Advances recoverable in cash or in kind or for value to be received (Refer Note 8 of Schedule 13)	10,835,829,284
Advance Tax	4,207,367
	10,840,036,651
SCHEDULE " 8 " CURRENT LIABILITIES	
Sundry Creditors	1,999,488
	1,999,488
SCHEDULE " 9 " PROVISIONS	
Provision for Taxation	290,140
	290,140

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE ENDED MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees
SCHEDULE "10 " PERSONNEL EXPENSES	
Salaries & Allowances	1,731,143
	1,731,143
SCHEDULE "11 " ADMINISTRATION AND OTHER EXPENSES	
Legal & Professional Charges	22,124
Printing and Stationery	2,964
Audit Fees	18,520
Office Expenses	100,000
Preliminary Expenses written off	4,295
	147,903
SCHEDULE "12 " INTEREST & FINANCE CHARGES	
Interest Charges	296,703,014
Processing Charges	537,500
Bank Charges	17,589
	297,258,103

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE 13

NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalization, and the exchange differences arising on foreign loans taken for acquiring the assets.

c) Depreciation :

Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

d) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalized as cost of that asset.

However, borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

e) Revenue Recognition:

Interest Income is accounted on an accrual basis at contracted rates.

f) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

g) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

2 Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

Particulars		2006 - 2007
A	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	5,63,209
B	Weighted Average number of Equity Shares(No.)	10,152
C	Basic & Diluted Earnings per share (Rs.)	55.48

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

3 Unsecured Loans

Unsecured Loans includes interest accrued and due amounting to Rs 29,65,70,480/-

4 Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

5 Segment Reporting

Considering the organization structure, nature of products and risks and return profile based on geographical distribution, the realty business is considered as a single segment in accordance with the Accounting Standard AS -17 "Segment Reporting"

6 Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited Holding Company with 100% shareholding

B Subsidiary Companies

1. Adani Developers Private Limited
2. Adani Estates Private Limited
3. Adani Townships and Real Estate Company Private Limited
4. Adani Habitats Private Limited
5. Adani Land Developers Private Limited
6. Swayam Realtors and Traders Limited
7. Columbia Chrome (India) Private Limited

C Fellow Subsidiary Companies

Nil

II Nature and Volume of Transactions with Related Parties

Nature of Transaction	Enterprises Controlling the Company		Enterprises Under the Control of the Company Subsidiary Companies
	Ultimate Holding Company	Holding Company	
Services Availed /Expenses	-	1,943,035	-
Loan/Advance Received	-	10,388,863,333	-
Loan/Advance Given	-	-	10,337,563,333
Interest Received /Receivable	-	-	299,990,498
Interest Paid /Payable	-	296,570,480	-
Receivables including Interest	-	-	10,633,346,464
Payables including Interest	-	10,687,376,848	-

7. Salaries and Allowances

Salaries and Allowances include expenditure incurred in respect of employees of other company deputed to the company.

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

8. Loans & Advances

Loans & Advances include advances to subsidiary Companies as per details mentioned below:

Sr. No.	Name of Subsidiary	Amount in Rs
1	Adani Developers Private Limited	647,77,62,840
2	Adani Estates Private Limited	48,23,70,909
3	Adani Land Developers Private Limited	9,00,00,000
4	Adani Townships and Real Estate Company Private Limited	358,32,12,715

9. Miscellaneous Expenditure (to the extent not written off or adjusted)

Preliminary expenses i.e. formation expenses, registration fees etc incurred for formation of enterprise have been charged to revenue in accordance with Accounting Standard (26) Intangible Assets, issued by Institute of Chartered Accountants of India

10. Previous Year Figures

The Company was incorporated on 12th July, 2006 and this being the first accounting period of the Company, the requirement for the previous year figures is not applicable.

Schedules referred to above form an integral part of the accounts

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**

Pranav V. Adani

Chartered Accountants

Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 17th April, 2007

Place : Ahmedabad
Date : 17th April, 2007

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details:

Registration No	U45201MH2006PTC163065	State Code	11
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital raised during the year (amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (amount in Rs. Thousands):

Total Liabilities	10903787	Total Assets	10903787
Sources of Funds			
Paid-Up Capital	500	Reserves & Surplus	563
Secured Loans	215000	Unsecured Loans	10685434
Application of Funds			
Net Fixed Assets	Nil	Investments	2500
Net Current Assets	10898997	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of the Company (amount in Rs. Thousands):

Turnover (Including Other Income)			Total Expenditure		
299990			299137		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
✓		853	✓		563
Earnings per share in Rupees			Dividend rate (%)		
55.48			Nil		

V. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Pranav V. Adani
Director

Place : Ahmedabad
Date : 17th April, 2007

Bhavik B. Shah
Director

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES.

A. Name of the Subsidiary	Adani Developers Private Limited	Adani Estates Private Limited	Adani Township & Real Estate Company Private Limited	Adani Land Developers Private Limited	Adani Habitats Private Limited
B. Financial year of the Subsidiary ended on	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007
C. The Companys interest in the subsidiary on the aforesaid date:					
a) Number of Shares Held	50,000 equity shares	50,000 equity shares	50,000 equity shares	50,000 equity shares	50,000 equity shares
b) Face value of the shares	Rs 10/-	Rs 10/-	Rs. 10/-	Rs 10/-	Rs 10/-
b) Extent of Holding	100%	100%	100%	100%	100%
D. The aggregate of the Profit/Loss of the Subsidiary so far it concerns the members of the Company					
a) Not dealt with in the accounts of the Company amounted to					
1. For the Subsidiarys financial year ended in B above	Nil	Nil	Nil	Nil	Nil
2. For the Previous years of the Subsidiary since it became the Companys subsidiary	NA	NA	NA	NA	NA
b) Dealt with in the accounts of the Company amounted to					
1. For the Subsidiarys financial year ended in B above	(Rs. 13,48,153)	Rs. 489,290	(Rs. 12,01,755)	(Rs. 28,119)	(Rs. 48,086)
2. For the Previous years of the Subsidiary since it became the Companys subsidiary.	NA	NA	NA	NA	NA

For and on behalf of the Board

Pranav V. Adani
Director

Bhavik B. Shah
Director

Note:

On February 22, 2007, the Board for Industrial & Financial Reconstruction (“BIFR”) sanctioned a Scheme of Rehabilitation (“the Scheme”) for Khatau Makanji Spinning & Weaving Company Limited (“KML”). Besides other provisions, the Scheme has provided, with effect from the Appointed Date, viz. April, 1, 2006, for the de-merger of the Byculla and Borivli units of KML into Swayam Realtors & Traders Limited (“Swayam”), in which a Subsidiary of the Company hold 60% of the paid-up equity share capital.

Swayam has prepared its financial statements for the period ended December 31, 2006. The BIFR Order sanctioning the Scheme was passed subsequent to the completion of the audit and hence the effect of the de-merger could not be considered in its audited accounts.

Considering that the scheme is yet to be fully implemented, the impact of the de-merger at this stage, on the consolidated accounts of the Company, is not ascertainable. The Board of Directors of Swayam has confirmed that there are no other material transaction save and except the demerger aforesaid during the period from 1st January, 2007 to 31st March, 2007.

ADANI INFRASTRUCTURE AND DEVELOPERS PRIVATE LIMITED

CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2007

Particulars	March 31, 2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) Before Tax	853,349
Adjustments for :	
Interest Income	(299,990,498)
Interest Paid	296,703,014
Operating profit before working capital changes	(2,434,135)
Changes in:	
Trade and other receivables	(10,835,829,284)
Trade and other payables	1,999,488
Cash Generated from Operations	(10,836,263,931)
Income Tax Paid	(4,207,367)
Net Cash from Operating Activities	(10,840,471,298)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Investment in Subsidiaries	(2,500,000)
Interest Income	299,990,498
Net Cash from Investing Activities	297,490,498
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Share Capital	500,000
Proceeds from borrowings	10,900,433,813
Interest Paid	(296,703,014)
Net Cash from Financing Activities	10,604,230,799
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	61,249,999
Cash & Cash Equivalents (Opening)	-
Cash & Cash Equivalents (Closing)	61,249,999

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Pranav V. Adani
Director

Gaurav J. Shah
Partner

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 17th April, 2007

Place : Ahmedabad
Date : 17th April, 2007

ADANI LAND DEVELOPERS PRIVATE LIMITED

DIRECTORS REPORT

Your Directors present their First Report together with the Audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

Particulars	For the year ended 31.03.2007 Rupees
Income	Nil
Profit/ (Loss) Before Taxation	(42,389)
Provision for Taxation Deferred tax liability/ (Assets)	(14,270)
Profit / (Loss) after Taxation	(28,119)
Deficit carried forward to Balance Sheet	(28,119)

2. DIVIDEND

In view of the losses, no dividend has being recommended for the year.

3. OPERATIONS

During the year under review, the Company has become a partner in a firm perusing Real Estate development.

4. CAPITAL

The Authorized and Paid up Capital of the Company has been increased from Rs 1, 00,000 to Rs 5, 00,000 by issue of 40,000 equity shares of Rs. 10 each at par, on a rights basis to the existing members of the Company.

5. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Sec224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Deloitte Haskins and Sells, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

6. DIRECTORS

Mr Rajesh Adani, Mr. Devang Desai and Mr. Shyamal Joshi retire by rotation and, being eligible, offer themselves for re-appointment.

7. PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The following are the loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company

Name of the Company	Relation	Amount Outstanding at the end of the year	Maximum Amount during the Year
Adani Infrastructure & Developers Private Limited	Subsidiary Companies	9,00,00,000	9,00,00,000

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

ADANI LAND DEVELOPERS PRIVATE LIMITED

9. EMPLOYEES

The Company had no employees who are in receipt of remuneration of not less than Rs. 24, 00,000 during the year ended March 31, 2007 or not less than Rs. 2, 00,000 per month during any part of the said year.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that :

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March, 2007 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Ac,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities..
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board

Place : Ahmedabad
Date : 14th April, 2007

Rajesh .S. Adani
Chairman

ADANI LAND DEVELOPERS PRIVATE LIMITED**Auditors' Report
To the Members of
ADANI LAND DEVELOPERS PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **Adani Land Developers Private Limited** as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In terms of para 2 (iv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company.
4. Further, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - ii. in the case of the Profit and Loss Account, of the loss for the period from 7th September, 2006 to 31st March, 2007, and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the period from 7th September, 2006 to 31st March, 2007.

For **Deloitte Haskins & Sells**
Chartered Accountants

Place : Ahmedabad
Date : 14th April, 2007

Gaurav J. Shah
Partner

ADANI LAND DEVELOPERS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007	
		Rupees	Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1		500,000
Loan Funds			
Unsecured Loans	2		90,000,000
Total			90,500,000
APPLICATION OF FUNDS			
Investments	3		90,000,000
Deferred Tax Asset			14,270
Current Assets, Loans and Advances			
Cash and Bank Balances	4	472,236	
Loans and Advances	5	3,895	
		476,131	
Less : Current Liabilities and Provisions			
Current Liabilities	6	18,520	
		18,520	
Net Current Assets	7		457,611
Profit & Loss Account -Debit Balance			28,119
Total			90,500,000
Notes to Accounts	8		

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Shyamal S. Joshi
Director

Place : Ahmedabad
Date : 14th April, 2007

Place : Ahmedabad
Date : 14th April, 2007

ADANI LAND DEVELOPERS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD SEPTEMBER 7,2006 TO MARCH 31, 2007

Particulars	Schedule	March 31, 2007 Rupees
INCOME		
Income		-
Total		-
EXPENDITURE		
Administration and Other Expenses	7	42,389
Total		42,389
Profit / (Loss) before taxation		(42,389)
Less: Provision for taxation Deferred Tax		(14,270)
Profit / (Loss) after taxation		(28,119)
Balance carried to Balance Sheet		(28,119)
Earnings per Share		
- Basic & Diluted		(2.76)
(Refer Note 2 of Schedule 8)		
Notes to Accounts	8	

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Shyamal S. Joshi
Director

Place : Ahmedabad
Date : 14th April, 2007

Place : Ahmedabad
Date : 14th April, 2007

ADANI LAND DEVELOPERS PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees
SCHEDULE " 1 "	
SHARE CAPITAL	
Authorised	
50,000 Equity Shares of Rs. 10 /- each	500,000
	500,000
Issued, Subscribed and Paid Up	
50,000 Equity Shares of Rs. 10 /- each	500,000
(All the above 50,000 shares are held by Adani Infrastructure and Developers Private Limited, the holding company and its nominees)	500,000
SCHEDULE " 2 "	
UNSECURED LOANS	
From a Company	90,000,000
	90,000,000
SCHEDULE " 3 "	
INVESTMENTS	
In Capital of Partnership Firm (Refer Note 7 of Schedule 8)	90,000,000
	90,000,000
SCHEDULE " 4 "	
CASH AND BANK BALANCES	
Cash on hand	-
Balance with a Scheduled Bank - In Current Account	472,236
	472,236
SCHEDULE " 5 "	
LOANS AND ADVANCES	
(Unsecured Considered Good)	
Advances recoverable in cash or in kind or for value to be received	3,895
	3,895
SCHEDULE " 6 "	
CURRENT LIABILITIES	
Sundry Creditors	18,520
	18,520

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD
SEPTEMBER 7, 2006 TO MARCH 31, 2007**

Particulars	As at March 31, 2007 Rupees
SCHEDULE " 7 "	
ADMINISTRATION AND OTHER EXPENSES	
Bank Charges	228
Audit Fees	18,520
Stamping and Filing Fees	14,000
Preliminary Expenses written off	9,641
	42,389

ADANI LAND DEVELOPERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE 8 NOTES TO ACCOUNTS

1. Significant Accounting Policies

(a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

(b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalization, and the exchange differences arising on foreign loans taken for acquiring the assets.

(c) Depreciation :

Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(d) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalized as cost of that asset.

However, borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

(e) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

(f) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

2 Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

	Particulars	March 31, 2007
A	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(28,119)
B	Weighted Average number of Equity Shares(No.)	10,194
C	Basic & Diluted Earnings per share (Rs.)	(2.76)

ADANI LAND DEVELOPERS PRIVATE LIMITED

3. Deferred Tax

In line with Accounting Standard 22 "Accounting for taxes on income", the Company has recognised in the accounts, Deferred Tax Asset of Rs. 14,270 as at 31st March 2007.

The Component of deferred Tax Asset (DTA) as at 31st March 2007 is as follows:

	Rupees
Deferred tax Asset Relating to Unabsorbed losses	14,270

4. Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

5. Segment Reporting

Considering the organisation structure, nature of products and risks and return profile based on geographical distribution, the realty business is considered as a single segment in accordance with the Accounting Standard AS -17 "Segment Reporting"

6. Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited Ultimate Holding Company
2. Adani Infrastructure and Developers Private Limited - Holding Company with 100% shareholding

B Subsidiary Companies

Nil

C Fellow Subsidiary Companies

1. Adani Developers Private Limited
2. Adani Estates Private Limited
3. Adani Township and Real Estates Company Private Limited
4. Adani Habitats Private Limited

II Nature and Volume of Transactions with Related Parties

Sr.No	Name of Related Party	Relationship	Nature of Transaction	Amount in Rs	Outstanding as on 31st March 2007
1.	Adani Infrastructure and Developers Private Limited	Holding Company	Loan received from the party	9,00,00,000/-	9,00,00,000/-

ADANI LAND DEVELOPERS PRIVATE LIMITED

7. Information Pertaining to Joint Ventures

Name of Joint Venture	Adani Township and Real Estate Company - Firm	
	2006-07	2005-06
Total Capital	12,00,00,000	
Company's Share %	75% 9,00,00,000/-	
Other Partner Suyojan Realty Private Limited	25% 3,00,00,000/-	
Partnership Deed Executed on	19th Oct 06	NA
Share in Assets and Liabilities	8,73,57,807	NA
Share in Income	Nil	NA
Share in Expenditure	(26,42,194)	NA

8. Miscellaneous Expenditure (to the extent not written off or adjusted)

Preliminary expenses i.e. formation expenses, registration fees etc incurred for formation of enterprise have been charged to revenue in accordance with Accounting Standard (26) Intangible Assets, issued by Institute of Chartered Accountants of India

9. Previous Year Figures

The Company was incorporated on 7th September, 2006 and this being the first accounting period of the Company, the requirement for the previous year figures is not applicable.

Schedules referred to above form an integral part of the accounts

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 14th April, 2007

On behalf of the Board of Directors

Rajesh S. Adani
Director

Shyamal S. Joshi
Director

Place : Ahmedabad
Date : 14th April, 2007

ADANI LAND DEVELOPERS PRIVATE LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details:

Registration No	U45200GJ2006PTC49047	State Code	04
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital raised during the year (amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (amount in Rs. Thousands):

Total Liabilities	90490	Total Assets	90490
Sources of Funds			
Paid-Up Capital	500	Reserves & Surplus	Nil
Secured Loans	90000	Unsecured Loans	Nil
Application of Funds			
Net Fixed Assets	Nil	Investments	90000
Net Current Assets	472	Misc. Expenditure	Nil
Accumulated Losses	28		

IV. Performance of the Company (amount in Rs. Thousands):

Turnover (Including Other Income)			Total Expenditure		
Nil			42		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
	✓	42		✓	28
Earnings per share in Rupees			Dividend rate (%)		
(2.76)			Nil		

V. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

ITC Code	Not applicable
Product description	-

For and on behalf of the Board

Rajesh S. Adani
Director

Shyamal S. Joshi
Director

Place : Ahmedabad
Date : 14th April, 2007

ADANI LAND DEVELOPERS PRIVATE LIMITED
CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2007

Particulars	March 31, 2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) Before Tax	(42,389)
Operating profit before working capital changes	(42,389)
Changes in:	
Trade and other receivables	(3,895)
Trade and other payables	18,520
Cash Generated from Operations	(27,764)
Income Tax Paid/Received	-
Net Cash from Operating Activities	(27,764)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Capital in Partnership firm	(90,000,000)
Net Cash from Investing Activities	(90,000,000)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Share Capital	500,000
Proceeds from borrowings	90,000,000
Net Cash from Financing Activities	90,500,000
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	472,236
Cash & Cash Equivalents (Opening)	-
Cash & Cash Equivalents (Closing)	472,236

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh S. Adani
Director

Gaurav J. Shah
Partner

Shyamal S. Joshi
Director

Place : Ahmedabad
Date : 14th April, 2007

Place : Ahmedabad
Date : 14th April, 2007

ADANI POWER LIMITED DIRECTOR'S REPORT

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

CONVERSION INTO PUBLIC LIMITED COMPANY:

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

FINANCIAL HIGHLIGHTS:

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

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

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

DIVIDEND:

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

POWER SCENARIO

INDIAN POWER SECTOR:

Indian Power Sector has grown manifold since 1947 and India today is third largest producer of Asia. India is positioned as eleventh largest manufacturer of energy at present representing 2.4% of the overall energy output per annum. It is also world's sixth largest energy user, comprising about 3.3% of the overall global energy expenditure per year. The power generating capacity of India has increased from 1362 MW in 1947 to 128432 MW as on 16th February, 2007. In spite of 9330% increase in the installed capacity, most of the regions in the country are facing power shortages. The all India approx. average shortages for the period April 2006 to January 2007 were 9.3% in terms of energy and 13.9% in terms of peak load. The main reasons for shortages are high growth in demand of power outstripping the growth in capacity addition, low Plant Load Factor of thermal generating units and poor record of capacity addition against the target set in IXth and Xth Plan by the power Ministry.

POWER SCENARIO-GUJARAT:

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

POWER SCENARIO- MAHARASHTRA:

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

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

POWER PURCHASE AGREEMENTS:

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

ADANI POWER LIMITED

PROJECT HIGHLIGHTS:

PHASE I

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

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

EXPANSION PLANS:

PHASE II

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

The Power Generated from Phase I and Phase II will meet the requirement to sale 1000 MW of Power committed to GUVNL under 1st Power Purchase Agreement (PPA) signed under Bid-I.

PHASE III

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

PHASE IV

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

INSURANCE:

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

SEZ NOTIFICATION:

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

SUBSIDIARY COMPANY:

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

CHANGE OF OBJECT CLAUSE:

Your Directors are pleased to inform that the Company proposes to enter into the business of mining, quarries and other related activities thereto which can be carried out most economically and profitably with the existing objects of the Company. Accordingly, your Company has changed its object clause by inserting the above business into the object clause of Memorandum of Association of the Company.

DEMATERIALISATION OF EQUITY SHARES:

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

FIXED DEPOSITS:

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

ADANI POWER LIMITED

DIRECTORS:

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

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

AUDIT COMMITTEE:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Company's Auditors M/s. C. C. Chokshi & Co., Chartered Accountants, will retire on the conclusion of forthcoming Annual General Meeting and being eligible; have expressed their willingness for reappointment.

AUDITORS' REPORT:

Notes forming part of the accounts are self-explanatory and therefore, do not call for any comments.

HUMAN RESOURCES:

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

PERSONNEL:

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

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

Since the Company has not started the commercial activities, the statement containing the information as per section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not appended.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

ACKNOWLEDGEMENT:

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

For & on behalf of the board of directors

Gautam S. Adani
Chairman

Place: Ahmedabad
Date : 30th April, 2007
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ADANI POWER LIMITED

Auditors' Report

To the Members of Adani Power Limited.

1. We have audited the attached Balance Sheet of **Adani Power Limited** as at March 31, 2007 and the Cash Flow Statement for the year ended on that date, annexed thereto. Since the Company has not commenced commercial operations, no Profit and Loss Account has been prepared for the year ended on March 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amended) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007; and
 - (ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For C. C. Chokshi & Co.
Chartered Accountants

Place : Ahmedabad
Date : 30th April, 2007

Gaurav J. Shah
Partner

Annexure to the Auditors' Report

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

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

ADANI POWER LIMITED

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

For C. C. Chokshi & Co.
Chartered Accountants

Place : Ahmedabad
Date : 30th April, 2007

Gaurav J. Shah
Partner

ADANI POWER LIMITED

Balance Sheet as at 31st March, 2007

(Rupees in Lacs)

Description	Schedule	As at 31st March, 2007		As at 31st March, 2006	
SOURCES OF FUNDS					
SHAREHOLDERS' FUND					
Share Capital	1		26,069.00		95.00
Share Application Money			2,000.00		985.00
LOAN FUNDS					
Secured	2		5,678.00		-
TOTAL			33,747.00		1,080.00
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	3		119.31		18.30
Less: Depreciation			14.88		0.34
Net Block			104.43		17.96
Capital Work in Progress	4		42,082.97		2.84
Pre-operative Expenditure	5		4,757.49		1,148.44
Construction Materials	6		3,016.29		-
Advances for Capital Expenditure	7		10,531.19		-
			60,492.37		1,169.24
INVESTMENTS					
	8		0.10		-
CURRENT ASSETS, LOANS & ADVANCES					
Cash and Bank Balances	9		4,970.46		26.70
Other Current Assets	10		13.66		0.00
Loans and Advances	11		104.79		107.15
			5,088.91		133.85
LESS : CURRENT LIABILITIES & PROVISIONS					
Liabilities	12		31,825.27		223.77
Provisions			9.79		-
			31,835.06		223.77
NET CURRENT ASSETS					
			(26,746.15)		(89.92)
MISCELLANEOUS EXPENDITURE					
(To The extent not written off or adjusted)	13		0.68		0.68
TOTAL					
			33,747.00		1,080.00
Significant Accounting Policies and Notes on Accounts	14				
The accompanying schedules 1 to 14 form an integral part of these accounts					

As per our attached report of even date

For Adani Power Limited

For C. C. Chokshi & Co.
Chartered Accountants

Gautam S. Adani
Chairman

Gaurav J. Shah
Partner

R. K. Gupta
Managing Director

Manoj Chanduka
Company Secretary

Ameet H. Desai
Director

Place : Ahmedabad
Date : 30th April, 2007

Place : Ahmedabad
Date : 30th April, 2007

ADANI POWER LIMITED

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

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

SCHEDULE - 3

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2006	ADDITIONS DURING THE YEAR	DEDUCTIONS / ADJUSTMENT DURING THE YEAR	AS AT 31.03.2007	AS AT 01.04.2006	ADDITIONS DURING THE YEAR	DEDUCTIONS/ ADJUSTMENT DURING THE YEAR	AS AT 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2006
FURNITURE AND FIXTURES	1.64	11.20	-	12.84	-	6.63	-	6.63	6.21	1.64
OFFICE EQUIPMENTS	0.98	10.30	-	11.28	0.13	1.99	-	2.12	9.16	0.85
COMPUTERS	5.25	39.71	-	44.96	0.19	3.73	-	3.92	41.04	5.07
VEHICLES	10.43	40.20	(0.40)	50.23	0.02	2.19	-	2.21	48.02	10.40
TOTAL :	18.30	101.41	(0.40)	119.31	0.34	14.54	-	14.88	104.43	17.96
PREVIOUS YEAR	-	18.30	-	18.30	-	0.34	-	0.34	17.96	-

ADANI POWER LIMITED

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

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

ADANI POWER LIMITED

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

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

SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) Significant Accounting Policies

1) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual and going concern basis and in compliance with the accounting standards issued by the Institute of Chartered Accountants of India and in accordance with the generally accepted accounting principles (GAAP) and provisions of the Companies Act, 1956.

2) Use of estimates

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

3) Investment

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

4) Fixed assets

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

5) Expenditure during construction period

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

6) Depreciation

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

7) Leases

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

8) Borrowing costs

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

9) Impairment of assets

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

10) Foreign exchange transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Exchange differences for acquisition of fixed assets are adjusted to cost of fixed assets.

Foreign currency denominated assets / liabilities are translated at the year end exchange rates and resultant gains / losses shall be allocated to the specific fixed assets to the extent identifiable on completion of construction / erection.

11) Employee benefits

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

12) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

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

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

(B) Notes on Accounts

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

3. Contingent liabilities not provided for in respect of:

(Rupees in Lacs)

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

4. Auditors Remuneration includes:-

(Rupees in Lacs)

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

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

ADANI POWER LIMITED

(a) List of Related Parties and Relationship

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

(b) Transactions with Related Parties

(Rs. in Lacs)

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

6. Leases

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

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

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

(Rs. in Lacs)

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

ADANI POWER LIMITED

8. Previous year figures have been regrouped and rearranged wherever necessary to confirm to this year's classification.
9. Information required in terms of part IV of Schedule VI to the Companies Act, 1956 is attached here to.

Signature to Schedule 1 to 14

As per our report of even date

For C. C. Chokshi & Co.
Chartered Accountants

Gaurav J. Shah
Partner

Manoj Chanduka
Company Secretary

Place : Ahmedabad
Date : 30th April, 2007

For, **Adani Power Limited**

Gautam S. Adani
Chairman

R. K. Gupta
Managing Director

Ameet H. Desai
Director

Place : Ahmedabad
Date : 30th April, 2007

ADANI POWER LIMITED

**Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile:**

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

For Adani Power Limited

Gautam S. Adani
Chairman

R. K. Gupta
Managing Director

Manoj Chanduka
Company Secretary

Ameet H. Desai
Director

Place : Ahmedabad
Date : 30th April, 2007

ADANI POWER LIMITED

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

(Rupees In Lacs)

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

For C. C. Chokshi & Co.
Chartered Accountants

For Adani Power Limited

Gautam S. Adani
Chairman

Gaurav J. Shah
Partner

R. K. Gupta
Managing Director

Manoj Chanduka
Company Secretary

Ameet H. Desai
Director

Place : Ahmedabad
Date : 30th April, 2007

Place : Ahmedabad
Date : 30th April, 2007

ADANI SHIPPING PTE LTD

REPORT OF THE DIRECTORS

The directors present their first report together with the audited financial statements of the company for the financial period ended 31 March, 2007. The financial period covers the period since incorporation on 27 September, 2006. to 31 March, 2007.

1. DIRECTORS

The directors of the company in office at the date of this report are:

Pranav Sevanti Vora (Appointed on 15 November 2006)
Vinod Shantilal Shah (Appointed on 27 September 2006)
Shah Sunil Mangaldas (Appointed on 27 September 2006)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year have no interests in the share capital of the company and its related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act, Cap. 50.

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the date of incorporation, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial period, no option to take up unissued shares of the company was granted.

6. OPTIONS EXERCISED

During the financial period, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial period, there were no unissued shares under option.

8. AUDITORS

The auditors, M/s. Prudential Public Accounting Corporation, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board

Shah Sunil Mangaldas
Director

Pranav Sevanti Vora
Director

Place : Singapore,
Date : 10th May, 2007.

ADANI SHIPPING PTE LTD
STATEMENT BY DIRECTORS

We, being the directors of the company, do hereby state that in our opinion :

- (a) the accompanying financial statements set out on pages 6 to 16 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2007, and of the results of the business, changes in equity and cash flows of the company for the financial period from 27 September 2006 (date of incorporation) to 31 March 2007; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On behalf of the Board

Shah Sunil Mangaldas
Director

Pranav Sevanti Vora
Director

Place : Singapore
Date : 10th May, 2007.

ADANI SHIPPING PTE LTD**AUDITORS' REPORT TO THE MEMBERS****AUDITORS' REPORT**

TO THE MEMBERS OF
ADANI SHIPPING PTE LTD

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of ADANI SHIPPING PTE LTD as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in Singapore Dollar ('SGD') originally audited by the Statutory Auditors of the Company.
2. The financial statements in Singapore Dollar ('SGD') originally audited by the statutory auditors of the Company are for the period from 27th September, 2006 to 31st March, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the year.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from SGD into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in SGD by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956
6. The above procedure do not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Enterprises Limited and to comply with the provisions of the Companies Act, 1956.

For **Dharmesh Parikh & Co.**
Chartered Accountants

Place : Ahmedabad
Date : 10th May, 2007

D. A. Parikh
Proprietor

ADANI SHIPPING PTE LTD
BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	SGD		(Rs. in crores)	
		AS AT 31-03-2007		AS AT 31-03-2007	
A SOURCES OF FUNDS :					
I. SHAREHOLDERS' FUND					
(A) Share capital	1	1,000		0.00	
(B) Reserves & surplus		-		-	
			1,000		0.00
II. LOAN FUNDS :					
(A) Secured loans		-		-	
(B) Unsecured loans	2	107,529		0.31	
			107,529		0.31
TOTAL			108,529		0.31
B APPLICATION OF FUNDS :					
I. FIXED ASSETS					-
II. INVESTMENTS					-
III. CURRENT ASSETS, LOANS & ADVANCES					
(A) Inventories				-	
(B) Receivables				-	
(C) Cash & bank balances	3	81,008		0.23	
(D) Loans & advances		-		-	
		81,008		0.23	
LESS :-					
CURRENT LIABILITIES & PROVISIONS					
(A) Current liabilities	4	1,000		0.00	
(B) Provisions		-		-	
		1,000		0.00	
NET CURRENT ASSETS			80,008		0.23
IV. MISCELLANEOUS EXPENDITURE	5		28,521		0.08
TOTAL			108,529		0.31

Notes forming part of the accounts 8

As per our Report on even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Pranav Sevanti Vora
Director

D. A. Parikh
Proprietor

Sunil M. Shah
Director

Place : Ahmedabad
Date : 10th May, 2007

Place : Singapore
Date : 10th May, 2007

ADANI SHIPPING PTE LTD

PROFIT & LOSS ACCOUNT FOR THE PERIOD 27TH SEPTEMBER, 2006 TO 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	SGD	
			(Rs. in crores)	
			27.09.2006 TO 31.03.2007	27.09.2006 TO 31.03.2007
A	INCOME :			
	Sales & Operating earnings		-	-
	Other income		-	-
			-	0.00
B	EXPENDITURE :			
	Cost of goods sold		-	-
	Personnel expenses		-	-
	Operation & other expenses	6	38	0.00
	Finance Charges	7	(38)	(0.00)
	Depreciation		-	-
	Misc. expenditure written off		-	-
			-	0.00
	Profit for the year before taxation		-	-
	Provision for taxation:			
	- Current Tax		-	-
	Profit after taxation		-	-
	Add : Surplus brought forward from previous year			
	Balance carried to balance sheet		-	-
			-	0.00
	Earnings Per Share of SGD 1 each(in Rs)			
	- Basic & Diluted			-
	- Annualised			-

Notes forming part of the accounts

8

As per our attached report of even date

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Pranav Sevanti Vora
Director

D. A. Parikh
Proprietor

Sunil M. Shah
Director

Place : Ahmedabad
Date : 10th May, 2007

Place : Singapore
Date : 10th May, 2007

ADANI SHIPPING PTE LTD

SCHEDULES 1 TO 5 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SGD		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007	
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
1000 Shares of SGD 1 each (Previous Yr. Nil)		1,000		0.00
ISSUED, SUBSCRIBED & PAID-UP				
1000 Shares of SGD 1 each (Previous Yr. Nil)		1,000		0.00
		1,000		0.00
SCHEDULE : 2				
UNSECURED LOANS				
Intercompany Loans		107,529		0.31
		107,529		0.31
SCHEDULE : 3				
CASH & BANK BALANCES				
Cash in hand		-		-
Balances with Scheduled Banks :-				
- In Current Account		81,008		0.23
		81,008		0.23
SCHEDULE : 4				
CURRENT LIABILITIES				
Sundry Creditors		1,000		0.00
Other liabilities		-		-
		1,000		0.00
SCHEDULE : 5				
MISCELLANEOUS EXPENDITURE				
Preliminary Expenses		28,521		0.08
(To the extent not written off or adjusted)				
Less : 1/5 th written off during the period		-		-
		28,521		0.08

SCHEDULES 6 AND 7 FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	SGD		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007	
SCHEDULE : 6				
OPERATION & OTHER EXPENSES				
Office Expense		38		0.00
		38		0.00
SCHEDULE : 7				
FINANCE CHARGES				
Interest Expense		-		-
LESS : INTEREST INCOME				
Interest on Deposit & others (Gross)		(38)		(0.00)
		(38)		(0.00)

ADANI SHIPPING PTE LTD

NOTES TO THE FINANCIAL STATEMENTS - 31st MARCH 2007

Schedule - 8

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The company (Registration number: 200614235E) is a Limited Private Company, which is domiciled and incorporated in the Republic of Singapore with its registered office and principal place of business at:

3 Shenton Way
#19-08, Shenton House
Singapore 068805

The principal activities of the company include ship owning and chartering.

The financial statements of the company for the period ended 31 March 2007 were authorised for issue in accordance with the directors' resolution dated 10th May, 2007

We are presented with the financial statements of Adani Shipping Pte Ltd. in Indian Rupees duly converted, on the basis of aforesaid audit report to comply with the requirements of Section 212 of the Companies Act, 1956.

Adani Shipping Pte Ltd is the wholly owned subsidiary of Adani Global Ltd incorporated in Mauritius. Adani Enterprises Ltd is the ultimate holding company

The principal activities of the Company are to carry on business as general merchants, importers and exporters, commission agents and manufacturer's representative. There have been no significant changes in the nature of these activities during the financial year.

Adani Shipping Pte Ltd. is not a 'company' as defined in the Companies Act, 1956. We have not included the matters specified in paragraph 4 & 5 of Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the 'Company' in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the group's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2.2 Conversion to Indian Rupees

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as "Reserve and Surplus".

2.3 Income Tax

Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except that a debit to the deferred tax balance is not carried forward unless there is a probable realisation in the foreseeable future.

2.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements of the Company are presented in Singapore dollars, which is also the functional and presentation currency of the Company.

2.5 Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

2.6 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company balance sheet when the Company becomes a party to the contractual provisions of the instrument.

3.1 Bank balances

Bank balances comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.2 Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified accordingly to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities include accruals and loan from holding Company. Accruals are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Interest bearing loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Borrowing costs are recognized in the profit and loss statement in the period in which they are incurred.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

4.1 Critical accounting judgments

In the process of applying the Company's accounting policies, management is of the opinion that there is no critical judgement involved that have significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainties

The management is of the opinion that there are no key sources of estimation uncertainty at the balance sheet date that have a significant effect on the amounts of assets and liabilities within the next financial year.

5. FINANCIAL RISKS AND MANAGEMENT

The Company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the Company. The Company, however, does not have any written risk management policies and guidelines. The directors monitor the following risk management of the Company and believe that the financial risks associated with these financial instruments are minimal.

5.1 Credit Risk

Credit risk refers to risk that counter party will default on their obligations to repay amounts owing to Company resulting in a loss to the Company. The carrying amount of bank balances represents the Company's maximum exposure to credit risk in relation to financial assets.

The Company has no significant exposure to credit risk.

The credit risk on liquid funds is limited because the counter party is a bank with high credit ratings assigned by international credit rating agencies.

No other financial assets carry a significant exposure to credit risk.

5.2 Interest Rate Risk

Interest rate risk arises from the potential change in interest rate may have an adverse effect on the Company's results in the current reporting period and in the future years. The Company is exposed to interest rate risk through the impact of rate changes on borrowings. The interest rates and terms of repayment of borrowings are disclosed in Note 10 to the financial statements.

5.3 Liquidity Risk

Liquidity risk refer to risk that the Company will not have sufficient funds to pay its debts as and when they fall due.

The Company maintains sufficient cash and bank balances to finance their business activities. This minimises the liquidity risk.

5.4 Fair value of financial assets and financial liabilities

The carrying amounts of bank balances, accruals and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

ADANI SHIPPING PTE LTD

6. HOLDING COMPANY RELATED COMPANIES TRANSACTIONS

The Company is a wholly owned subsidiary of Adani Global Limited, a Company incorporated in Mauritius, and the ultimate holding Company is Adani Enterprises Ltd, which is incorporated in India.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements. The inter Company balances are unsecured, interest free and without fixed repayment terms.

Significant related party transactions:	31-03-2007
	S\$
Interest payable to immediate holding Company	2,779
	Rs. In Crs
Interest payable to immediate holding Company	0.01

7. DEFERRED EXPENDITURE

This represents preliminary and pre-operating costs incurred during the period. It will be fully written off on commencement of operations.

8. LOAN FROM IMMEDIATE HOLDING COMPANY

Particulars	31-03-2007
	S\$
Loan from immediate holding Company	107,529
	Rs. In Crs
Loan from immediate holding Company	0.31

The loan from immediate holding company is unsecured, carries an interest rate of 12% p.a. and is not repayable within the next 12 months.

9. INCOME TAX

Income tax is not provided as the Company has no chargeable income during the period.

10. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 27 September 2006 to 31 March 2007. This being the first set of financial statements, there are no comparative figures.

ADANI SHIPPING PTE LTD

11. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile:

I.	Registration Details:	
	Registration No.	: NA
	State Code	: NA
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year (Amount in Rs. Thousand)	
	Public Issue - NIL	Right Issue - NIL
	Bonus Issue - NIL	Private Placement - 29
III.	Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousand)	
	Total Liabilities	: 3,138
	Total Assets	: 3,138
	Sources of Funds:	
	Paid –up Capital	: 29
	Reserves & Surplus	: -----
	Secured Loans	: -----
	Unsecured Loans	: 3,081
	Deferred Tax Liability	: -----
	Application of Funds:	
	Net Fixed Assets	: -----
	Investments	: -----
	Net Current Assets	: 2,293
	Miscellaneous Expenditure	: 817
	Accumulated Losses	: -----
IV.	Performance of Company (Amount in Rs. Thousand)	
	Turnover (Including other Income)	: 0
	Total expenditure	: 0
	Profit/(Loss) before tax	: 0
	Profit/(Loss) after tax	: 0
	Earning per share (Rs.)	: -----
	Dividend Rate %	: -----
V	Generic Names of Three Principal products / services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters

Signature to Schedule 1 to 8

For and on behalf of the Board

Pranav Shevanti Vora
Director

Place : Singapore
Date : 10th May, 2007

Sunil Mangaldas Shah
Director

ADANI SHIPPING PTE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD 27/09/2006 TO 31/03/2007

Sr. No.	Particulars	27/09/2006 To 31/03/2007 (S\$)	27/09/2006 To 31/03/2007 (Rs in Crores)
A	Cash Flow from Operating Activities:		
	Profit before income tax	-	-
	Adjustment for interest income	(38.00)	(0.00)
	Operating profit before working capital changes	(38.00)	(0.00)
	Accruals	1,000.00	0.00
	Net cash flow in operating activities	962.00	0.00
B	Cash Flow from Investing Activities:		
	Interest received	38.00	0.00
	Loan from immediate holding company	107,529.00	0.31
	Deferred expenditure	(28,521.00)	(0.08)
	Net cash flow in investing activities	79,046.00	0.22
C	Cash Flow from Financing activities:		
	Proceeds on issue of share	1,000.00	0.00
	Net cash flow from financing activities	1,000.00	0.00
	Net increase in cash & cash equivalent (A+B+C)	81,008.00	0.23
	Cash & Cash Equivalent at the beginning of period	-	-
	Cash & Cash Equivalent at the end of period	81,008.00	0.23
	Represented by		
	Cash in Hand	-	-
	Cash at Bank	81,008.00	0.23
		81,008.00	0.23

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) on Cash Flow Statement issued by The Institute of Chartered Accountant of India.

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Pranav Sevanti Vora
Director

D. A. Parikh
Proprietor

Sunil M. Shah
Director

Place : Ahmedabad
Date : 10th May, 2007

Place : Singapore
Date : 10th May, 2007

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED
DIRECTOR'S REPORT

Your Directors present their Second Report together with the audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

Particulars	For the year ended 31.03.2007 Rupees	For the year ended 31.03.2006 Rupees
Income	Nil	Nil
Profit/ (Loss) Before Taxation	(11, 64,691)	(41,086)
Provision for Taxation		
Deferred tax liability / (Assets)	10,889	(13,830)
Fringe Benefit tax	26,175	Nil
Profit/ (Loss) after Taxation	(12, 01,755)	(27,256)
Deficit brought forward from last year	(27,256)	Nil
Deficit carried forward to Balance Sheet	(12, 29,011)	(27,256)

2. DIVIDEND

In view of the losses, no Dividend has been recommended for the year

3. OPERATIONS

During the year under review, your Company has started acquiring Land for the development of an integrated township in Ahmedabad.

4. CHANGE OF NAME

Your Company was incorporated on 17th November, 2005 under the name of Adani Realty (Ahmedabad) Private Limited. The name of your company was changed to Adani Townships and Real Estate Company Private Limited w.e.f. 25th January 2006 under the approval of the Central Government and the Registrar of Companies. In light of the nature of the Business and other relevant factors, it is again desired to change the name of Company to Shantigram Estate Management Private Limited subject to the relevant approvals.

5. CAPITAL

The Authorized Capital of the Company has been increased from Rs 5,00,000 to Rs 1,00,00,000 during the year under review. The paid up capital has been increased from Rs 1,00,000 to Rs 5,00,000 by issue of 40,000 equity shares of Rs 10 each at par, on a rights basis to the existing members of the Company.

6. AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Deloitte Haskins and Sells, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

7. DIRECTORS

The board at the meeting held on 1st December, 2006 appointed Mr. Gautam S. Adani as additional Director, and he continuous to hold office till the forthcoming Annual General Meeting of the Company.

Mr. Ameet Desai resigned from the Board of Directors of the Company with effect from 12th July 2006. The Board of Directors places on record their appreciation for the valuable services rendered by him during the tenure of his office.

Mr. Devang Desai and Mr. Rajesh S. Adani retires by rotation and being eligible offer themselves for re-appointment.

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

8. PUBLIC DEPOSITS AND LOANS / ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The following are the loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company

Name of the Company	Relation	Amount Outstanding at the end of the year	Maximum Amount Outstanding during the Year (Net of TDS)
Adani Infrastructure and Developers Private Limited.	Holding Company	358,32,12,715	358,32,12,715
Adani Estates Private Limited	Fellow Subsidiary	7,43,60,497	250,92,36,500

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

10. EMPLOYEES

The Company had no employees who are in receipt of remuneration not less than Rs.24,00,000 during the year ended March 31, 2007 or not less than Rs. 2,00,000 per month during any part of the said year

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at the end of the Financial Year ended 31st March, 2007 and of the Profit and Loss Account for the said financial year.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Ac,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on 'going concern' basis.

For and on behalf of the Board

Place : Ahmedabad,
Date : 12th April, 2007

Gautam S. Adani
Chairman

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

Auditor's Report to the Members of

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Adani Townships and Real Estate Company Private Limited** as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In terms of para 2 (iv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company.
4. Further, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

Place : Ahmedabad
Date : 12th April, 2007

Gaurav J. Shah
Partner

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007		As at March 31, 2006
		Rupees	Rupees	Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		500,000	100,000
Share Application Money (Pending Allotment)			2,500,000	1,000,000
Loan Funds				
Unsecured Loans	2		3,583,212,715	-
Total			3,586,212,715	1,100,000
APPLICATION OF FUNDS				
Fixed Assets				
	3		6,604,459	945,827
Deferred Tax Asset			2,941	13,830
Current Assets, Loans and Advances				
Inventories	4	4,069,972,989		-
Cash and Bank Balances	5	10,079,931		1,100,000
Loans and Advances	6	167,241,493		-
		4,247,294,413		1,100,000
Less : Current Liabilities and Provisions				
Current Liabilities	7	668,891,934		986,913
Provisions	8	26,175		-
		668,918,109		986,913
Net Current Assets			3,578,376,304	113,087
Profit & Loss Account -Debit Balance			1,229,011	27,256
Total			3,586,212,715	1,100,000
Notes to Accounts	13			

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Gautam S. Adani
Director

Gaurav J. Shah
Partner

Rajesh S. Adani
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Schedule	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
INCOME			
Income		-	-
Total		-	-
EXPENDITURE			
Operating Expenses	9	-	
Personnel Expenses	10	-	-
Administration & Other Expenses	11	1,164,691	41,086
Interest & Finance Charges	12	-	-
Total		1,164,691	41,086
Profit / (Loss) before taxation		(1,164,691)	(41,086)
Less: Provision for taxation			
Deferred Tax		10,889	(13,830)
Fringe Benefit Tax		26,175	-
Profit / (Loss) after taxation		(1,201,755)	(27,256)
Add Carried forward from Previous Year		(27,256)	-
Balance carried to Balance Sheet		(1,229,011)	(27,256)
Earnings per Share			
- Basic & Diluted		(118.87)	(2.73)
(Refer Note 2 of Schedule 13)			
Notes to Accounts	13		

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Gautam S. Adani
Director

Gaurav J. Shah
Partner

Rajesh S. Adani
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 1 " SHARE CAPITAL Authorised 10,00,000 (Pr. Year 50,000) Equity Shares of Rs. 10 /- each	10,00,000	500,000
	10,00,000	500,000
Issued, Subscribed and Paid Up 50,000 (10,000) Equity Shares of Rs. 10 /- each (All the above 50,000 (Previous Year- Nil) shares are held by Adani Infrastructure and Developers Private Limited, the holding company and its nominees)	500,000	100,000
	500,000	100,000
SCHEDULE " 2 " UNSECURED LOANS From Companies (Refer Note 5 of Schedule 13)	3,583,212,715	-
	3,583,212,715	-

SCHEDULE " 3 "

FIXED ASSETS

Amount in Rupees

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at April 1,2006	Additions	Deductions	As at March 31,2007	Upto April 1,2006	For the Year	Upto March 31,2007	As at March 31,2007	As at March 31,2006
Building	-	991,751		991,751	-	991,751	991,751	-	-
Furniture & Fixtures	33,831	621,668		655,499		31,069	31,069	624,430	33,831
Plant & Machinery	40,000	488,335		528,335	-	9,443	9,443	518,892	40,000
Office Equipments	-	545,779		545,779	-	21,286	21,286	524,493	-
Computers & Software	871,996	1,472,637		2,344,633		234,296	234,296	2,110,337	871,996
Vehicles	-	2,828,060		2,828,060		1,753	1,753	2,826,307	-
Total	945,827	6,948,230	-	7,894,057	-	1,289,598	1,289,598	6,604,459	945,827
Previous Year Total	-	945,827	-	945,827	-	-	-	945,827	-

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 4 " INVENTORIES Work in progress (representing cost Land, development rights and related expenditure)	4,069,972,989	-
	4,069,972,989	-
SCHEDULE " 5 " CASH AND BANK BALANCES Cash Balance	81,389	-
Balance with a scheduled bank - In Current Account	9,998,543	1,100,000
	10,079,931	1,100,000

Advances recoverable in cash or in kind or for value to be received

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 6 "		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	167,213,489	-
Fringe Benefits Tax	28,004	-
	167,241,493	-
SCHEDULE " 7 "		
CURRENT LIABILITIES		
Sundry Creditors	668,891,934	986,913
(Refer Note 6 of Schedule 13)		
	668,891,934	986,913
SCHEDULE " 8 "		
PROVISIONS		
Taxation	26,175	-
	26,175	-

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 9 "		
Operating Expenses		
Opening Stock	-	
Add: Expenses incurred during the year		
Land	3,920,840,371	-
Land Development Expenses	23,359	-
Personnel Expenses	244,067	-
Administration and other expenses	4,752,809	-
Interest and Finance Charges (Net)	144,112,383	-
	4,069,972,989	-
Less: Closing Stock	4,069,972,989	-
	-	-
SCHEDULE " 10 "		
PERSONNEL EXPENSES		
Salaries & Allowances	244,067	-
	244,067	-
Less: Allocated to project	244,067	-
	-	-
SCHEDULE " 11 "		
ADMINISTRATION AND OTHER EXPENSES		
Communication Expenses	255,300	-
Legal & Professional Charges	2,449,081	19,700
Printing and Stationery	119,604	1,375
Repair & Maintenance	53,866	-
Travel & Conveyance	202,376	-
Audit Fees	89,792	16,836
Office Expenses	370,173	3,175
Depreciation	1,289,598	-
Rent	455,400	-
Insurance Expenses	32,310	-
Donation	600,000	-
	5,917,500	41,086
Less: Allocated to project	4,752,809	-
	1,164,691	41,086
SCHEDULE " 12 "		
INTEREST & FINANCE CHARGES		
Interest (Net)	144,120,241	-
Bank Charges	3,345	-
	144,123,586	
Less: Interest Income	11,203	
	144,112,383	-
Less: Allocated to project	144,112,383	-
	-	-

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

SCHEDULE 13

NOTES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2007

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalization, and the exchange differences arising on foreign loans taken for acquiring the assets.

c) Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortised over a period of 5 years on straight-line basis.

d) Depreciation :

Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

e) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying assets and incurred till the commencement of commercial use of the asset and which is capitalized as cost of that asset.

However, borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

f) Revenue Recognition:

Income from real estate sales/ transfer of development rights is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if, at the time of transfer, substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project/activity and the foreseeable losses to completion.

g) Inventories :

Inventories are valued at lower of costs and net realizable value.

h) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

i) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

j) Retirement Benefits:

Retirement benefits to the employees comprises of payments under defined contribution plans like provident fund and family pension fund are charged to profit and loss account.

B. NOTES TO ACCOUNTS

- Inventories include cost of land, Development Rights, Construction costs, interest on borrowings and all expenses incidental to the project undertaken by the Company. In the opinion of the management, the Net Realizable value of the project work in progress will not be lower than the costs so included therein.

2. Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under :

	Particulars	2007	2006
A.	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(12,01,755)	(27,256)
B.	Weighted Average number of Equity Shares(No.)	10,110	10,000
C.	Basic & Diluted Earnings per share (Rs.)	(118.87)	(2.73)

3. Related Party Disclosure (As identified by the Management)

I Name of Related Parties & Description of Relationship

A Holding Company / Ultimate Holding Company

Adani Infrastructure & Developers Pvt. Ltd.
Adani Enterprises Ltd.

B Enterprises under Common Control

Adani Estates Pvt. Ltd.
Adani Developers Pvt. Ltd.
Adani Land Developers Pvt. Ltd.
Adani Township & Real Estate Company

II Nature & Volume of Transaction with Related Parties

Sr. No.	Nature of Transaction	Holding Company / Ultimate Holding Company	Enterprises under Common Control
1	Issue of Equity Shares	4,00,000	Nil
2	Share Application Money Received	85,00,000	85,00,000
3	Share Application Money Refunded	85,00,000	85,00,000
4	Unsecured Loan Received	4,10,54,70,000	2,50,92,36,500
5	Unsecured Loan Repaid	59,00,00,000	2,50,92,36,500
6	Interest Expense	6,87,06,321	7,54,13,693
7	Booking Advance Received	50,00,00,000	Nil
8	Expenditure on reimbursement of travel expenses	Nil	7,863
9	Development Rights Given	Nil	9,00,00,000
10	Payment made on behalf	Nil	63,75,531
Balance As On 31.03.2007			
Due To		4,08,45,76,321	16,54,13,693
Due From		Nil	Nil

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

4. Particulars of Investments Purchased and Sold during the year:

Name of Investment	No. of Units	Face Value (Rs.)	Total Cost (Rs. In Lakhs)
Fidelity Cash Fund	344701.9313	10.00	35.00

5. Unsecured Loans

Unsecured loans includes interest accrued and due amounting to Rs. 6,77,42,715/-

6. Sundry Creditors

(i) The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

(ii) Sundry Creditors includes advance from customers Rs. 59,00,00,000 /-

7. Deferred Tax

In line with Accounting Standard 22 "Accounting for taxes on income", the Company has recognized in the accounts, Net Deferred Tax Liability of Rs. 10,889 as at 31st March 2007.

The Component of deferred Tax Liability (DTL) as at 31st March 2007 is as follows:

	Rupees
Deferred tax assets relating to Unabsorbed losses	1,90,075
Deferred tax liabilities relating to timing difference in Rates of Depreciation	<u>2,00,964</u>
Net Deferred Tax Liability	10,889

8. Leases

The Company's significant leasing arrangements are in respect of operating leases for office premises. The leasing arrangements are for a specified period of 11 months. The aggregate lease rentals are charged as rental expense.

9. Previous Year Figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our attached report

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 12th April, 2007

On behalf of the Board of Directors

Gautam S. Adani
Director

Rajesh S. Adani
Director

Place : Ahmedabad
Date : 12th April, 2007

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details:

Registration No	U45200GJ2005PTC47086	State Code	04
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital rose during the year (Amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	400

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands):

Total Liabilities	4253902	Total Assets	4253902
Sources of Funds			
Paid-Up Capital*	3000	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	3583213
Application of Funds			
Net Fixed Assets	6605	Investments	Nil
Net Current Assets	3578379	Misc. Expenditure	Nil
Accumulated Losses	1229		

* Includes Share Application Money, pending allotment

IV. Performance of the Company (Amount in Rs. Thousands) :

Turnover (Including Other Income)			Total Expenditure		
Nil			1165		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
	✓	(1165)		✓	(1202)
Earnings per share in Rupees			Dividend rate (%)		
(118.87)			Nil		

V. Generic Names of three Principal Products/Services of the Company (As per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Gautam S. Adani
Director

Place : Ahmedabad
Date : 12th April, 2007

Rajesh S. Adani
Director

ADANI TOWNSHIPS AND REAL ESTATE COMPANY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(1,164,691)	(41,086)
Adjustments for :		
Depreciation	1,289,598	-
Preliminary and Other Incidental Expenses	-	41,086
Operating profit before working capital changes	124,907	-
Changes in:		
Inventories	(4,069,972,989)	-
Trade and other receivables	(167,213,489)	-
Trade and other payables	667,905,021	986,913
Cash Generated from Operations	(3,569,156,550)	986,913
Fringe Benefit Tax Paid	28,004	-
Net Cash from Operating Activities	(3,569,184,554)	986,913
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(6,948,230)	(945,827)
Preliminary and other Incidental Expenses	-	(41,086)
Net Cash from Investing Activities	(6,948,230)	(986,913)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	400,000	100,000
Proceeds from Share Application money	1,500,000	1,000,000
Proceeds from borrowings	3,583,212,715	-
Net Cash from Financing Activities	3,585,112,715	1,100,000
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	8,979,931	1,100,000
Cash & Cash Equivalents (Opening)	1,100,000	-
Cash & Cash Equivalents (Closing)	10,079,931	1,100,000

As per our attached report

On behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Gautam S. Adani
Director

Gaurav J. Shah
Partner

Rajesh S. Adani
Director

Place : Ahmedabad
Date : 12th April, 2007

Place : Ahmedabad
Date : 12th April, 2007

ADANI VIRGINIA, INC.

DIRECTOR'S REPORT TO THE SHAREHOLDER FOR PERIOD ENDED 31st MARCH, 2007

The directors have pleasure in submitting the financial statements of Adani Virginia Inc, for the period ended 31st March, 2007.

Review of operations

The directors are pleased to report that the establishment continued to perform well and all its business activities continue to grow. The directors are confident of maintaining the growth rate, both in volume of business and profitability in the coming years.

Turnover, profit and dividend

The turnover of the company for the period ended 31 March, 2007 amounted to Rs.45.42 Crores (USD 1,00,77,700) (15 months) as compared to Rs.10.11 Crores (USD 22,88,608) (12 months) in the previous year.

The profit for the period amounted to Rs.4.98 Crores (USD 10,84,890).

Your Directors do not recommend dividend for the year under review.

Events after the balance sheet date

There were no major events occurred after the balance sheet date which materially affect the establishment.

The following served as directors of the establishment during the period :

Mr. Harsh Mishra	Indian national
Mr. Shailesh Vyas	Indian national

For and on behalf of the board of directors of

Harsh Mishra
Director

Date : 16th May, 2007

ADANI VIRGINIA, INC.
AUDITOR'S REPORT

TO THE MEMBERS OF
ADANI VIRGINIA, INC

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of Adani Virginia, INC as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in United States Dollar ('USD') originally audited by the Statutory Auditors of the Company.
2. The financial statements in United States Dollar ('USD') originally audited by the statutory auditors of the Company are for the period from 1st January, 2006 to 31st March, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the year.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from USD into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in USD by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
6. The above procedure do not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Enterprises Limited and to comply with the provisions of the Companies Act, 1956.

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place: Ahmedabad
Date: 16th May, 2007

ADANI VIRGINIA, INC.
BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	USD		(Rs. in crores)		USD		(Rs. in crores)	
		AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
A SOURCES OF FUNDS :									
I. SHAREHOLDERS' FUND									
(A) Share Capital	1	50		0.00		50		0.00	
(B) Reserves & Surplus	2	1,019,874		4.48		(65,016)		-0.29	
			1019924		4.48		-64966		-0.29
II. LOAN FUNDS :									
(A) Secured Loans	3	583,023		2.53		-		0.00	
(B) Unsecured Loans	4	1,999,950		8.69		2,453,684		11.06	
			2582973		11.22		2453684		11.06
TOTAL			3602897		15.70		2388718		10.77
B APPLICATION OF FUNDS :									
I. FIXED ASSETS									
(A) Gross Block	5	1,771,904		7.70		1,059,904		4.78	
(B) Less : Depreciation		378,817		1.64		89,471		0.40	
(C) Net block			1393087		6.06		970433.00		4.38
II. INVESTMENTS			-		-		-		0
III. CURRENT ASSETS, LOANS & ADVANCES									
(A) Inventories	6	1,263,455		5.53		1,130,608		5.09	
(B) Receivables	7	432,088		1.88		146,494		0.66	
(C) Cash & Bank Balances	8	1,072,561		4.66		83,333		0.38	
(D) Loans & Advances	9	281,704		1.22		701,578		3.16	
		3,049,808		13.29		2,062,013		9.29	
LESS :-									
CURRENT LIABILITIES & PROVISIONS									
(A) Current Liabilities	10	630,215		2.74		654,895		2.95	
(B) Provisions	11	217,600		0.95		-		0.00	
		847,815		3.69		654,895		2.95	
NET CURRENT ASSETS			2201993		9.60		1407118		6.34
IV. MISCELLANEOUS EXPENDITURE	12		7817		0.04		11167		0.05
TOTAL			3602897		15.70		2388718		10.77

Notes forming part of the accounts 18

As per our Report on even date attached

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place : Ahmedabad
Date : 16th May, 2007

For and on behalf of the Board,

Harsh Mishra
Director
Place : Ahmedabad

Shailesh Vyas
Director
Place : Virginia

Date : 16th May, 2007

ADANI VIRGINIA, INC.

PROFIT & LOSS ACCOUNT FOR THE PERIOD 1ST JANUARY, 2006 TO 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	USD (Rs. in crores)		USD (Rs. in crores)	
			For The Period 01.01.2006 to 31.03.2007	For The Period 01.01.2006 to 31.03.2007	For The Period Ended 31-12-2005	For The Period Ended 31-12-2005
A	INCOME :					
	Sales & Operating earnings	13	10077700	45.42	2288608	10.11
			10077700	45.42	2288608	10.11
B	EXPENDITURE :					
	Cost of goods sold	14	7109036	32.04	1787522	7.89
	Personnel expenses	15	442603	2.00	154710	0.68
	Operation & other expenses	16	899282	4.04	312228	1.38
	Finance Charges	17	31593	0.14	7460	0.03
	Depreciation		289346	1.26	89471	0.40
	Misc. expenditure written off		3350	0.01	2233	0.01
			8775210	39.49	2353624	10.39
	Profit for the year before taxation		1302490	5.93	-65016	-0.29
	Provision for taxation:					
	- Current Tax		217600	0.95		0.00
	Profit after taxation		1084890	4.98	-65016	-0.29
	Add : Surplus brought forward from previous year		-65016	(0.29)	0	0.00
	Balance carried to balance sheet		1019874	4.69	-65016	-0.29
	Earning per Share of \$1 each (in Rupees)					
	- Basic & Diluted			996106		-57059.00
	- Annualised			796885		-57059.00

Notes forming part of the accounts 18

As per our attached report of even date

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Harsh Mishra
Director
Place : Ahmedabad

D. A. Parikh
Proprietor

Shailesh Vyas
Director
Place : Virginia

Place : Ahmedabad
Date : 16th May, 2007

Date : 16th May, 2007

ADANI VIRGINIA, INC.

SCHEDULES 1 TO 12 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	USD		(Rs. in crores)		USD		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 1								
SHARE CAPITAL								
AUTHORISED								
100 Equity Shares of US \$ 1/- each		100		0.00		100.00		0.00
ISSUED, SUBSCRIBED & PAID-UP								
50 Equity Shares of US \$ 1/- each		50		0.00		50.00		0.00
(Above shares are held by Adani Global FZE., a holding company)		50		0.00		50.00		0.00
SCHEDULE : 2								
RESERVES & SURPLUS								
EXCHANGE RESERVE								
TRANSLATION RESERVE		-		(0.21)		-		(0.00)
SURPLUS IN PROFIT & LOSS ACCOUNT								
		1019874		4.69		-65016		-0.29
		1019874		4.48		-65016		-0.29
SCHEDULE : 3								
SECURED LOANS								
From banks		583023		2.53		0.00		0.00
(Secured by Guarantees, securities and Covenants)		583,023		2.53		0.00		0.00
SCHEDULE : 4								
UNSECURED LOANS								
Loans from Shareholder		1999950		8.69		2453684		11.06
		1999950		8.69		2453684		11.06

FIXED ASSETS : SCHEDULE - 5

(Rs. in crores)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01/01/06	Addition during the year	Deductions during the year	As at 31/03/07	As at 01/01/06	Provided for the year	Deductions during the year	As at 31/03/07	As at 31/03/07	As at 31/12/05
1	Goodwill	2.53	-	-	2.53	0.09	0.20	-	0.29	2.24	
2	Land	-	-	-	-	-	-	-	-	-	
3	Building	-	-	-	-	-	-	-	-	-	
4	Plant & Machinery	2.07	3.10	-	5.17	0.30	1.05	-	1.34	3.83	
5	Furniture & Fixtures	-	-	-	-	-	-	-	-	-	
6	Electric Fittings & Installations	-	-	-	-	-	-	-	-	-	
7	Office Equipment	-	-	-	-	-	-	-	-	-	
8	Computer Equipment	-	-	-	-	-	-	-	-	-	
9	Vehicles	-	-	-	-	-	-	-	-	-	
	TOTAL	4.60	3.10	-	7.70	0.39	1.25	-	1.64	6.06	
	Previous Year	-	4.78	-	4.78	-	0.40	-	0.40	4.38	

PARTICULARS	USD		(Rs. in crores)		USD		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007		AS AT 31-12-2005		AS AT 31-12-2005	
SCHEDULE : 6								
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)								
Finished Goods		229000		1.03		374750		1.69
Stock-in-process		1034455		4.50		755858		3.41
		1263455		5.53		1130608		5.09
SCHEDULE : 7								
RECEIVABLES (UNSECURED, CONSIDERED GOOD)								
Others		432088		1.88		146494.00		0.66
		432088		1.88		146494.00		0.66
SCHEDULE : 8								
CASH & BANK BALANCES								
Cash in hand		0		0.00		83333		0.38
Bank Balance		1072561		4.66		0		0.00
		1072561		4.66		83333		0.38
SCHEDULE : 9								
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)								
Advances recoverable in cash or kind or for value to be received		281704		1.22		701578		3.16
		281704		1.22		701578		3.16

ADANI VIRGINIA, INC.
SCHEDULES 1 TO 12 FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	USD AS AT 31-03-2007		(Rs. in crores) AS AT 31-03-2007		USD AS AT 31-12-2005		(Rs. in crores) AS AT 31-12-2005	
SCHEDULE : 10								
CURRENT LIABILITIES								
Sundry Creditors		137166		0.60		450232		2.03
Other liabilities		493049		2.14		199601		0.90
Interest accrued but not due		0		0.00		5062		0.02
		630215		2.74		654895		2.95
SCHEDULE : 11								
PROVISIONS								
Provision for taxation		217600		0.95		0.00		0.00
		217600.00		0.95		0.00		0.00
SCHEDULE : 12								
MISCELLANEOUS EXPENDITURE								
Preliminary Expenses (To the extent not written off or adjusted)		11167		0.05		13400		0.06
Less : 1\5 th written off during the period		3350		0.01		2233		0.01
		7817		0.04		11167		0.05

SCHEDULES 13 TO 17 FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE PERIOD 1ST JANUARY, 2006 TO 31ST MARCH, 2007

PARTICULARS	USD AS AT 31-03-2007		(Rs. in crores) AS AT 31-03-2007		USD AS AT 31-12-2005		(Rs. in crores) AS AT 31-12-2005	
SCHEDULE : 13								
SALES & OPERATING EARNINGS								
Sales		8609025		38.80		1754202		7.75
Contract reveune earned		1468675		6.62		534406		2.36
		10077700		45.42		2288608		10.11
SCHEDULE : 14								
COST OF GOODS SOLD								
Cost of Material Consumed		7109036		32.04		1787522		7.89
		7109036		32.04		1787522		7.89
SCHEDULE : 15								
PERSONNEL EXPENSES								
Salaries & bonus		319235		1.44		122068		0.54
Contribution to provident & other funds		6500		0.03		8000		0.04
Staff welfare expenses		116868		0.53		24642		0.11
		442603		2.00		154710		0.68
SCHEDULE : 16								
OPERATION & OTHER EXPENSES								
Rent		220016		0.99		86658		0.38
Rates & Taxes		2206		0.01		7925		0.03
Postage, telephone & telex expenses		3334		0.02		8448		0.04
Others		96396		0.43		1685		0.01
Insurance expenses		210293		0.94		124173		0.55
Office Expense		102826		0.46		9255		0.04
Miscellaneous Exps		10870		0.05		2361		0.01
Membership & Subscription		5029		0.02		690		0.00
Legal & Professional		135645		0.61		40467		0.18
Travelling & conveyance expenses		112667		0.51		30566		0.13
		899282		4.04		312228		1.38
SCHEDULE : 17								
INTEREST								
FINANCE CHARGES								
Interest		24765		0.11		5062		0.02
Bank charges \ commission		6828		0.03		2398		0.01
		31593		0.14		7460		0.03

ADANI VIRGINIA, INC.

SCHEDULE - 18

NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS FOR THE FIFTEEN MONTHS PERIOD BEGINNING 1ST JANUARY, 2006 AND ENDING ON 31ST MARCH, 2007

NOTE 1 – Description of Business :

The company contracts with the United States Department of Transportation – Maritime Administration (MARAD) to disassemble aging ships and convert them to scrap metal at a facility in Chesapeake, Virginia.

The company is wholly owned subsidiary of Adani Global FZE Dubai, which in turn is wholly owned subsidiary of Adani Global Limited, (the “holding company”), a private company incorporated in Mauritius. Adani Enterprises Limited, India, a public joint stock company is the “ultimate holding company”.

The financial statements of Adani Virginia Inc. are presented in Indian Rupees duly converted, on the basis of aforesaid audit report to comply with the requirements of Section 212 of the Companies Act, 1956.

Adani Virginia is not a ‘company’ as defined in the Companies Act, 1956. The auditors have not included the matters specified in paragraph 4 & 5 of Companies (Auditor’s Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the ‘Company’ in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiary. All material inter Company accounts and transactions have been eliminated in consolidation. A summary of the individual entities is as follows :

Adani Virginia, Incorporated	- Parent Company
Bay Bridge Enterprises, LLC	- A wholly owned subsidiary.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting used for federal income tax reporting which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles in the United States of America.

Conversion to Indian Rupees

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as “Reserve and Surplus”.

ADANI VIRGINIA, INC.

Revenue and Cost Recognition

The Company recognized revenues under fixed price contracts on the completed contract method for income purposes. Under this method, contract revenues are deferred until contract completion. A contract is considered complete when all costs except insignificant items have been incurred.

Contract costs include all direct material, labor, and equipment costs and those indirect labor, supplies, small tool and depreciation costs, general and administrative costs are charged to expenses as incurred.

Costs in excess of amounts billed are classified as current assets under costs on uncompleted contracts, Billing in excess of costs are classified under current liabilities as billings on uncompleted contracts.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets liabilities and reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash Equivalents and Restricted Cash

The Company considered all highly liquid investments with maturities of three months or less when purchased, to be cash equivalents, Cash restricted are certificates of deposit set aside to secure the performance of contracts in progress at 31st March, 2007.

Concentrations of Credit Risk

Financial instruments which potentially expose the Company to concentration of credit risk as defined by FASB statement no. 105, consists primarily of temporary cash investments and trade accounts receivable.

The company maintains deposits in a financial institution that exceeds amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The company places its temporary cash investments with high credit quality financial institutions and believes that there is no significant risk with respect to these deposits.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company extends credit based on the evaluation of the customer's financial condition and monitors its exposure to credit losses. Management considers all receivables to be collectible. For the income tax basis of accounting, the company uses the direct write-off method. Accordingly, no allowance for doubtful accounts is required.

Contract receivables at 31st March, 2007 include \$ 432,088 (Rs 1.88 Crores) with the United States Maritime Administration (MARAD) Contract revenue from the United States Government or various agencies for the year ended 31st March, 2007 was 100% of total revenue.

Inventories

The Company, under terms of its contract with the United States Maritime Administration (MARAD), takes title to cut scrap metal disassembled from ships. Scrap metal inventories are stated at the market value at 31st March, 2007.

Property and Equipment

Property and equipment are recorded at cost expenditures for maintenance and repairs are expenses as incurred while renewals and betterments are capitalized, Depreciation and amortization are provided for using the modified accelerated cost recovery system (MACRS) method for income tax purposes over the estimated useful lives of the respective assets. Upon retirement, sales, or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

ADANI VIRGINIA, INC.

Income Tax

Adani Virginia, Inc. is a C Corporation subject to tax at graduated rates on taxable income. Bay Bridge Enterprises, L.L.C. is a single member limited liability company wholly owned by Adani Virginia, Inc. and therefore is not subject to income taxes. The taxable income or loss of Bay Bridge Enterprises, L.L.C. is included in the income tax return of Adani Virginia, Inc. its sole member.

Note 3 – Asset Acquisition

On June 16, 2005, the company acquired the sole membership interest in Bay Bridge Enterprises, L.L.C. A single member limited liability company is disagreed as an entity, therefore, the purchase is treated as an asset acquisition. Goodwill is recorded representing the excess of the cost of the purchased assets over the fair value of amounts assigned to assets acquired less liabilities assumed. Below is a detail of the assets purchased and liabilities assumed:

	(US \$)	(Rs.in Crores)
Operating Cash acquired	8,348	0.04
Accounts Receivable	173,352	0.75
Inventories	531,500	2.31
Prepaid Expenses	16,972	0.07
Equipment	416,915	1.81
Goodwill	583,071	2.53
Accounts payable and accrued expenses	(83,488)	(0.36)
Total Net Assets Purchased	1,646,670	7.15

Note 4 – Depreciation and Amortization

Depreciation of equipment was calculated using the modified accelerated cost recovery system (MACRS) method for income tax purposes over the estimated useful lives as summarized below :

		(US \$)	
	Estimated Useful Lives	Current Depreciation	Accumulated Depreciation
Equipment	5 – 7 Years	240,757	308,929

		(US \$)	
	Estimated Useful Lives	Current Depreciation	Accumulated Depreciation
Organization Costs	5 years	3,350	5,583
Goodwill	15 years	48,589	69,888

		(Rs.in Crores)	
	Estimated Useful Lives	Current Depreciation	Accumulated Depreciation
Equipment	5 – 7 Years	1.05	1.34

		(Rs.in Crores)	
	Estimated Useful Lives	Current Depreciation	Accumulated Depreciation
Organization Costs	5 years	0.01	0.02
Goodwill	15 years	0.21	0.30

ADANI VIRGINIA, INC.

Note 5 - Operating Leases

The company rents facilities in Chesapeake, VA under terms of a lease that expires 31st December, 2006 and is currently rented on a month-to-month basis. The lease agreement provided for monthly rental payment of \$ 10,000 (Rs. 0.05 Crores). Rent expense for the three months ended March 31, 2007 was \$30,000 (Rs. 0.14 Crores). Accrued rent payable at March 31, 2007 is \$20,000 (Rs. 0.09 Crores) and is included in accrued expenses.

Note 6 - Employee Benefit Plans

The Company has a 401(k) retirement plan covering substantially all employees. Participants may contribute 100% of their compensation up to \$ 13,000 (Rs.0.06Crores) {those 50 years of age or older \$ 16,000 (Rs. 0.07 Crores)}. The company contributes 25% of the participant's contribution, up to 4% of the participant's compensation, as a matching contribution. Total contributions for the fifteen months ended March 31, 2007 were \$ 18,727 (Rs. 0.08 Crores)

Note 7 - Related Party Transactions

Related party transactions arise between the Company and stockholders and / or other affiliated entities not part of the consolidated group out of the normal course of business. The Company repaid Adani Global FZE, sole shareholder \$ 453,734 (Rs. Crores) plus accrued interest of \$ 5,063 (Rs. 0.02 Crores) for twelve months ended 31st December, 2006.

Note 8 - Litigation

The company has litigation arising from the normal course of business. In management's opinion, the outcome of any such litigation will not materially affect the Company's financial condition or results of operations. Nevertheless, due to uncertainties in the settlement process, it is at least reasonably possible that management's view of the outcome could change materially in the near term.

ADANI VIRGINIA, INC.

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile:-

I.	Registration Details:	
	Registration No.	: NA
	State Code	: NA
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year (Amount in Rs. Thousand)	
	Public Issue - NIL	Right Issue - NIL
	Bonus Issue - NIL	Private Placement - NIL
III.	Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)	
	Total Liabilities	: 193,849
	Total Assets	: 193,849
	Sources of Funds:	
	Paid-up Capital	: 2
	Reserves & Surplus	: 44,704
	Secured Loans	: 25,345
	Unsecured Loans	: 86,943
	Deferred Tax Liability	: -
	Application of Funds:	
	Net Fixed Assets	: 60,561
	Investments	: -
	Net Current Assets	: 96,091
	Miscellaneous Expenditure	: 340
	Accumulated Losses	: -
IV.	Performance of Company (Amount in Rs. Thousand)	
	Turnover (Including other Income)	: 454,165
	Total expenditure	: 395,000
	Profit/(Loss) before tax	: 59,165
	Profit/(Loss) after tax	: 49,705
	Earning per share (Rs.)	: 994,106
	Dividend Rate %	: -
V	Generic Names of Three Principal products/services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters

Signature to Schedule '1' to '18'

For and on behalf of the Board

Harsh Mishra
Director
Place : Ahmedabad

Shailesh Vyas
Director
Place : Virginia

Date : 16th May, 2007

ADANI VIRGINIA, INC.

Cash Flow Statement For The Period ended 31st March, 2007

Sr. No.	Particulars	15 Months Ended 31/03/2007	15 Months Ended 31/03/2007	2005	2005
		USD	INR	USD	INR
A	Cash Flow from Operating Activities				
	Net Profit For The Year Before Taxation	1,302,490	5.87	(65,016)	(0.29)
	Adjustment for :				
	Depreciation	289,346	1.26	89,471	0.40
	Interest Expense	24,765	0.11	5,062	0.02
	Amortisation	3,350	0.01	2,233	0.01
	Operating Profit before working capital changes	1,619,951	7.25	31,750	0.14
	Adjustment for :				
	Inventories	(132,847)	(0.60)	(1,130,608)	(5.09)
	Trade & Other Receivable	(285,594)	(1.24)	(146,494)	(0.66)
	Loan & Advances	419,874	1.83	(701,578)	(3.16)
	Trade & Other Payables	(24,680)	(0.11)	654,895	2.93
	Net Cash flows from Operating Activities	1,596,704	7.13	(1,292,035)	(5.83)
B	Cash Flows From Investing Activities				
	Purchase of Equipment	(712,000)	(3.10)	(476,833)	(2.15)
	Purchase of Goodwill	-	-	(583,071)	(2.63)
	Payment of Organisation costs	-	-	(13,400)	(0.06)
	Net Cash flows from Investing Activities	(712,000)	(3.10)	(1,073,304)	(4.84)
C	Cash Flows from Financing Activities				
	Issuance of Common Stock	-	-	50	-
	Loan	129,289	0.56	2,453,684	11.06
	Interest Expenses	(24,765)	(0.11)	(5,062)	-
	Net Cash flows from Financing Activities	104,524	0.45	2,448,672	11.06
D	Others				
	Exchange Reserve	-	(0.21)	-	-
		-	(0.21)	-	-
	Net increase (decrease) in Cash & Cash Equivalents	989,228	4.28	83,333	0.39
	Cash & Cash Equivalents at beginning of the year	83,333	0.38	-	-
	Cash & Cash Equivalents at end of the year	1,072,561	4.66	83,333	0.39
	Represented By				
	Call Deposit	1,072,561	4.66	-	-
	Cash	-	-	83,333	0.38
		1,072,561	4.66	83,333	0.38

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) on Cash Flow Statement issued by The Institute of Chartered Accountant of India.
2. Prior Year Comparatives have been reclassified to confirm with current year's presentation, where ever applicable

As per our report of even date attached.

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Harsh Mishra
Director
Place : Ahmedabad

D. A. Parikh
Proprietor

Shailesh Vyas
Director
Place : Virginia

Place : Ahmedabad
Date : 16th May, 2007

Date : 16th May, 2007

COLUMBIA CHROME (INDIA) PRIVATE LIMITED

DIRECTOR'S REPORT

Your Directors present Their Twenty third Annual Report together with the Audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

Particulars	For the year ended 31.03.2007 Rupees	For the year ended 31.03.2006 Rupees
Income	27,571	13, 86,162
Profit/ (Loss) before Taxation	(47,966)	9,21,335
Provision for Taxation Current Tax	Nil	2,66,000
Profit/ (Loss) after Taxation	(47,966)	6,55,335
Brought forward from last year	7, 21,125	65,790
Surplus carried forward to Balance Sheet	6,73,159	7,21,125

2. DIVIDEND

In view of the losses, no Dividend has been recommended for the year

3. OPERATIONS

During the year under review, the Company has completed significant amount of documentation for acquisition of assignment rights from Financial Institutions and Banks towards debts of a sick industrial company.

4. AUDITORS

M/s Thakker Butala Desai, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Sec 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s Thakker Butala Desai, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

5. DIRECTORS

Mr. Devang Desai, Mr Rajesh S Adani, Mr. Chetan Shah and Mr. Mayur Shah retire by rotation and, being eligible, offer themselves for re-appointment.

6. PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The following are the loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company.

Name of the Company	Relation	Amount Outstanding At the end of the year	Maximum Amount Outstanding During the year (Net of TDS)
Adani Estates Private Limited	Holding Company	40,10,22,688	40,10,22,688

COLUMBIA CHROME (INDIA) PRIVATE LIMITED

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

8. EMPLOYEES

The Company had no employees who are in receipt of remuneration of not less than Rs .24,00,000 during the year ended March 31, 2007 or not less than Rs. 2,00,000 per month during any part of the said year.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March, 2007 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Ac,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board

Place : Mumbai
Date : 11th April, 2007

Chetan R. Shah
Chairman

COLUMBIA CHROME (INDIA) PRIVATE LIMITED**AUDITOR'S REPORT****TO THE MEMBERS OF
M/S. COLUMBIA CHROME (INDIA) PRIVATE LIMITED**

We have audited the attached Balance Sheet of **M/S. COLUMBIA CHROME (INDIA) PRIVATE LIMITED** as at 31st March, 2007 and also the Profit & Loss Account for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956. We have state that the Company is exempt from the said order

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007,
and
 - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For **Thakker Butala Desai**
Chartered Accountants

Place : Mumbai
Date : 11th April, 2007

K. N. Gandhi
Partner

COLUMBIA CHROME (INDIA) PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2007

Particulars	Schedule	As at March 31, 2007		As at March 31, 2006
		Rupees	Rupees	Rupees
Shareholders' Funds				
Share Capital	1		1,302,000	1,302,000
Reserves & Surplus	2		673,159	721,125
Loan Funds				
Unsecured Loans	3		694,404,239	542,893,268
Total			696,379,398	544,916,393
APPLICATION OF FUNDS				
Investments	4		60,592,655	-
Current Assets, Loans and Advances				
Inventories	5	605,887,283		486,750,047
Cash and Bank Balances	6	108,920		41,618,801
Loans and Advances	7	46,730,900		18,929,742
		652,727,103		547,298,590
Less : Current Liabilities and Provisions				
Current Liabilities	8	16,673,660		2,115,497
Provisions	9	266,700		266,700
		16,940,360		2,382,197
Net Current Assets			635,786,743	544,916,393
Total			696,379,398	544,916,393
Notes to Accounts	12			

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Thakker Butala Desai**
Chartered Accountants

Rajesh S. Adani
Director

K. N. Gandhi
Partner

Chetan R. Shah
Director

Place : Mumbai
Date : 11th April, 2007

Place : Mumbai
Date : 11th April, 2007

COLUMBIA CHROME (INDIA) PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

(in Rupees)

Particulars	Schedule	Year ended March 31, 2007	Year ended March 31, 2006
INCOME			
Interest on Fixed Deposits		3,955	1,138,244
Dividend Income		21,041	187,040
Profit on sale of redemption of units		2,575	60,878
Total		27,571	1,386,162
EXPENDITURE			
Administration and Other Expenses	10	75,065	463,309
Interest and Finance Charges	11	472	1,518
Total		75,537	464,827
Profit / (Loss) before taxation		(47,966)	921,335
Less: Provision for taxation			
Current Tax			266,000
Deferred Tax			
Fringe Benefit Tax			
		-	266,000
Profit / (Loss) after taxation		(47,966)	655,335
Add Brought forward from Previous Year		721,125	65,790
Balance carried to Balance Sheet		673,159	721,125
Earnings per Share			
- Basic & Diluted		(4)	50
(Refer Note 4 of Schedule 12)			
Notes to Accounts	12		

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **Thakker Butala Desai**
Chartered Accountants

Rajesh S. Adani
Director

K. N. Gandhi
Partner

Chetan R. Shah
Director

Place : Mumbai
Date : 11th April, 2007

Place : Mumbai
Date : 11th April, 2007

COLUMBIA CHROME (INDIA) PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 1 "		
SHARE CAPITAL		
Authorised		
100,000 Equity Shares of Rs. 100 /- each	10,000,000	10,000,000
	10,000,000	10,000,000
Issued, Subscribed and Paid Up		
13,020 Equity Shares of Rs. 100 /- each	1,302,000	1,302,000
(of the above 7,812 (7,812) shares are held by Adani Estates Private Limited, the holding company and its nominees)	1,302,000	1,302,000
SCHEDULE " 2 "		
RESERVES AND SURPLUS		
Profit & Loss Account	673,159	721,125
	673,159	721,125
SCHEDULE " 3 "		
UNSECURED LOANS		
From Companies	694,404,239	542,893,268
	694,404,239	542,893,268
SCHEDULE " 4 "		
INVESTMENTS		
Long Term Investments (At Cost)		
I Unquoted		
Debentures (Fully Paid up)		
Khatau Makanjee Spinnig & Weaving Mills Limited (F.V -Rs 100 each)	60,592,655	-
368,838 @ Rs. 164.28 per debenture		
	60,592,655	-

COLUMBIA CHROME (INDIA) PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 5 " INVENTORIES Assignment Rights (Including Rs 1,12,00,000/- pending assignment)	605,887,283	486,750,047
	605,887,283	486,750,047
SCHEDULE " 6 " CASH AND BANK BALANCES Cash on hand	5,000	5,000
Balance with Scheduled Banks - In Current Account	103,920	41,613,801
	108,920	41,618,801
SCHEDULE " 7 " LOANS AND ADVANCES (Unsecured Considered Good, unless otherwise stated) Advances recoverable in cash or in kind or for value to be received Advance Tax	46,073,277 657,623	18,904,856 24,886
	46,730,900	18,929,742
SCHEDULE " 8 " CURRENT LIABILITIES Sundry Creditors	16,673,660	2,115,497
	16,673,660	2,115,497
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007		
SCHEDULE " 9 " PROVISIONS Provision for Taxation	266,700	266,700
	266,700	266,700

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE "10 " ADMINISTRATION AND OTHER EXPENSES Legal & Professional Charges	8,300	418,700
Printing and Stationery	400	1,168
Audit Fees	16,836	5,612
Office Expenses	23,279	30,212
Preliminary Expenses written off	-	7,617
Travelling Expenses	26,250	-
	75,065	463,309
SCHEDULE "11 " INTEREST & FINANCE CHARGES Bank Charges	472	1,518
	472	1,518

SCHEDULE 12

NOTES TO ACCOUNTS

1. Significant Accounting Policies

a. Basis for preparation of accounts

The accounts have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India, and in compliance with the Applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

b. Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying assets that are capitalized as part of project costs.

Borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

c. Revenue Recognition :

All Income & Expenditure are recognized on accrual basis.

d. Provision for Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

e. Inventories :

Inventories are valued at lower of costs and net realizable value.

2. Inventories

Inventories represent amounts paid to various financial institutions and banks towards assignment of debts of a company and includes interest of Rs. 8,10,75,463 (96,13,437) . In the opinion of the management, the net realizable value of such assignments shall not be lower than the costs so included therein.

3. Investments

During the year the Company had invested Rs 25,00,000/-- representing 24,70,304 units @ 10.12 per unit of UTI Mutual Fund Floating Rate Fund Short Term Plan, which were subsequently redeemed (including the dividend re-invested of Rs 21,041/-) for an amount of Rs 25,23,615/-, resulting in a profit on redemption of Rs.2,575/-

4. Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

	Particulars	2006-07	2005-06
A.	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(47,966)	6,55,335
B.	Weighted Average number of Equity Shares(No.)	13020	13020
C.	Basic Earnings per share (Rs.)	(3.68)	50.33

5. Deferred Tax

In line with Accounting Standard 22 "Accounting for taxes on income", the Company has not recognized in the accounts, Deferred Tax Asset of Rs 16,310 at 31st March 2007.

The Component of deferred Tax Asset (DTA) as at 31st March 2007 is as follows:

Deferred Tax Asset	Rupees
Relation to unabsorbed losses	16,310/-

6. Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

7. Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited Ultimate Holding Company
2. Adani Infrastructure and Developers Private Limited Parent Company of the Holding Company
3. Adani Estates Private Limited- Holding Company with 60% shareholding

B Subsidiary Companies

Nil

C Fellow Subsidiary Companies

1. Swayam Realtors and Traders Limited

II Nature and Volume of Transactions with Related Parties

The disclosure of transactions with Related Parties, as required by Accounting Standard 18: "Related party disclosures" has been set out in a separate statement annexed to this Schedule

Related Party Transactions (Amount in Rs.)

Nature of Transaction	Enterprises Controlling the Company Holding Company	Enterprises Under Common Control including Fellow Subsidiaries
Rendering of Services	-	-
Services Availed /Expenses	-	-
Loan/Advance Received	46,500,000	-
Loan/Advance Given	-	36,054,435
Interest Received /Receivable	-	-
Interest Paid /Payable	42,928,940	-
Receivables including Interest	-	36,054,435
Payables including Interest	401,022,688	-

8. Previous Year Figures

The Previous year figures have been regrouped wherever necessary to confirm to current year classification.

Schedules referred to above form an integral part of the accounts.

As per our attached report

For **Thakker Butala Desai**
Chartered Accountants

On behalf Of the Board of Directors

K. N. Gandhi
Partner

Chetan R. Shah
Director

Rajesh S. Adani
Director

Place : Mumbai
Date : 11th April, 2007

Place : Mumbai
Date : 11th April, 2007

COLUMBIA CHROME (INDIA) PRIVATE LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details:

Registration No	U29110MH1995PTC086069	State Code	11
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Balance Sheet Date:

3	1	0	3	2	0	0	7
Date		Month		Year			

II. Capital raised during the year (Amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands):

Total Liabilities	713320	Total Assets	713320
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Sources of Funds

Paid - Up Capital	1302	Reserves & Surplus	673
Secured Loans	Nil	Unsecured Loans	694404

Application of Funds

Net Fixed Assets	Nil	Investments	60592
Net Current Assets	635787	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of the Company (Amount in Rs. Thousands):

Turnover (Including Other Income)			Total Expenditure		
28			76		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
	✓	48		✓	48
Earnings per share in Rupees			Dividend rate (%)		
(3.68)			Nil		

V. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Rajesh S. Adani
Director

Chetan R. Shah
Director

Place : Mumbai
Date : 11th April, 2007

COLUMBIA CHROME (INDIA) PRIVATE LIMITED
CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007

Particulars	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(47,966)	921,335
Adjustments for :		
Depreciation	-	-
Preoperative Expenses	-	7,617
Micellaneous Expenditure	-	30,796
Operating profit before working capital changes	(47,966)	959,748
Changes in:		
Inventories	(119,137,236)	(486,350,047)
Trade and other receivables	(27,801,158)	(16,712,960)
Trade and other payables	14,558,163	2,110,406
Cash Generated from Operations	(132,428,197)	(499,992,853)
Income Tax Paid/Received	-	-
Net Cash from Operating Activities	(132,428,197)	(499,992,853)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Investment in Debentures	(60,592,655.00)	-
Net Cash from Investing Activities	(60,592,655)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Proceeds from borrowings	151,510,971	536,484,434
Net Cash from Financing Activities	151,510,971	536,484,434
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	(41,509,881)	36,491,581
Cash & Cash Equivalents (Opening)	41,618,801	5,127,220
Cash & Cash Equivalents (Closing)	108,920	41,618,801

As per our attached report

For **Thakker Butala Desai**
Chartered Accountants

K. N. Gandhi
Partner

Place : Mumbai
Date : 11th April, 2007

On behalf of the Board of Directors

Rajesh S. Adani
Director

Chetan R. Shah
Director

Place : Mumbai
Date : 11th April, 2007

LIBRA SHIPPING PTE LTD
REPORT OF THE DIRECTORS

The directors present their first report together with the audited financial statements of the company for the financial period ended 31 March 2007. The financial period covers the period since incorporation on 24 March 2006 to 31 March 2007

1. DIRECTORS

The directors of the company in office at the date of this report are:

Pranav Sevanti Vora (Appointed on 30 March 2006)
Joseph Selvamalar (Appointed on 24 March 2006)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the company holding office at the end of the financial year and their interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act were as follows:

	Number of ordinary shares	
	At beginning of financial year or date of appointment, if later	At end of year
Joseph Selvamalar	100	-

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the date of incorporation, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial period, no option to take up unissued shares of the company was granted.

6. OPTIONS EXERCISED

During the financial period, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial period, there were no unissued shares under option.

8. AUDITORS

The auditors, M/s. Prudential Public Accounting Corporation, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board

Pranav Sevanti Vora
Director

Joseph Selvamalar
Director

Place : Singapore
Date : 10th May, 2007

LIBRA SHIPPING PTE LTD
STATEMENT BY DIRECTORS

We, being the directors of the company, do hereby state that in our opinion:-

- (a) the accompanying financial statements set out on pages 6 to 16 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2007, and of the results of the business, changes in equity and cash flows of the company for the financial period from 24 March 2006 (date of incorporation) to 31 March 2007; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On behalf of the Board

Pranav Sevanti Vora
Director

Place: Singapore,
Date : 10th May, 2007

Joseph Selvamalar
Director

LIBRA SHIPPING PTE LTD
AUDITOR'S REPORT TO THE MEMBERS
AUDITOR'S REPORT

TO THE MEMBERS OF **LIBRA SHIPPING PTE LTD.**

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of LIBRA SHIPPING PTE LTD as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in Singapore Dollar ('SGD') originally audited by the Statutory Auditors of the Company.
2. The financial statements in Singapore Dollar ('SGD') originally audited by the statutory auditors of the Company are for the period from 24th March, 2006 to 31st March, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the year.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from SGD into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in SGD by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
6. The above procedure do not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Enterprises Limited and to comply with the provisions of the Companies Act, 1956.

For **Dharmesh Parikh & Co.**
Chartered Accountants

D. A. Parikh
Proprietor

Place : Ahmedabad
Date : 10th May, 2007

LIBRA SHIPPING PTE LTD
BALANCE SHEET AS AT 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	SGD (FCY)		(Rs. in crores)	
			AS AT 31-03-2007		AS AT 31-03-2007	
A	SOURCES OF FUNDS :					
I.	SHAREHOLDERS' FUND					
	(A) Share capital	1	155,000		0.44	
	(B) Reserves & surplus		-		0.00	
				155,000		0.44
II.	LOAN FUNDS :					
	(A) Secured loans		-		-	
	(B) Unsecured loans	2	23,563		0.07	
				23,563		0.07
	TOTAL			178,563		0.51
B	APPLICATION OF FUNDS :					
I.	FIXED ASSETS			-		-
II.	INVESTMENTS			-		-
III.	CURRENT ASSETS, LOANS & ADVANCES					
	(A) Inventories		-		0.00	
	(B) Receivables		-		0.00	
	(C) Cash & bank balances	3	178,088		0.51	
	(D) Loans & advances		-		0.00	
			178,088		0.51	
	LESS :-					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current liabilities	4	1,980		0.01	
	(B) Provisions		-		-	
			1,980		0.01	
	NET CURRENT ASSETS			176,108		0.50
IV.	MISCELLANEOUS EXPENDITURE	5		2,455		0.01
	TOTAL			178,563		0.51

Notes forming part of the accounts 8

As per our Report on even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Pranav Sevanti Vora
Director

D. A. Parikh
Proprietor

Joseph Selvamalar
Director

Place : Ahmedabad
Date : 10th May, 2007

Place : Singapore
Date : 10th May, 2007

LIBRA SHIPPING PTE LTD
PROFIT & LOSS ACCOUNT FOR THE PERIOD 24TH MARCH, 2006 TO 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	SGD		(Rs. in crores)	
			24.03.2006 TO 31.03.2007	24.03.2006 TO 31.03.2007	24.03.2006 TO 31.03.2007	24.03.2006 TO 31.03.2007
A	INCOME :					
	Sales & Operating earnings		-	-	-	-
	Other income		-	-	-	-
			-	-	0.00	0.00
B	EXPENDITURE :					
	Cost of goods sold		-	-	-	-
	Personnel expenses		-	-	-	-
	Operation & other expenses	6	38	38	0.00	0.00
	Finance Charges	7	(38)	(38)	(0.00)	(0.00)
	Depreciation		-	-	-	-
	Misc. expenditure written off		-	-	-	-
			-	-	0.00	0.00
	Profit for the year before taxation		-	-	-	-
	Provision for taxation:					
	- Current Tax		-	-	-	-
	Profit after taxation		-	-	-	-
	Add : Surplus brought forward from previous year		-	-	-	-
	Balance carried to balance sheet		-	-	0.00	0.00
			-	-	-	-
	Earnings Per Share of SGD 1 each(in Rs)					
	- Basic & Diluted		-	-	-	-
	- Annualised		-	-	-	-

Notes forming part of the accounts

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As per our Report on even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Pranav Sevanti Vora
Director

D. A. Parikh
Proprietor

Joseph Selvamalar
Director

Place : Ahmedabad
Date : 10th May, 2007

Place : Singapore
Date : 10th May, 2007

LIBRA SHIPPING PTE LTD

SCHEDULES 1 TO 5 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SGD (FCY)		(Rs. in crores)	
	AS AT 31-03-2007		AS AT 31-03-2007	
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
155000 Shares of SGD 1 each (Previous Yr. Nil)		155,000		0.44
ISSUED, SUBSCRIBED & PAID-UP				
155000 Shares of SGD 1 each (Previous Yr. Nil)		155,000		0.44
		155,000		0.44
SCHEDULE : 2				
UNSECURED LOANS				
Intercorporate Loans		23,563		0.07
		23,563		0.07
SCHEDULE : 3				
CASH & BANK BALANCES				
Cash in hand		-		0.00
Balances with Scheduled Banks :-				
- In Current Account		178,088		0.51
		178,088		0.51
SCHEDULE : 4				
CURRENT LIABILITIES				
Sundry Creditors		-		0.00
Other liabilities		1,980		0.01
		1,980		0.01
SCHEDULE : 5				
MISCELLANEOUS EXPENDITURE				
Preliminary Expenses (To the extent not written off or adjusted)		2,455		0.01
Less : 1\5 th written off during the period		-		0.00
		2,455		0.01

**SCHEDULES 6 TO 7 FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE PERIOD 24TH MARCH, 2006 TO 31ST MARCH, 2007**

PARTICULARS	SGD (FCY)		(Rs. in crores)	
	24.03.2006 TO 31.03.2007		24.03.2006 TO 31.03.2007	
SCHEDULE : 6				
OPERATION & OTHER EXPENSES				
Office Expense		38		0.00
		38		0.00
SCHEDULE : 7				
FINANCE CHARGES				
Interest		-		-
		-		-
LESS : INTEREST INCOME				
Interest on Deposit & others (Gross)		(38)		(0.00)
		(38)		(0.00)

LIBRA SHIPPING PTE LTD

SCHEDULE 8

NOTES TO THE FINANCIAL STATEMENTS - 31st MARCH 2007

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The company (Registration number: 200604166C) is a limited private company, which is domiciled and incorporated in the Republic of Singapore with its registered office and principal place of business at:

3 Shenton Way
#19-08, Shenton House
Singapore 068805

The principal activities of the company include ship brokering services and acting as a shipping agent.

The financial statements of the company for the period ended 31st March 2007 were authorised for issue in accordance with the directors' resolution dated 10th May, 2007

We are presented with the financial statements of Libra Shipping Pte Ltd. in Indian Rupees duly converted, on the basis of aforesaid audit report to Comply with the requirements of Section 212 of the Companies Act, 1956.

Libra Shipping Pte Ltd is the wholly owned subsidiary of Adani Global Ltd incorporated in Mauritius. Adani Enterprises Ltd is the ultimate holding Company

The principal activities of the Company are to carry on ship brokering services and acting as shipping agent.

Libra Shipping Pte Ltd. is not a 'company' as defined in the Companies Act, 1956. We have not included the matters specified in paragraph 4 & 5 of Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the 'Company' in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the group's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Conversion to Indian Rupees

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as "Reserve and Surplus".

LIBRA SHIPPING PTE LTD

2.2 Income Tax

Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except that a debit to the deferred tax balance is not carried forward unless there is a probable realisation in the foreseeable future.

2.3 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements of the company are presented in Singapore dollars, which is also the functional and presentation currency of the Company.

2.4 Impairment of Assets

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

2.5 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company balance sheet when the company becomes a party to the contractual provisions of the instrument.

3.1 Bank balances

Bank balances comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.2 Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified accordingly to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities include accruals and loan from holding company. Accruals are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Interest bearing loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Borrowing costs are recognized in the profit and loss statement in the period in which they are incurred

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

LIBRA SHIPPING PTE LTD

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

4.1. Critical accounting judgements

In the process of applying the company's accounting policies, management is of the opinion that there is no critical judgement involved that have significant effect on the amounts recognised in the financial statements.

4.2. Key sources of estimation uncertainties

The management is of the opinion that there are no key sources of estimation uncertainty at the balance sheet date that have a significant effect on the amounts of assets and liabilities within the next financial year.

5. FINANCIAL RISKS AND MANAGEMENT

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal.

NOTES TO THE FINANCIAL STATEMENTS

5. FINANCIAL RISKS AND MANAGEMENT

5.1 Credit Risk

Credit risk refers to risk that counter party will default on their obligations to repay amounts owing to company resulting in a loss to the company. The carrying amounts of bank balances represents the company's maximum exposure to credit risk in relation to financial assets.

The company has no significant exposure to credit risk.

The credit risk on liquid funds is limited because the counter party is a bank with high credit ratings assigned by international credit rating agencies.

No other financial assets carry a significant exposure to credit risk.

5.2 Interest Rate Risk

Interest rate risk arises from the potential change in interest rate may have an adverse effect on the company's results in the current reporting period and in the future years. The company is exposed to interest rate risk through the impact of rate changes on borrowings. The interest rates and terms of repayment of borrowings are disclosed in Note 7 to the financial statements.

5.3 Liquidity Risk

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due. The company maintains sufficient cash and bank balances to finance their business activities. This minimise the liquidity risk.

5.4 Fair value of financial assets and financial liabilities

The carrying amounts of bank balances, accruals and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

LIBRA SHIPPING PTE LTD

6. HOLDING COMPANY RELATED COMPANIES TRANSACTIONS

The company is a wholly owned subsidiary of Adani Global Limited, a company incorporation in Mauritius, and the ultimate holding company is Adani Enterprises Ltd, which is incorporated in India.

7. HOLDING COMPANY RELATED COMPANIES TRANSACTIONS

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements. The inter Company balances are unsecured, interest free and without fixed repayment terms.

Significant related party transactions:

Particulars	31-03-2007
	S\$
Interest payable to immediate holding company	313
	Rs. In Crs.
Interest payable to immediate holding company (Rs. 9,059/-)	-----

8. LOAN FROM HOLDING COMPANY

Particulars	31-03-2007
	S\$
Loan from holding company	23,563
	Rs In Crs
Loan from holding company	0.08

The loan from holding company is unsecured, carries an interest rate of 12% p.a. and is not repayable within the next 12 months.

9. INCOME TAX

No provision for income tax has been made in the financial statements as there was no chargeable income during the period.

10. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 24th March 2006 to 31st March 2007. This being the first set of financial statements, there are no comparative figures.

LIBRA SHIPPING PTE LTD

11. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details:		
Registration No.	:	NA
State Code	:	NA
Balance Sheet Date	:	31-03-2007
II. Capital Raised during the year (Amount in Rs. Thousand)		
Public Issue - NIL		Right Issue - NIL
Bonus Issue - NIL		Private Placement - 4441
III. Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousand)		
Total Liabilities	:	5,173
Total Assets	:	5,173
Sources of Funds:		
Paid –up Capital	:	4,441
Reserves & Surplus	:	-----
Secured Loans	:	-----
Unsecured Loans	:	675
Deferred Tax Liability	:	-----
Application of Funds:		
Net Fixed Assets	:	-----
Investments	:	-----
Net Current Assets	:	5,046
Miscellaneous Expenditure	:	70
Accumulated Losses	:	-----
IV. Performance of Company (Amount in Rs. Thousand)		
Turnover (Including other Income)	:	1
Total expenditure	:	1
Profit/(Loss) before tax	:	0
Profit/(Loss) after tax	:	0
Earning per share (Rs.)	:	-----
Dividend Rate %	:	-----
V Generic Names of Three Principal products / services of Company (As per monetary terms)		
Item Code No. (ITC Code)		Not Ascertainable
Product Description		Merchant Exporters
Item Code No. (ITC Code)		Not Ascertainable
Product Description		Merchant Exporters
Item Code No. (ITC Code)		Not Ascertainable
Product Description		Merchant Exporters

Signature to Schedule 1 to 8

For and on behalf of the Board

Pranav Sevanti Vora
Director

Place : Singapore
Date : 10th May, 2007

Joseph Selvamalar
Director

LIBRA SHIPPING PTE LTD

CASH FLOWS STATEMENT FOR THE PERIOD 24/03/2006 TO 31/03/2007

Sr. No.	Particulars	24/03/2006 To 31/03/2007	24/03/2006 To 31/03/2007
		(SGD)	(Rs in Crores)
A	Cash flows from Operating Activities		
	Profit before income tax and working capital changes	-	-
	Interest	(38.00)	(0.00)
	Operating profit before working capital changes	(38.00)	(0.00)
	Payables	1,980.00	0.01
	Net Cash flow from Operating Activities	1,942.00	0.01
B	Cash Flow from Investing Activities		
	Deferred expenditure	(2,455.00)	(0.01)
	Loan from immediate holding company	23,563.00	0.07
	Interest received	38.00	0.00
	Net Cash flow from Investing Activities	23,088.00	0.07
C	Cash Flow from Financing Activities		
	Proceeds on issue of shares	155,000.00	0.44
	Net Cash flow in Financing Activities	155,000.00	0.44
	Net increase in cash & cash equivalent (A+B+C)	178,088.00	0.51
	Cash & Cash Equivalent at the beginning of period	-	-
	Cash & Cash Equivalent at the end of period	178,088.00	0.51

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) on Cash Flow Statement issued by The Institute of Chartered Accountant of India.

As per our Report on even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountants

Pranav Sevanti Vora
Director

D. A. Parikh
Proprietor

Joseph Selvamalar
Director

Place : Ahmedabad
Date : 10th May, 2007

Place : Singapore
Date : 10th May, 2007

PT ADANI GLOBAL

**DIRECTOR'S REPORT TO THE SHAREHOLDER
FOR PERIOD ENDED 31 MARCH 2007**

The directors have pleasure in submitting the financial statements of PT Adani Global, for the period ended 31st March, 2007.

Review of operations

Being the first year of operations, your directors are hopeful for achieving growth in the forthcoming years.

Turnover, profit and dividend

The turnover of the company for the period from 3rd January, 2006 to 31st March, 2007 amounted to Rs. 3.43 Crores.

In view of the loss, your Directors do not recommend dividend for the year under review.

Events after the balance sheet date

There were no major events occurred after the balance sheet date which materially affect the establishment.

The following served as directors of the establishment during the period:

Mr. Harsh Mishra	Indian national
Mr. Pradeep Mittal	Indian national

For and on behalf of the board of directors of

Harsh Mishra
Director

Date : 21st May, 2007

PT ADANI GLOBAL
AUDITORS' REPORT

TO THE MEMBERS OF
PT ADANI GLOBAL

1. We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of PT Adani Global as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statement in Rupiah originally audited by the Statutory Auditors of the Company.
2. The financial statements in Rupiah originally audited by the statutory auditors of the Company are for the year ended 31st March, 2007.
3. The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirement of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
 - a. All income and expenses at the average rate of exchange prevailing during the period.
 - b. Assets and Liabilities at the closing rate on the Balance Sheet date.
 - c. Share Capital at historical rate.
 - d. The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency/Translation Reserve'.
4. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statement from Rupiah into INR on the basis stated in the foregoing paragraphs and
 - b. Reviewing the reformatting of the audited financial statements as per the requirements of Companies Act, 1956.
5. We report that the financial statements as audited in Rupiah by the statutory auditors; have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
6. The above procedure does not constitute an audit and accordingly, we do not express any opinion on the financial statements.
7. This report is issued solely for the purpose of consolidation by the holding company, Adani Enterprises Limited and to comply with the provisions of the Companies Act, 1956.

For **Dharmesh Parikh & Co.**
Chartered Accountants

Place : Ahmedabad
Date : 21st May, 2007

D. A. Parikh
Proprietor

PT ADANI GLOBAL
BALANCE SHEET AS AT 31ST MARCH, 2007

	PARTICULARS	SCHEDULE	Rupiah (in '000)(FCY)		(Rs. in crores)	
			AS AT 31-03-2007		AS AT 31-03-2007	
A	SOURCES OF FUNDS :					
I.	SHAREHOLDERS' FUND					
	(A) Share capital	1	6,406,536		3.06	
	(B) Reserves & surplus		-		0.00	
				6406536		3.06
II.	LOAN FUNDS :					
	(A) Secured loans		-		-	
	(B) Unsecured loans	2	5,042,226		2.41	
				5042226		2.41
	TOTAL			11448762		5.47
B	APPLICATION OF FUNDS :					
I.	FIXED ASSETS					
	(A) Gross block	3	757,122		0.36	
	(B) Less : Depreciation		50,164		0.02	
	(C) Net block		706,958		0.34	
	(D) Capital work-in-progress		4,611,449		2.20	
				5318407		2.54
II.	INVESTMENTS			-		-
III.	CURRENT ASSETS, LOANS & ADVANCES					
	(A) Inventories		-		-	
	(B) Receivables		-		-	
	(C) Cash & bank balances	4	5,116,040		2.44	
	(D) Loans & advances	5	1,038,558		0.50	
			6,154,598		2.94	
	LESS :-					
	CURRENT LIABILITIES & PROVISIONS					
	(A) Current liabilities	6	144,088		0.07	
	(B) Provisions	7	66,168		0.03	
			210,256		0.10	
	NET CURRENT ASSETS			5944342		2.84
IV.	Profit & Loss Account (Dr. Balance)			186013		0.09
	TOTAL			11448762		5.47

Notes forming part of the accounts

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As per our Report on even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.,**
Chartered Accountants

Harsh Vardhan Mishra
President Director

D. A. Parikh
Proprietor

Pradeep Mittal
Director

Place : Ahmedabad
Date : 21st May, 2007

Place : Ahmedabad
Date : 21st May, 2007

PT ADANI GLOBAL

PROFIT & LOSS ACCOUNT FOR THE PERIOD 3rd JANUARY, 2006 TO 31ST MARCH, 2007

PARTICULARS	SCHEDULE	Rupiah (in '000)(FCY)		(Rs. in crores)	
		03.01.2006 TO 31.03.2007		03.01.2006 TO 31.03.2007	
A INCOME :					
Sales & Operating earnings	8	6958676		3.43	
Other income		-		-	
		6958676		3.43	
B EXPENDITURE :					
Cost of goods sold	9	6,651,694		3.28	
Personnel expenses		-		-	
Operation & other expenses	10	574,363		0.28	
Finance Charges	11	(81,368)		(0.04)	
Depreciation		-		-	
Misc. expenditure written off		-		-	
		7144689		3.52	
Profit for the year before taxation		(186013)		(0.09)	
Provision for taxation:					
- Current Tax		-		-	
Profit after taxation		(186013)		(0.09)	
Add : Surplus brought forward from previous year		-		-	
Balance carried to balance sheet		-186013		-0.09	
		-186013		-0.09	
Earning per Share of Rupiah 925800 each (in Rupees)					
- Basic & Diluted				(106.78)	
- Annualised				(85.42)	

Notes forming part of the accounts
As per our attached report of even date

12

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**,
Chartered Accountants

Harsh Vardhan Mishra
President Director

D. A. Parikh
Proprietor

Pradeep Mittal
Director

Place : Ahmedabad
Date : 21st May, 2007

Place : Ahmedabad
Date : 21st May, 2007

PT ADANI GLOBAL

SCHEDULES 1 TO 7 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	Rupiah (in '000)(FCY)	(Rs. in crores)
	AS AT 31-03-2007	AS AT 31-03-2007
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED 30,000 (Pr. Year Nil) Eq Shares of 925800 per share	27774000	13.25
ISSUED, SUBSCRIBED & PAID-UP 6920 (Pr. Year Nil) Eq shares of Rs 925800 per share {Of the above shares : 1. Adani Global PTE, Singapore held 6,574 Eq shares (Pr. Year Nil) 2. Adani Global Ltd, Mauritius held 346 Eq shares (Pr. Year Nil)}	6406536	3.06
	6406536	3.06
SCHEDULE : 2		
UNSECURED LOANS Intercorporate Loans	5042226	2.41
	5042226	2.41

**SCHEDULE : 3
FIXED ASSETS :**

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01/01/06	Addition during the Period	Deductions during the Period	As at 31/03/07	As at 01/01/06	Provided for the Period	Deductions during the Period	As at 31/03/07	As at 31/12/2005
1	Goodwill	-	-	-	-	-	-	-	-	-
2	Land	-	-	-	-	-	-	-	-	-
3	Building	-	-	-	-	-	-	-	-	-
4	Plant & Machinery	-	0.25	-	0.25	-	0.01	-	0.01	0.24
5	Furniture & Fixtures	-	-	-	-	-	-	-	-	-
6	Electric Fittings & Installations	-	-	-	-	-	-	-	-	-
7	Office Equipment	-	0.01	-	0.01	-	0.00	-	0.00	0.01
8	Computer Equipment	-	0.04	-	0.04	-	0.01	-	0.01	0.03
9	Vehicles	-	0.06	-	0.06	-	0.01	-	0.01	0.05
	TOTAL	-	0.36	-	0.36	-	0.02	-	0.02	0.34
	Previous Year	-	-	-	-	-	-	-	-	-

PARTICULARS	Rupiah (in '000)(FCY)	(Rs. in crores)
	AS AT 31-03-2007	AS AT 31-03-2007
SCHEDULE : 4		
CASH & BANK BALANCES		
Cash in hand	23388	0.01
Balances with Scheduled Banks :-		
- In Fixed Deposit	4114710	1.96
- In Current Account	977942	0.47
	5116040	2.44
SCHEDULE : 5		
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or kind or for value to be received	1038558	0.50
	1038558	0.50
SCHEDULE : 6		
CURRENT LIABILITIES		
Sundry Creditors	122988	0.06
Other liabilities	21100	0.01
	144088	0.07
SCHEDULE : 7		
PROVISIONS		
Provision for taxation	66168	0.03
	66168	0.03

PT ADANI GLOBAL

**SCHEDULES 8 TO 11 FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE PERIOD 3RD JANUARY, 2006 TO 31ST MARCH, 2007**

PARTICULARS	Rupiah (in '000)(FCY)		(Rs. in crores)	
	03.01.2006 TO 31.03.2007		03.01.2006 TO 31.03.2007	
SCHEDULE : 8				
SALES & OPERATING EARNINGS				
Sales		6958676		3.43
		6958676		3.43
SCHEDULE : 9				
COST OF GOODS SOLD				-
Raw material consumed				
Opening stock		-		-
ADD Purchases during the year	3,970,754		1.96	
	3,970,754		1.96	
LESS Closing stock		-		-
		3970754		1.96
ADD : Processing charges		2680940		1.32
		6651694		3.28
SCHEDULE : 10				
OPERATION & OTHER EXPENSES				
Rent		90000		0.04
Rates & Taxes		4625		0.00
Postage, telephone & telex expenses		14239		0.01
Insurance expenses		15770		0.01
Misc Expenses		94403		0.05
Clearing & Forwarding Exp		42355		0.02
Advertisement expenses		167008		0.08
Supervision & testing expenses.		103232		0.05
Travelling & conveyance expenses		42731		0.02
		574363		0.28
SCHEDULE : 11				
FINANCE CHARGES				
Interest		-		-
		-		-
LESS : INTEREST INCOME				
Interest on Deposit & others (Gross)		(67597)		(0.03)
Exchange Rate Difference (including premium)		(13771)		(0.01)
		(81368)		(0.04)

Schedule - 12

Notes to the Financial Statements

The Financial statements are prepared in thousand of Rupiah(FCY)

1. General

PT Adani Global (“the Company”) was established under Foreign Investment Law no.1, 1967, as amended by Law No. 11, 1970 and by virtue of the notary deed no. 5 of Darmawan Tjoa S.H., public notary in Jakarta dated 3 January 2006.

The Company’s Articles of Association has been amended several times. The last amendment was issued by Notarial Deed No. 9 dated 31 May 2006 of Ny. Rohana Frieta, S.H, regarding the increase of authorised share capital and the changes of article No. 3 of Articles of Association for the expansion of the Company’s activities. This amendment was approved by The Ministry of Justice and Human Rights of the Republic of Indonesia in his decision letter no. C-16861.HT.01.04.TH.2006 dated 9 June 2006.

According to the Articles of Association No. 3, the Company was formed for the purpose of export and import trade and general mine supporting service

The Company’s office is domiciled in Jakarta, Sungai Danau, Tarakan and Bunyu in Indonesia

The number of employees as of 31 March 2007 was 16 persons (31 December 2006 was 14 persons).

The Company is wholly owned subsidiary of Adani Global PTE Singapore, which in turn is wholly owned subsidiary of Adani Global Limited, (the “holding company”), a private company incorporated in Mauritius. Adani Enterprises Limited, India, a public joint stock company is the “ultimate holding company”.

The financial statements of PT Adani Global Ltd are presented in Indian Rupees duly converted, on the basis of aforesaid audit report to comply with the requirements of Section 212 of the Companies Act, 1956.

PT Adani Global Ltd is not a ‘company’ as defined in the Companies Act, 1956. The auditors have not included the matters specified in paragraph 4 & 5 of Companies (Auditor’s Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is applicable only to the ‘Company’ in terms of clause 2 of Paragraph 1.

The accounts have been prepared for the purpose of attachment to the accounts of the ultimate holding Company to comply with the provisions of the Indian Companies Act, 1956.

2. Summary of Significant Accounting Policies

a. Basis of Financial Statements Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia, except otherwise stated.

The statements of cash flows are prepared based on the indirect method by classifying cash flows arising from operating, investing and financing activities.

The Financial statements are prepared in thousand of Rupiah

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b. Conversion to Indian Rupees

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve.

The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Translation Reserve Account and the said account is being treated as “Reserve and Surplus”.

c. Foreign currency transactions and balances

The company maintains its accounting records in Rupiah currency. Transactions in currencies other than Rupiah are recorded at the prevailing rate of exchange in effect on the date of the transactions.

PT ADANI GLOBAL

At balance sheet date, all monetary assets and liabilities denominated in foreign currency have been translated at the prevailing exchange rate at that date.

Exchange gains or losses arising from foreign currency translations are recognized in the current year statements of profit and loss.

The principal rate of exchange used as of 31 March 2007 was US\$ 1 to Rp 9,143.8 and as of 31 December 2006 was US\$ 1 to Rp 9,020.

d. Inventories

Inventories are carried at the lower of cost or net realisable value.

Cost is based on the First-in-First-Out method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

e. Fixed assets

Fixed assets are stated at cost less their accumulated depreciation.

Depreciation is computed using the straight-line method at rates considered adequate to cover the estimated useful life of the assets, as follows:

Machinery	10 years
Motor vehicles	5 years
Computer and office equipment	4 years
Site equipment	4 years

The cost of repairs and maintenance is charged to expense as incurred, and the significant renewals and betterment costs are capitalised. When assets are retired or otherwise disposed of, their carrying value and the related accumulated depreciation is removed from the accounts and any resulting gain or loss is charged to the statement of profit and loss for the period.

Construction in progress is stated at cost and presented as fixed assets. The accumulated costs will be reclassified to the appropriate fixed assets accounts when the construction is completed and the asset is ready for its intended use.

f. Related parties

Related parties are considered to be related if one party has an ability to control the other party or exercise significant influence over that other party in making financial and operating decisions. Related party relationship described as follows:

- i) enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise;
- ii) associated enterprises;
- iii) individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them significant influence over the enterprise, and or close member of the family of any such individual;
- iv) key management personnel, that is, those persons having authority and responsibility activities of the reporting enterprise, including directors and officer of the company and close members of the families of such individual and;
- v) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4) or over which such person is able to exercise significant influence, this includes enterprises owned by directors or major shareholders of the reporting enterprises and enterprises that have a member of the key management in common with the reporting enterprise.

g. Corporate income tax

Corporate income tax is computed on the basis of taxable income for the period.

PT ADANI GLOBAL

h. Revenue and expenses recognition

In relation of the sales of goods, revenue is recognised when the significant risk and reward of ownership have been transferred to the buyer, and no significant uncertainties remain regarding the associated costs or the possible return of goods.

Expenses are recognised when incurred.

i. Amount due to related parties

March 31, 2007

Particulars	Rupiah(FCY) (in '000)
Adani Global Pte Ltd - Singapore	5,042,226
	5,042,226
Particulars	Rs. (in Crores)
Adani Global Pte Ltd - Singapore	2.41
	2.41

PT ADANI GLOBAL

j. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile :

I.	Registration Details :	
	Registration No.	: NA
	State Code	: NA
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year (Amount in Rs. Thousand)	
	Public Issue -- Nil	Right Issue -- NIL
	Bonus Issue -- Nil	Private Placement -- 30,559
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)	
	Total Liabilities	: 55,643
	Total Assets	: 55,643
	Sources of Funds :	
	Paid -- up Capital	: 30,559
	Reserves & Surplus	: -----
	Secured Loans	: -----
	Unsecured Loans	: 24,051
	Deferred Tax Liability	: -----
	Application of Funds:	
	Net Fixed Assets	: 25,369
	Investments	: -----
	Net Currents Assets	: 28,355
	Miscellaneous Expenditure	: -----
	Accumulated Losses	: 917
IV.	Performance of Company (Amount in Rs. Thousand)	
	Turnover (Including other Income)	: 34,306
	Total expenditure	: 35,223
	Profit/(Loss) before tax	: [917]
	Profit/(Loss) after tax	: [917]
	Earning per share (Rs.)	: [106.78]
	Dividend Rate %	: -----
V	Generic Names of Three Principal products/services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Merchant Exporters

Signature to Schedule 1 to 12

For and on behalf of the Board,

Place : Ahmedabad
Date : 21st May, 2007

Harsh Vardhan Mishra
President Director

Pradeep Mittal
Director

PT ADANI GLOBAL

Cash Flows Statements For Period ended 31 March, 2007

Particulars	Rs (in Crores)	Rupiah(in 000)(FCY)
	Period ended 31/03/2007	Period ended 31/03/2007
Cash flows from operating activities		
Profit/(Loss)before income tax	(0.09)	(186,013)
(Increase) / decrease in:		
Other current assets	(0.46)	(969,771)
Deposits	(0.04)	(68,787)
Increase / (decrease) in:		
Taxes payables	0.03	66,168
Other current liabilities	0.07	144,088
Cash generated from operations	(0.49)	(1,014,315)
Net cash from (used for) operating activities A	(0.49)	(1,014,315)
Cash flows from investing activities		
Constructions in progress	(2.18)	(4,561,285)
Purchase of fixed assets	(0.36)	(757,122)
Net cash used in investing activities B	(2.54)	(5,318,407)
Cash flows from financing activities		
Amount due to related companies	2.41	5,042,226
Proceeds from shares issued	3.06	6,406,536
Net cash used in investing activities C	5.47	11,448,762
Increase in cash and cash equivalents (A+B+C)	2.44	5,116,040
Cash and cash equivalents at the beginning of year	-	-
Cash and cash equivalents - at the end of year	2.44	5,116,040

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

Notes:

- The above cash flow has been prepared under the Indirect Method set out in Accounting Standard (AS-3) on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

As per our report on even date attached

For and on behalf of the Board,

For **Dharmesh Parikh & Co.**
Chartered Accountant

Harsh Vardhan Mishra
President Director

D. A. Parikh
Proprietor

Pradeep Mittal
Director

Place : Ahmedabad
Date : 21st May, 2007

Place : Ahmedabad
Date : 21st May, 2007

SWAYAM REALTORS AND TRADERS LIMITED

DIRECTOR'S REPORT

Your Directors present their Third Report together with the audited Accounts for the year ended 31st December, 2006.

1. OPERATIONS

The Company has not commenced any commercial operations during the year. The Company is pursuing opportunities for Mill Land development in Mumbai.

2. CHANGE IN FINANCIAL YEAR

The Company has changed the financial year of the company to 9 months ending 31st December 06 and accordingly the accounts have been prepared for the period 1st April 2006 to 31st December 2006.

3. AUDITORS

M/s K.M.Lakdawala & Co, Chartered Accountants, retire as Auditors of the Company, at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of Sec 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s K.M.Lakdawala & Co, Chartered Accountants, to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section.

4. DIRECTORS

Mr. Devang Desai, Mr. Chetan. R. Shah and Mr. Mayur. R. Shah retire by rotation and, being eligible, offer themselves for re-appointment.

5. PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent Company

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

7. EMPLOYEES

The Company had no employees who are in receipt of remuneration of not less than Rs. 24,00,000 during the year ended December 31, 2006 or not less than Rs. 2,00,000 per month during any part of the said year.

8. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management and after due enquiry confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st December, 2006 and of the Profit and Loss Account for the year ended on that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of companies Ac,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a 'going concern' basis.

For and on behalf of the Board

Place : Mumbai
Date : 12th January, 2007

Rajesh S. Adani
Chairman

SWAYAM REALTORS AND TRADERS LIMITED

REPORT OF THE AUDITOR'S TO THE MEMBERS OF SWAYAM REALTORS AND TRADERS LIMITED

We have audited the attached Balance Sheet of **SWAYAM REALTORS AND TRADERS LIMITED** for the period ended 31st December, 2006.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India.

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

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b. In our opinion, proper Books of Account as required by Law have been kept by the Company, so far as appears from our examination of the Books.
- c. The Balance Sheet dealt with by this report is in agreement with Books of Account.
- d. In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representation received from the directors, for the period ended 31st December 2006 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December 2006 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion, and to the best of our information and according to the explanation given to us, the Accounts read together with the Notes thereon gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

For **K. M. Lakdawala & Co.**
Chartered Accountants

Place : Mumbai
Date : 12th January, 2007

K. M. Lakdawala
Proprietor

SWAYAM REALTORS AND TRADERS LIMITED
ANNEXURE TO THE AUDITORS REPORT

As required by the Manufacturing and Other Companies Auditors Report Order, 1988 issued by the Company Law Board in terms of Sec 227(4A) of Companies Act, 1956 and on the basis of the such checks as considered appropriate , we report that :-

1. The Company has no fixed Assets and therefore the question of revaluation does not arise.
2. The Company has not taken loans from Directors, Shareholders and Companies under the same Management as listed u/s 301 of the Companies Act, 1956.
3. The Company has not given advances in the nature of loan .
4. The Company has not accepted deposited from the Public u/s 58A.
5. Since the paid up Share Capital of the Company is below Rs 25 Lac the requirement of maintaining an Internal Audit Systems does not arise.
6. According to the records of the Company there are no dues payable for Provident Fund and Employees State Insurance Scheme.
7. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty and Tax deducted at Source which was not paid within six months of 31st December 2006 or for a period of more than 6 months from the date they became payable.
8. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account except those payable under contractual obligation.
9. The Company is not sick Industrial Company within the meaning of Clause (0) of sub Sec (1) of Section 3 of Sick Industrial Companies (Special Provisional Act) 1985 as the same is not an Industrial Company.
10. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
11. the provisions of any special status are not applicable to this Company as the Company is not engaged in activities of Chit Fund, Nidhi or Mutual Benefit Society.
12. According to the information and explanation given to us there are no transaction in excess Rs. 5 Lac each between the Company and parties listed U/s 301 of the Company Act, 1956
13. In our opinion the Company is not dealing or trading in shares, debentures or other securities .
14. The Company has no accumulated losses and has not incurred any cash losses during the current financial year or in the immediately preceding financial year, as the Company has not commenced any commercial activity.
15. According to the information and explanation given to us the Company has not defaulted in repayments due to Banks, Financial Institutions etc.
16. According to the information and explanation given to us the Company has not given guarantees for loans
17. The Company has not accepted any Term Loans.
18. The Company has not made any specific long or short term borrowings
19. No preferential allotment of shares is made during the period
20. No borrowings have been made by way of Debentures
21. No public issues were raised during the year.
22. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company have been noticed or reported during the period .
23. Other sub-clauses of Clause 4 of the said order in our opinion are not applicable.

For **K. M. Lakdawala & Co.**
Chartered Accountants

Place : Mumbai
Date : 12th January, 2007

K. M. Lakdawala
Proprietor

SWAYAM REALTORS AND TRADERS LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2006

Particulars	Schedule	As at December 31, 2006		As at
		Rupees	Rupees	March 31, 2006
				Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		500,000	500,000
Total			500,000	500,000
APPLICATION OF FUNDS				
Current Assets, Loans and Advances				
Cash and Bank Balances	2	431,348		431,348
Loans and Advances	3	-		-
		431,348		431,348
Less : Current Liabilities and Provisions				
Current Liabilities	4	3,306		1,653
		3,306		1,653
Net Current Assets			428,042	429,695
Profit & Loss Account -Debit balance			71,958	70,305
Total			500,000	500,000
Notes to Accounts	7			

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For K. M. Lakdawala & Co.
Chartered Accountants

Rajesh S. Adani
Director

K. M. Lakdawala
Proprietor

Chetan R. Shah
Director

Place : Mumbai
Date : 12th January, 2007

Place : Mumbai
Date : 12th January, 2007

SWAYAM REALTORS AND TRADERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD APRIL 1, 2006 TO DECEMBER 31, 2006

Particulars	Schedule	Period ended	
		December 31, 2006 Rupees	March 31, 2006 Rupees
EXPENDITURE			
Administration and Other Expenses	5		69,966
Interest and Finance Charges	6		339
Total		1,653	70,305
Profit / (Loss) before taxation		(1,653)	(70,305)
Less: Provision for taxation		-	
		-	-
Profit / (Loss) after taxation		(1,653)	(70,305)
Add Brought forward from Previous Year		(70,305)	-
Balance carried to Balance Sheet		(71,958)	(70,305)
Earnings per Share			
- Basic & Diluted		(0.03)	(1.41)
(Refer Note 2 of Schedule 7)			
Notes to Accounts	7		

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For K. M. Lakdawala & Co.
Chartered Accountants

Rajesh S. Adani
Director

K. M. Lakdawala
Proprietor

Chetan R. Shah
Director

Place : Mumbai
Date : 12th January, 2007

Place : Mumbai
Date : 12th January, 2007

SWAYAM REALTORS AND TRADERS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT DECEMBER 31, 2006

Particulars	As at December 31, 2006 Rupees	As at March 31, 2006 Rupees
SCHEDULE " 1 "		
SHARE CAPITAL		
Authorised		
5,00,000 Equity Shares of Rs. 10 /- each	500,000	500,000
	500,000	500,000
Issued, Subscribed and Paid Up		
5,00,000 Equity Shares of Rs. 10 /- each	500,000	500,000
Out of the above 30,000 (30,000) shares are held by Adani Esates Private Limited, the holding company and its nominees)	500,000	500,000
SCHEDULE " 2 "		
CASH AND BANK BALANCES		
Cash and cheques on hand	110,038	441,038
Balance with Scheduled Banks - In Current Account	321,310	(9,690)
	431,348	431,348
SCHEDULE " 3 "		
LOANS AND ADVANCES		
(Unsecured Considered Good,unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	-	-
	-	-
SCHEDULE " 4 "		
CURRENT LIABILITIES		
Sundry Creditors	3,306	1,653
	3,306	1,653

SWAYAM REALTORS AND TRADERS LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR PERIOD ENDED DECEMBER 31, 2006

Particulars	As at December 31, 2006 Rupees	As at March 31, 2006 Rupees
SCHEDULE "5 "		
ADMINISTRATION AND OTHER EXPENSES		
Legal & Professional Charges	-	59,152
Printing & Stationery	-	9,081
Audit Fees	1,653	1,653
Office Expenses	-	80
	1,653	69,966
SCHEDULE "6 "		
INTEREST & FINANCE CHARGES		
Bank Charges	-	339
	-	339

SWAYAM REALTORS AND TRADERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2006

SCHEDULE -7

NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis for Preparation of Accounts :

The accounts have been prepared to comply, in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

b) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost comprises all cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to the condition of its intended use. Cost also includes direct expenses incurred upto the date of capitalization, and the exchange differences arising on foreign loans taken for acquiring the assets.

c) Depreciation :

Depreciation is provided on Straight Line Method from the date the assets are put to use at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

d) Borrowing Costs :

Borrowing costs include interest, fees and other charges in connection with the borrowing of funds and is considered as revenue expenditure for the year on which it is incurred except for borrowing costs attributable to the acquisition/improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalized as cost of that asset.

However, borrowing costs are suspended from capitalization on the project when development work on the project is interrupted for extended periods.

e) Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made only if such a decline is other than of temporary nature.

Current investments are carried individually at lower of cost and quoted/fair value and the resultant decline, if any, is charged to revenue.

f) Provision for Taxes :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is virtual certainty or reasonable certainty, as the case may be, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

2. Earnings per Share

The computation of the "Earnings per share" in line with Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under:

		As at Dec. 31, 2006	As at Mar. 31, 2006
A	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(1653)	(70,305)
B	Weighted Average number of Equity Shares(No.)	50,000	50,000
C	Basic & Diluted Earnings per share (Rs.)	(0.03)	(1.41)

SWAYAM REALTORS AND TRADERS LIMITED

3. Sundry Creditors

The identification of suppliers as small-scale industrial undertakings has been done on the basis of information provided by the suppliers to the Company. On this basis, there are no small-scale industrial undertakings to whom the Company owes any amount as at the Balance Sheet date.

4. Segment Reporting

Considering the organization structure, nature of products and risks and return profile based on geographical distribution, the realty business is considered as a single segment in accordance with the Accounting Standard AS -17 "Segment Reporting"

5. Related Party Transactions

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly to control the other party or exercise significant influence over the party in making financial and operating decisions.

I Related Parties:

A Enterprises Controlling the Company

1. Adani Enterprises Limited - Ultimate Holding Company
2. Adani Infrastructure and Developers Private Limited - Parent Company
3. Adani Estates Private Limited - Holding Company with 60% shareholding

B Subsidiary Companies

Nil

C Fellow Subsidiary Companies

1. Columbia Chrome (India) Private Limited

II Nature and Volume of Transactions with Related Parties

The Company has not entered into any transactions with related parties during the period

6. Previous Year Figures

The Previous year figures have been regrouped wherever necessary to confirm to current year classification.

7. Change in Financial Year

The Company has changed the financial year of the company to 9 months to the period ending 31st December and accordingly the accounts have been drawn for the period 1st April 2006 to 31st December 2006

Schedules referred to above form an integral part of the accounts

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For K. M. Lakdawala & Co.
Chartered Accountants

Rajesh S. Adani
Director

K. M. Lakdawala
Proprietor

Chetan R. Shah
Director

Place : Mumbai
Date : 12th January, 2007

Place : Mumbai
Date : 12th January, 2007

SWAYAM REALTORS AND TRADERS LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Companys General Business Profile:

I. Registration details:

Registration No	U451909MH2004PTC148441	State Code	11
-----------------	------------------------	------------	----

Balance Sheet Date:

3	1	1	2	2	0	0	6
Date		Month		Year			

II. Capital raised during the year (Amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilization and deployment of funds (Amount in Rs. Thousands):

Total Liabilities	428	Total Assets	428
Sources of Funds			
Paid-Up Capital	500	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	Nil
Application of Funds			
Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	428	Misc. Expenditure	Nil
Accumulated Losses	72		

IV. Performance of the Company (Amount in Rs. Thousands):

Turnover (Including Other Income)			Total Expenditure		
Nil			2		
+	-	Profit/(Loss) before tax	+	-	Profit/(Loss) after tax
	✓	2		✓	2
Earnings per share in Rupees			Dividend rate (%)		
(0.03)			Nil		

V. Generic Names of three Principal Products/Services of the Company (As per monetary terms)

ITC Code	Not applicable
Product description	

For and on behalf of the Board

Rajesh S. Adani
Director

Place : Mumbai
Date : 12th January, 2007

Chetan R. Shah
Director

SWAYAM REALTORS AND TRADERS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2006

Particulars	As at 31 Dec, 2006 Rupees	As at 31 March, 2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(1,653)	(70,305)
Operating profit before working capital changes	(1,653)	(70,305)
Changes in:		
Trade and other receivables	-	-
Trade and other payables	1,653	1,653
Net Cash from Operating Activities	-	(68,652)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash from Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	500,000
Net Cash from Financing Activities	-	500,000
Net increase/(decrease) in Cash & Cash equivalents [A+B+C]	-	431,348
Cash & Cash Equivalents (Opening)	431,348	-
Cash & Cash Equivalents (Closing)	431,348	431,348

Schedules referred to above form an integral part of the accounts

On behalf of the Board of Directors

As per our attached report

For **K. M. Lakdawala & Co.**
Chartered Accountants

Rajesh S. Adani
Director

K. M. Lakdawala
Proprietor

Chetan R. Shah
Director

Place : Mumbai
Date : 12th January, 2007

Place : Mumbai
Date : 12th January, 2007

VYOM TRADELINK PRIVATE LIMITED
DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2007.

FINANCIAL HIGHLIGHTS

During the period under review the Company has not commenced any commercial activity, hence no profit & loss A/c has been prepared.

FIXED DEPOSITS

During the period under review, the Company has not accepted any deposits from Public.

The Company has not made any loans / advances which are required to be disclosed in the annual accounts of the company pursuant to Clause 32 of the Listing Agreement with the parent Company.

DIRECTORS

Shri Juvenil Jani retires by rotation but being eligible offers himself for re-appointment.

TO TAKE NOTE OF STATUS OF THE COMPANY

Your Directors are pleased to inform you that during the year under review, your Company has become a Wholly Owned Subsidiary Company of Adani Enterprises Ltd. w.e.f. 7th November, 2006.

AUDITORS

The Company's Auditors' M/s. Ravindra B. Mehta and Associates, Chartered Accountants, Ahmedabad, were appointed as first auditors of the company. They will hold office from conclusion of the ensuing Annual General Meeting to conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board and Auditors.

Notes forming part of accounts, which are specifically referred to by the auditors in their report are self-explanatory and therefore, do not call for any further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

As Company has not started commercial activity, a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not appended.

PERSONNEL

The particulars of employees as required by Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 are not given as no employee is in receipt of remuneration of 24,00,000 per annum or Rs. 2,00,000 or more per month.

ACKNOWLEDGEMENT

Your Directors have pleasure in taking this opportunity to thank the Government Agencies, bankers and all other personnel.

For and on behalf of the board

Place: Ahmedabad
Date : 19th May, 2007

Bhavik B. Shah
Chairman

VYOM TRADELINK PRIVATE LIMITED**AUDITORS' REPORT**

To the Members of

VYOM TRADELINK PRIVATE LIMITED

We have audited the attached Balance Sheet of **VYOM TRADELINK PRIVATE LIMITED**, as at 31st March, 2007. No Profit and Loss Account of the company for the year ended on that date has been prepared as the company has not commenced any commercial activities during the year ended on 31st March, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. We have not included the matters specified in paragraph 4 & 5 of Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the order is not applicable to the Company in terms of sub-clause (iv) of clause 2 of Paragraph 1.
2. We report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - iii) The Balance Sheet dealt with by this report is in agreement with the books of account of the Company;
 - iv) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors, as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon/attached thereto and the Statement on Significant Accounting Policies give in the prescribed manner the information required by the Companies Act, 1956 of India ('The Act') give a true and fair view in conformity with the accounting principles generally accepted in India:

in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.

For **Ravindra B. Mehta & Associates**
Chartered Accountants

Place : Ahmedabad
Date : 19th May, 2007

R. B. Mehta
Proprietor

VYOM TRADELINK PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	AS AT 31-03-2007		AS AT 31-03-2006	
		RUPEES	RUPEES	RUPEES	RUPEES
A SOURCES OF FUNDS :					
I. SHAREHOLDERS' FUND					
Share capital	1		500,000		100,000
II. LOAN FUNDS					
Secured Loans		-	-	-	-
Unsecured Loans from Holding company		84,600		-	
			84,600		-
TOTAL			584,600		100,000
B APPLICATION OF FUNDS :					
I FIXED ASSETS					
(a) GROSS BLOCK		-	-	-	-
(b) LESS: DEPRECIATION		-	-	-	-
		-	-	-	-
(c) NET BLOCK		-	-	-	-
II INVESTMENTS			-		-
III. CURRENT ASSETS, LOANS & ADVANCES					
Cash & bank balances	2	512,241		93,279	
Loans & advances	3	10,000		-	
		522,241		93,279	
LESS :-					
CURRENT LIABILITIES & PROVISIONS					
Current liabilities	4	66,660		13,800	
		66,660		13,800	
NET CURRENT ASSETS			455,581		79,479
IV MISCELLANEOUS EXPENDITURE	5		129,019		20,521
TOTAL			584,600		100,000

Notes forming part of the accounts
As per our attached report of even date

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For, Vyom Tradelink Pvt.ltd.

For **Ravindra B. Mehta & Associates**
Chartered Accountants

Bhavik B. Shah
Director

R. B. Mehta
Proprietor

Juvenil A. Jani
Director

Place : Ahmedabad
Date : 19th May, 2007

Place : Ahmedabad
Date : 19th May, 2007

VYOM TRADELINK PRIVATE LIMITED

SCHEDULES 1 TO 5 FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	AS AT 31-03-07	AS AT 31-03-2006
	RUPEES	RUPEES
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED		
50,000 (Previous year 10000) Equity Shares of Rs. 10/- each.	500,000	100,000
	500,000	100,000
ISSUED, SUBSCRIBED & PAID-UP		
50,000 (Previous year 10000) Equity Shares of Rs. 10/- each Fully paid up (Above 50000 shares are held by Adani Enterprises Limited, a holding company)	500,000	100,000
	500,000	100,000
SCHEDULE : 2		
CASH & BANK BALANCES		
Cash on hand	101,354	93,279
BALANCE WITH SCHEDULED BANKS		
In current account	410,887	-
	512,241	93,279
SCHEDULE : 3		
LOANS & ADVANCES		
Deposit with Government Authorities	10,000	-
	10,000	-
SCHEDULE : 4		
CURRENT LIABILITIES		
Other Liabilities	66,660	13,800
	66,660	13,800
SCHEDULE : 5		
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
PRELIMINARY EXPENSES	34,871	20,521
PRE OPERATIVE EXPENSES	94,148	-
	129,019	20,521

VYOM TRADELINK PRIVATE LIMITED

8. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile:

I.	Registration Details: -	
	Registration No.	: U51100GJ2005PTC45757
	State Code	: 04
	Balance Sheet Date	: 31-03-2007
II.	Capital Raised during the year(Amount in Rs. Thousands)	
	Public Issue - NIL	Right Issue - NIL
	Bonus Issue - NIL	Private Placement - 400
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)	
	Total Liabilities	: 585
	Total Assets	: 585
	Sources of Funds:	
	Paid up Capital	: 500
	Reserves & Surplus	: -----
	Secured Loans	: NIL
	Unsecured Loans	: 85
	Application of Funds:	
	Net Fixed Assets	: NIL
	Investments	: NIL
	Net Current Assets	: 456
	Miscellaneous Expenditure	: 129
	Accumulated Losses	: ---
IV.	Performance of Company (Amount in Rs. Thousands)	
	Turnover (Including other Income)	: NIL
	Total expenditure	: NIL
	Profit/(Loss) before tax	: ---
	Profit/(Loss) after tax	: ---
	Earning per share (Rs.)	: -----
	Dividend Rate %	: NIL
V	Generic Names of Three Principal products/services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	Not Ascertainable
	Product Description	Not Applicable

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

9. Previous year figures have been regrouped / rearranged wherever necessary.

Signature to Schedule " 1 " to "6 ".

For, Vyom Tradelink Private Limited

Bhavik B. Shah
Director

Place : Ahmedabad
Date : 19th May, 2007

Juvenil A. Jani
Director

VYOM TRADELINK PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH '07

Sr. No.	Particulars	2006-07 Amt Rs	2005-06 Amt Rs
a)	Cash from Investing Activities		
	Current Liabilities	52,860.00	13,800.00
	Miscellaneous Expenditure	(108,498.00)	(20,521.00)
	Loans & Advances	(10,000.00)	-
	Net cash generated for Investing Activities	(65,638.00)	(6,721.00)
b)	Cash from Financing Activities		
	Unsecured Loan	84,600.00	-
	Increase in Share Capital	400,000.00	100,000.00
	Net cash generated for Financing Activities	484,600.00	100,000.00
	Net increase/(Decrease) in cash and cash equivalent(A + B)	418,962.00	93,279.00
	Cash at the beginning of the year	93,279.00	-
	Cash at the end of the year	512,241.00	93,279.00

Notes :

1 In the absence of Profit & Loss Account, Cash Flow Statement has been prepared under the Direct method, as set out in the Accounting Standard -3 issued by the Institute of Chartered Accountants of India.

2 Notes to the Accounts form an integral part of the Cash Flow Statement.

As per our report attached of even date,

For and on behalf of the Board,

For **Ravindra B. Metha & Associates**
Chartered Accountants

Bhavik B. Shah
Director

R. B. Mehta
Proprietor

Juvenil A. Jani
Director

Place : Ahmedabad
Date : 19th May, 2007

Place : Ahmedabad
Date : 19th May, 2007