

Annual Report  
2009 - 2010



*..... Emerging Energy & Logistics Conglomerate .....*

**Adani**



**ADANI ENTERPRISES LIMITED**



# ADANI ENTERPRISES LIMITED

## SEVEN YEARS AT A GLANCE

### FINANCIAL HIGHLIGHTS

(Rs. In Crores)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>ASSETS EMPLOYED</b>							
Net Fixed Assets	211.60	228.96	219.10	207.98	78.13	56.17	36.00
Investments	2381.01	2217.69	1494.77	600.82	192.93	46.67	69.38
Net Current Assets	2864.19	2423.02	2595.43	3276.83	1825.81	1417.28	1182.74
Miscellaneous Expenditure	2.26	-	-	-	-	2.84	0.93
<b>TOTAL</b>	<b>5459.06</b>	<b>4869.67</b>	<b>4309.30</b>	<b>4085.63</b>	<b>2096.87</b>	<b>1522.96</b>	<b>1289.05</b>
<b>FINANCE BY</b>							
# Share Capital	49.80	24.66	24.65	24.65	22.62	22.55	32.05
Reserves & Surplus	1920.30	1618.45	1313.01	1019.53	747.81	654.72	591.66
<b>Shareholder's Funds</b>	<b>1970.10</b>	<b>1643.11</b>	<b>1337.66</b>	<b>1044.18</b>	<b>770.43</b>	<b>677.27</b>	<b>623.71</b>
Loan Funds	3471.31	3206.72	2955.49	3024.55	1319.72	839.33	662.54
Deferred Tax Liability	17.65	19.84	16.15	16.9	6.72	6.36	2.80
<b>TOTAL</b>	<b>5459.06</b>	<b>4869.67</b>	<b>4309.30</b>	<b>4085.63</b>	<b>2096.87</b>	<b>1522.96</b>	<b>1289.05</b>
<b>SALES &amp; OTHER INCOME</b>	<b>11614.88</b>	<b>11587.89</b>	<b>11624.01</b>	<b>10155.65</b>	<b>9339.26</b>	<b>13518.87</b>	<b>7155.33</b>
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>	<b>300.51</b>	<b>386.69</b>	<b>363.76</b>	<b>205.21</b>	<b>159.66</b>	<b>132.73</b>	<b>127.92</b>
Depreciation	12.76	12.08	11.25	6.9	3.21	2.11	1.79
<b>PROFIT BEFORE TAX</b>	<b>287.75</b>	<b>374.61</b>	<b>352.51</b>	<b>198.31</b>	<b>156.45</b>	<b>130.62</b>	<b>126.13</b>
Net Tax	33.34	48.18	40.44	47.62	38.11	22.33	2.05
<b>PROFIT AFTER TAX</b>	<b>254.41</b>	<b>326.43</b>	<b>312.07</b>	<b>150.69</b>	<b>118.34</b>	<b>108.29</b>	<b>124.08</b>
Dividend (Including Tax on Dividend)							
Equity	49.80	28.86	17.30	12.93 (INTERIM)	11.65	10.31	9.95
Preference	-	-	-	-	-	0.19	1.12
Retained Earnings	990.29	843.95	606.38	371.61	323.85	257.16	113.01
*Earning per Share (Rs.)	10.26	13.24	12.66	6.35	5.24	4.89	5.58
*Dividend Per Share (Re.)	1.00	1.00	0.60	0.45	0.45	0.40	0.40
*Book Value Per Share	79.12	66.63	54.27	42.36	34.58	30.03	27.84
Debt : Equity Ratio	1.76:1	1.89:1	2.22:1	2.67:1	1.46:1	0.96:1	0.47:1

# Includes Preference Share Capital of Rs.10.00 Crores in 2003-04.

\*Figures have been adjusted to make comparable.



ADANI

## **Our Vision**

To be a globally preferred business associate - an entrepreneurial organization having responsible concern for employees, society, the ecology and stakeholder value.

## **Our Mission**

To acquire, develop, assimilate and manage knowledge; to apply this across our businesses for the benefit of stakeholders; to do so profitably.



ADANI

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**BOARD OF DIRECTORS**

Mr. Gautam S. Adani, *Chairman*  
Mr. Rajesh S. Adani, *Managing Director*  
Mr. Devang Desai, *Executive Director*  
(w.e.f. 27th January, 2010)  
Mr. Vasant S. Adani  
Mr. Jay H. Shah  
Dr. Pravin P. Shah  
Dr. A. C. Shah  
Mr. Yoshihiro Miwa  
Mr. Tatsuo Fuke  
(Alternate Director to Mr. Yoshihiro Miwa)  
Mr. Anil Ahuja

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**BANKERS**

State Bank of India, Ahmedabad.  
Bank of Baroda, Ahmedabad.  
Bank of India, Ahmedabad.  
Punjab National Bank, Ahmedabad.  
State Bank of Travancore, Ahmedabad.  
Canara Bank, Ahmedabad.  
State Bank of Hyderabad, Ahmedabad.  
UCO Bank, Ahmedabad.  
Syndicate Bank, Ahmedabad.  
Oriental Bank of Commerce, Ahmedabad.  
Allahabad Bank, Ahmedabad.  
ICICI Bank Ltd., Mumbai.  
Standard Chartered Bank, Mumbai.  
Axis Bank Ltd., Ahmedabad.

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**REGISTERED OFFICE**

'Adani House'  
Nr. Mithakhali Six Road,  
Navrangpura, Ahmedabad - 380009.  
Gujarat (INDIA)

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**SHARE TRANSFER AGENT**

Sharepro Services (India) Pvt. Ltd.  
416-420, 4th Floor, Devnandan Mall,  
Opp. Sanyash Ashram, Ellisbridge,  
Ahmedabad - 380006.  
Tel. No.: +91 - 79 - 2658 2381 to 84  
Fax : +91 - 79 - 2658 2385

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**SHARES LISTED AT**

Bombay Stock Exchange Ltd., Mumbai.  
(BSE)  
The National Stock Exchange of India Ltd.,  
Mumbai. (NSE)

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**AUDITORS**

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

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## NOTICE

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the members of Adani Enterprises Limited will be held on Saturday, 21<sup>st</sup> August, 2010 at 11.30 a.m. at J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to transact the following businesses:-

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2010 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 declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. Pravin P. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jay H. Shah who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Yoshihiro Miwa who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Dharmesh Parikh and Co., Chartered Accountants, Ahmedabad, as Statutory 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 as may be approved by the Audit Committee / Board of Directors of the Company.

### SPECIAL BUSINESS

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, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby accords its approval to the re-appointment of Mr. Rajesh S. Adani as Managing Director of the Company for a period of five years with effect from 10<sup>th</sup> June, 2010 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to him shall not 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 and as agreed by and between the Board of Directors and Mr. Rajesh S. Adani.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 1956, wherein any financial year the Company has no profits or inadequate profit, Mr. Rajesh S. Adani will be paid minimum remuneration within the ceiling limit prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby 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 an **Ordinary Resolution** :

“RESOLVED THAT Mr. Devang Desai, who was appointed as an Additional Director of the Company on 27<sup>th</sup> January, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying its intention to propose the candidature of Mr. Devang Desai for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

9. 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, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby accords its approval to the appointment of Mr. Devang Desai as an Executive Director of the Company for a period of five years with effect from 27<sup>th</sup> January, 2010 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to him shall not 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 and as agreed by and between the Board of Directors and Mr. Devang Desai.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 1956, wherein any financial year the Company has no profits or inadequate profit, Mr. Devang Desai will be paid minimum remuneration within the ceiling limit prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

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

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

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

“RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) approval of the members be and is hereby accorded to maintain and keep the Company's Register of Members, the Index of Members, the Register and Index of debentureholders and copies of all its annual returns prepared under Sections 159 and 160 and other applicable provisions, if any, of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, on and from 1<sup>st</sup> September, 2010 at the office of Sharepro Services (India) Private Limited, the Registrar and Transfer Agents of the Company situated at 416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380 006 or at such other place as may be agreed by the Board.”

Date : 14<sup>th</sup> May, 2010.  
Place: Ahmedabad

For and on behalf of the Board

Regd. Office :  
“Adani House”,  
Near Mithakhali Six Roads, Navrangpura,  
Ahmedabad - 380 009. Gujarat, India.

**Parthiv Parikh**  
Asst. Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER.**
2. **THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. As per clause 49 of the listing agreement(s), informations regarding appointment / re-appointment of directors (Item Nos. 3, 4, 5, 7, 8 & 9) and explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special businesses (Item Nos. 7, 8, 9 & 10) are annexed hereto.
4. The Register of members and share transfer books of the Company will remain closed from 14<sup>th</sup> August, 2010 to 21<sup>st</sup> August, 2010 (both days inclusive) to determine the entitlement of the Shareholders to receive dividend for the year 2009-10.
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 will be kept 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.
8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the Registrar and Share Transfer Agent of the Company. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
9. In terms of Section 109A of the Companies Act, 1956, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to Company's share transfer agent M/s. Sharepro Services (India) Private Limited at 416 - 420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ashram Road, Ellisbridge, Ahmedabad - 380 006 for nomination form by quoting their folio number.
10. The balance lying in the unpaid dividend account of the Company in respect of dividend declared for the financial year 2002-03 will be transferred to the Investor Education and Protection Fund of the Central Government by November, 2010. 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 by October, 2010.

**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 7**

**Re-Appointment of Mr. Rajesh S. Adani as Managing Director**

The members at the 13<sup>th</sup> Annual General Meeting of the Company held on 12<sup>th</sup> August, 2005 re-appointed Mr. Rajesh S. Adani as Managing Director for a period of 5 years with effect from 10<sup>th</sup> June, 2005 on the terms and conditions as approved by them. The term of his present appointment will expire on 10<sup>th</sup> June, 2010. The Remuneration Committee at its meeting held on 14<sup>th</sup> May, 2010 recommended and the Board at its meeting held on 14<sup>th</sup> May, 2010 have re-appointed him as a Managing Director for a further period of five years with effect from 10<sup>th</sup> June, 2010 on the following terms and conditions, subject to the approval of the members in the General Meeting. The brief particulars of his remuneration are as mentioned herein below :

**Mr. RAJESH S. ADANI : MANAGING DIRECTOR**

**PERIOD OF APPOINTMENT : 5 YEARS WITH EFFECT FROM 10<sup>th</sup> JUNE, 2010.**

**SALARY :** Rs. 15,50,000/- (Rupees Fifteen Lacs Fifty Thousand Only) per month payable in the scale of Rs. 15,50,000-75,000-20,00,000/- per month.

**COMMISSION**

Up to 2% of the Company's Net Profit for each financial year as calculated in accordance with Section 349 and 350 of the Companies Act, 1956 subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

**PERQUISITES**

**CATEGORY - A**

**(a) Medical benefit**

All medical expenses incurred for self and family shall be reimbursed, as per the policy of the Company.

**(b) Leave Travel Concession**

For self and family once in a year including one foreign trip in accordance with the rules of the Company.

**(c) Club fees**

Annual fees of club subject to maximum of two clubs. This will not include admission and life membership fees.

**(d) Personal Accident Insurance**

Personal Accident Insurance of an amount annual premium of which does not exceed Rs. 10,000/-.

**CATEGORY – B**

Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity will be paid as per applicable laws and rules of the Company.



## CATEGORY -C

The Company shall provide a car with driver for official and personal use. Telephone at residence will be provided, the cost of which will be borne by the Company.

Notwithstanding anything contained above, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration as specified above not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Managing Director shall not be liable to retire by rotation and shall not be paid any sitting fees for attending any meetings of Board or Committees thereof.

A Bachelor in Commerce, Mr. Rajesh S. Adani has been associated with Company since its incorporation. He is involved in the business and policy decisions and building and maintaining the business relationships of the Company. He also provides vision to the development of new businesses of the Company.

The Board of Directors felt that it is in the interest of the Company to continue to avail services of Mr. Rajesh S. Adani as Managing Director.

The Board recommends the Resolution to the members for their approval.

Mr. Rajesh S. Adani is deemed to be interested in the said resolution as it relates to his re-appointment. Mr. Vasant S. Adani and Mr. Gautam S. Adani being relatives are also interested in the said resolution.

None of the other Directors of the Company is in any way deemed to be concerned or interested in the above resolution.

This alongwith the relevant resolution may be treated as an Abstract pursuant of Section 302 of the Companies Act, 1956.

## ITEM NOS. 8 & 9

Mr. Devang Desai was appointed as an Additional Director of the Company on 27<sup>th</sup> January, 2010, 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 its intention to propose the appointment of Mr. Devang Desai as a Director along with a deposit of Rs. 500/-.

On the recommendation of the Remuneration Committee of the Company, the Board at its meeting held on 27<sup>th</sup> January, 2010, have appointed Mr. Devang Desai as an Executive Director unanimously for a period of five years with effect from 27<sup>th</sup> January, 2010 on a remuneration of Rs. 1,06,80,000/- (Rupees One Crore Six Lacs Eighty Thousand Only) gross per annum subject to the approval of the shareholders in the General Meeting.

Notwithstanding anything contained above, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration as specified above not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.