



Growth with Goodness

VISION STATEMENT

To be a world class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.

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Growth with Goodness.

Scale, to us, is not about the businesses we are in. Scale is about the real influence and change we can spur.

It's about the lives we can touch, the communities we can nourish, the businesses we can propel, and the future we can inspire. Because, scale leads to growth; and with consistent growth comes incredible goodness. With the size of our operations in multiple nation-critical sectors, we have been fortunate enough to reach out more and spread this goodness, regardless of the geography.

Through courage, and a commitment to give back to the society by creating sustainable business value creation, we enable growth and progress that ends up benefitting millions.

We have consciously extended our scale beyond our businesses, to help the country overcome economic challenges; to ensure people live a good quality of life, uninterrupted. We believe scale can lead to goodness, and this what drives us to growth.

About Adani Group

Adani Group is one of the leading business conglomerates and the largest integrated infrastructure group in India. Over three decades, the group has emerged as a global player with business operations spread across key sectors like energy, resource, logistics, and agro, among others. Since inception, the group has been focused on serving the diverse needs of people, delivering strong value propositions and contributing to nation building along the way.

At Adani we have re-formulated our Vision 2020 and synced it with our natural philosophy of Thinking Big, Doing Better. We envision emerging as a globally admired leader in integrated infrastructure businesses. Our belief of 'Scaling Business' is driven by our ambition for scale, speed of execution and quality of operation.



Presence across various Industries:

- Resource
- Ports and Logistics
- Energy
- Agri
- Real Estate
- Financial Services
- Defence and Aerospace

Know Adani Power

We are largest private sector thermal power producer of India with a total power generation capacity of 10,440 MW thermal power and 40MW of solar power (as on March 31, 2018). We were the world's first company to set up a coal-based super critical thermal power project registered under Clean Development Mechanism (CDM) of Kyoto protocol.

Despite being a newcomer to power generation in 2006, we capitalized on the project management skills of the Adani Group to set up our first power plant at Mundra swiftly and efficiently, overcoming various challenges. We have leveraged on our experience and capabilities of our technical and commercial teams to quickly expand our generation capacity both organically and inorganically.

10,480 MW

Total Power Generation capacity

21093.43

Consolidated Revenue in 2017-18
(in ₹ crore)

Largest

Single location coal based private power plant at Mundra, Gujarat

First

To use super critical technology in power sector in India



Portfolio Highlight

- States in which company has operating power plants

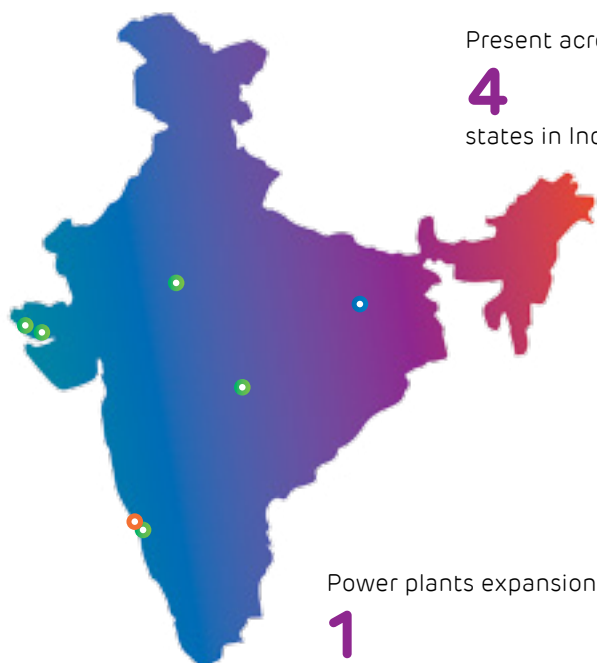
Gujarat (2) Maharashtra (1)
Rajasthan (1) Karnataka (1)

- State in which company expanding

Karnataka (1)

- State in which company is setting up a new power plant

Jharkhand (1)
(for power supply to Bangladesh)



Present across

4

states in India

Upcoming Projects in

1

state of India

Power plants expansion in

1

state of India

Mundra Plant

We introduced the first 660 MW generating unit using super critical technology at our Mundra plant. It is one of the fastest power project developed and commissioned by any power company in India.

36 Months

Record completion of inception to synchronisation (Unit 1)

4620 MW

Installed Capacity



Tiroda Plant

We have installed super critical technology in all the units of Tiroda plant, which has helped us increase efficiency in coal based power generation. Latest technologies for environmental management have also been installed and registered under CDM by UNFCCC. Generation capacity fully tied up in long term PPAs with Maharashtra State DISCOM.

3300 MW

Installed Capacity

5

Units each having a capacity of 660MW

Bitta Plant

The first solar power plant set up under Adani Group, it uses Solar PV Technology and has an installed capacity of 40 MW. Bitta Plant marked our entry in the renewable power sector.

Commissioned within a record time of

165 days

400000

Solar PV Modules

21600

Structures

Kawai Plant

One of the largest power plants at single location in Rajasthan, it is a coal based thermal power plant that operates on supercritical technology. It has a 1500m long air-strip that helps in immediate connectivity. Generation capacity tied up in long term PPA with Rajasthan State DISCOMs.

1320 MW

Installed Capacity

2

Units each having a capacity of 660MW

Udupi Plant

First independent Power Project to use 100% imported coal as fuel for power generation. Post our acquisition, we successfully turned around the plant into a viable asset, supplying around 90% of the power generated to state of Karnataka.

1200 MW

Installed Capacity

2

Units each having a capacity of 600MW



Chairman's Message



Dear Shareholders,

Greetings! The Indian economy has proven its resilience amidst global economic turbulence and re-established its growth credentials, overcoming disruptive systemic changes internally. Today's volatility in global energy prices reflects shifting geopolitical equations as well as re-emergence of a growth era in many of the leading economies. Nations as well as businesses have recognized that the ability to deal with continued acceleration and sudden cycles of volatility will be a key ingredient to achieving long term success.

India, with its vast resources and a large, young, and productive population is well positioned in this scenario. Our GDP is expected to double in the next decade, growing at annual rates of over 7%. A key enabler of this growth will need to be the ability of India to fulfil its electricity demand, which is also forecast to double over this period. Despite the fact that India has had a sustained growth in power generation over the past several decades, our annual per capita consumption of 1,100 kWh is still only a fraction of that of developed nations.

While on one hand this demonstrates the potential for growth, on the other hand it is an indication that every possible source of power generation will

need to be aggressively tapped in years to come. As of today, thermal power capacity represents about 67% of India's total installed capacity and 80% of electricity generation. Hydroelectricity accounts of 10% generation and the balance 10% of generation is made up of various other sources.

Today, there is total unanimity in the view that a greater volume of electricity generation has to come from renewable sources. India's political leaders, led by our Hon'ble Prime Minister Shri Narendra Modi have led the world to rally in favour of accelerating the move to renewable sources (through the Global Solar Alliance). These government efforts have been strongly supported by the marketplace over the past couple of years and India today stands to be one of the top three nations in the world in the adoption and deployment of renewable energy infrastructure and our country's draft national electricity plan calls for renewable energy installs to average 21-22 GW annually over the next 5 years.

While there have been several points of view on renewable energy as a substitute for power generation using coal, the fact is that if India is to overcome its energy deficit and get affordable and reliable power to the 240 million of its citizens that lack electricity, all possible source of power generation will need to grow responsibly. This is one of the primary reasons that the International Energy Agency forecasts that India's coal consumption will more than double by 2040 primarily to feed the power generation and steel manufacturing sectors. The fact is that for the first time India is at a stage where it can

finally foresee a period with enough generation capacity becoming available to establish a low power deficit situation in the near future.

Over the past several years your Company has stood at the forefront of this capacity building effort and delivered four world class power plants supplying electricity at some of the most competitive rates. However, the Fiscal Year 2017-18 was a challenging year given the fuel shortages, high coal import prices, and regulatory uncertainty which have had an impact on the Company's profitability due to under-recoveries..

However, various policy initiatives undertaken by the Government have started to produce results, amongst which, the impetus given to increase in production of domestic coal is the most important one. The Government's push to bring electricity to the most remote and difficult to reach corners of the nation, agricultural feeder separation and strengthening of rural grids under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) scheme, which aims to provide electricity connections to all households creates long term demand drivers for electricity. Also, the pursuit of targets set for reduction of DISCOM losses under the Ujjwal DISCOM Assurance Yojana (UDAY) scheme is critical for translation of increased demand into new PPAs.

During FY 2017-18, your Company sold 48 billion units on a consolidated basis, and recorded total revenues of ₹ 21,093 crores. Of this, the Mundra plant accounted for sales of 19.9 billion units, the Tiroda plant sold 17.3

billion units, the Kawai plant sold 5 billion units, and the Udupi plant sold 5.8 billion units.

During FY 2017-18, the Company received the approval for the transfer of the 4,620 MW Mundra power plant undertaking to its subsidiary Adani Power (Mundra) Ltd. through a Scheme of Arrangement under Slump Exchange. The unavailability of fuel cost pass through, consequent to the Hon'ble Supreme Court's Order regarding compensatory tariffs, resulted in commercial shutdowns of the plant in view of high imported fuel costs. However, your Company continues to engage in discussions with various stakeholders to identify remedial measures for sustainable operation of the power plant.

During FY 2017-18 your Company was also able to secure long term Fuel Supply Agreements for assured domestic coal supply under the Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI) policy for the power plants at Tiroda (Maharashtra) and Kawai (Rajasthan), which are housed in two Wholly Owned Subsidiaries. This lower and reliable cost fuel supply will enable both these power plants to reduce fuel costs and have a material impact in improving cash flows as well as profitability, while alleviating dependence on costly imported coal.

The Company received the approval for the transfer of the

4,620 MW

Mundra power plant

Recently, the Maharashtra Electricity Regulatory Commission passed an Order permitting the Tiroda plant to recover compensation from the State Distribution Companies (DISCOMs) towards usage of higher cost alternate coal, due to shortage in domestic coal supply. This relief has been granted under Change In Law provisions of the Power Purchase Agreements (PPAs) signed by the Tiroda plant with the Maharashtra State DISCOM, and are in accordance with the guidance of the Hon'ble Supreme Court, as established by its judgement dated 11th April 2017. In addition to the above, we have high hopes that the Rajasthan Electricity Regulatory Commission will also issue a favourable order soon and on similar lines, for compensation under Change in Law for the Kawai plant, which supplies electricity to Rajasthan DISCOMs. Further, your Company also awaits, or has received recently other regulatory orders allowing it and its subsidiaries to claim relief for other elements of cost increase due to changes in duties and taxes.

As part of its international expansion and diversification plans, your Company continues to pursue its vision of sectoral leadership, and is engaged in development of a 1,600 MW Ultra Supercritical power plant at Godda in Jharkhand to supply electricity through a dedicated transmission line to the Bangladesh Power Development Board under a long term PPA.

Your Company continues to be mindful of the environment and the communities around which it operates. While we were the first to commission supercritical boilers in India, we are also now developing projects that use efficient ultra-supercritical technology, in order to help mitigate climate change

concerns. Similarly, we are also implementing emission control technologies such as Flue Gas Desulphurisation (FGD) units at our plants while working continuously to achieve increased water usage efficiency. Through these continuing efforts, our promise is to continue to stay within the top 10% percentile of the world's cleanest coal power plants.

Your Company also continues to create an enabling environment for the upliftment of numerous families in the vicinity of its projects through the corporate social responsibility partner, Adani Foundation. Your Company assists local communities with its CSR work in the areas of Education, Community Livelihood, Community Health and Rural Infrastructure Development, through its need based programs in both project and operational sites.

As part of its CSR initiatives, I am also pleased to inform that your Company diligently pursues flagship programs like Swachhagraha, SuPoshan and UDAAN in addition to our existing programs. Working closely with communities across five States, the programs cover more than 200 villages, and work to uplift the lives of around 5,00,000 families through its various initiatives.

On behalf of the Board and the leadership team at Adani Power, I thank the shareholders, lenders, our employees, vendors, customers, and various regulatory and statutory bodies for their valuable support in building a strong, vibrant, and responsible organisation.

Gautam Adani
Chairman

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