



**Speech of Mr. Gautam Adani, Chairman
at the 17th Annual General Meeting of Adani Enterprises Limited
31st August, 2009: Ahmedabad**



Adani Enterprises Limited
Nurturing Diversity

Dear Shareowners,

It is with a great sense of pride and satisfaction that I welcome you to this 17th Annual General Meeting of your Company.

During the year 2008-09, the Indian economy is no exception to the global slow down caused by painful adjustment to abrupt changes in the international economy. Your company successfully sailed through and has shown remarkable growth and strong performance despite global slow down.

We have been continuously identifying new opportunities by taking calculated risks to achieve fast growth, persevering to attain the vision, investing and believing in people, and adapting to the changing business environment.

Our India.....*the changing face*

During the year 2008-09, there has been a dip in the growth rate of GDP from an average of over 9 per cent in the previous fiscal years to 6.7 per cent. It has affected the pace of job creation in certain sectors of the economy and the investment sentiments of the business community. It has also resulted in considerably lower revenue growth for the Government. Another feature of the year 2008-09 was a sharp rise in the wholesale price index to nearly 13% in August, 2008 and an equally sharp fall close to 0% in March, 2009. The principal growth driver in this period has been private investment, which has been predominantly funded by domestic resources.

The economic conditions in the advanced economies may continue to be recessionary in the first half of 2009, but growth might re-surface in the third quarter of the calendar year. The Indian economy is expected to show fairly strong recovery in growth in the second half of the year with growth rate projected around 7.5% in 2009-10.

That despite these adverse factors enveloping the business environment, India continues to grow is a validation of the inherent fundamental strengths of our economy. This augurs well for your Company as it has structured its businesses to align with India's focus on **Energy, Agri and Real Estate sectors** of the economy.

I shall now discuss about the growth and business prospects of each of these high growth potential businesses of your company.

Your Company....*harnessing opportunities*

Your Company is redefining its business model and scale of operations. Moving away from low capex, lumpy and low margin trading to capex heavy and high – margin annuity businesses. Your Company is emerging as an infrastructure conglomerate (Rs 42,000 Crs of revenues by FY 12E) and plans to invest Rs. 30,000 Crs plus across sectors with 90% in power generation and coal mining by FY 2012.

This is reflected in the continuous increase of your company's market capitalization, currently at around Rs 17,000 crs from about Rs 15,000 crs in August, 2008 and from

about Rs.1350 Crs. in April 2005. Your company's consolidated PAT during 2008-09, has risen by 36% and with all its businesses getting operationalised, your Company's consolidated results will grow multi-fold.

Let me now highlight the three core business of your company viz. Energy, Agri & Real Estate.

Energy*the powerhouse of success*

Your Company has an integrated Energy business model comprising of diverse energy sources with multiple products and services.

Your Company is currently implementing 4620 MW coal based power plant at Mundra and 1980 MW at Tiroda for which the land, water, coal linkages and debt have been tied up. Both these projects, enjoy location advantage for cost effective logistics for coal, availability of water and proximity to power deficit area. The first unit of 330 MW of Mundra Power project has successfully commenced its operation and the work on the remaining units at Mundra and Tiroda are under execution. Besides, the Tiroda Plant capacity of 1980 MW has already been enhanced to 3300 MW.

Project management and speedy implementation is a key strength of our group. I am pleased to share with you that more than 12,000 workers, supervisors, engineers and managers are working tirelessly at both the sites to realize the dream of operationalizing 6,600 MW in the financial year 2011-12. On completion, Mundra Power plant will have the distinction of being the largest power generation plant in India.

As a strategy to seamlessly synchronize commissioning of our power generating units with evacuation system, we have plans to lay transmission network of circuit length 3500 Kms, out of which 850 Kms of 400 KV line connecting Mundra to Dehgam has already been operationalized. We have already started the implementation of the Country's first and longest private HVDC network from Gujarat to Haryana for evacuation of 2500 MW power. This unique initiative makes Adani Power the only private sector player to have such a vast dedicated transmission network.

In addition to these projects, we are working on 1980 MW power project at Dahej, Gujarat and 1320 MW at Kawai, Rajasthan.

In order to part finance the construction and development of the above power projects Adani Power Ltd. made an IPO of Rs. 3016 crores during July 2009 receiving overwhelming response from the investors with 18 times oversubscription.

Last year, I outlined your Company's clear leadership in the business of importing and distributing Coal in India. During 2008-09, Company had over 80% growth in the quantity of Coal traded and we expect sustainable growth as India is dependent on

imports to meet its large energy requirements. Our integrated model of procurement, logistics and customer servicing gives us a unique edge and market share in this area.

On the backdrop of the huge demand of India's Energy Sector and the fact that Coal will remain as a prime fuel source to domestic energy market, your Company foresees immense opportunity in the fields of Coal Mining and has several early mover initiatives.

The Parsa East and Kente Basan Coal Blocks mining with **452 MMT** of Mineable Coal reserves under the JV arrangement, is progressing satisfactorily. It has completed important milestones related to pre-mining activities like first phase of drilling and exploration, preparation of Geological report, preparation-submission-approval of mining plan from Ministry of Coal. Your Company has also received Letter of Intent (LOI) for Machhakatta Coal Block, having **1170 MMT** of mineable coal reserves to operate as Mine Developer cum Operator (MDO). Your Company has plans to increase its presence in the Coal Mining Sector as India further liberalizes its existing policies. We see Indian Coal Mining as the next large initiative after Power.

Let me now share with you our plans in the **Oil & Gas sector** which has clear synergies with our coal based energy initiatives.

Your Company's City Gas Distribution (CGD) business through its subsidiary Adani Energy Ltd. is already operational in the cities of Ahmedabad, Vadodara and Faridabad. It is also implementing City Gas Distribution projects in Noida, Lucknow, Khurja, Udaipur and Jaipur.

Adani Energy Ltd. & Indian Oil Corporation Limited (IOCL) have entered into MoU for setting up 50:50 City Gas Distribution joint venture. It will undertake CGD activities on behalf of both the companies in the states of Rajasthan, Punjab, Haryana and Uttar Pradesh.

As part of MoU, IOCL and AEnL had jointly submitted bid for 4 new CGD cities with the PNGRB, of which it has emerged as potential winner for Allahabad & Chandigarh cities.

Our Oil & Gas initiative through the JV entity – Adani Welspun Exploration Ltd. (AWEL) has gathered momentum with more blocks taken up for exploration. The work on Palej and Assam Blocks awarded during NELP VI are under advanced stages of analysis and drilling work shall be initiated shortly. In NELP VII, we have been awarded the Mumbai offshore basin and expect encouraging results. Work on the 2 large Thailand Blocks has commenced and your company has also been awarded a block at Gulf of Suez, Egypt where AWEL has partnered with GSPEC with 40% stake held by AWEL.

Agri *the new horizon*

Your Company’s agri portfolio includes the edible oil business in a 50:50 JV with Wilmar, grain silos business and fruits & vegetable storage and operations. All the agri initiatives have a great growth potential and your company sees this as the next big emerging opportunity.

Real Estate *transforming Indian landscape*

Your Company has initiated multi-product development of over 45 million square feet in the cities of Ahmedabad and Mumbai. We see a great potential in this sector as the Indian growth story unfolds.

Our Vision 2020.....

Dear Members, let me state that our company has demonstrated its ability to attain scale in any business it has ventured into and this is the beginning of its journey. Our vision by year 2020 is to operationalise generation capacity of 20,000 MW, 200 Million Tonnes of Coal mining, 50 Million Tonnes of Coal trading and to build the largest integrated Agri business.

Corporate Governance

We believe that growth is possible only with the best practices and hence we stress on good Corporate Governance

Good governance practices stem from the culture and mindset of the organization. Your Company’s commitment to strong values and business ethics, coupled with its article of faith to augment the overall interest of the shareholder, is at the core of our Corporate Governance Policy. The Company believes that good governance is not just rule-driven, but involves voluntary adoption of best practices. This is ensured through compliance of all statutory and regulatory requirements, transparency in corporate disclosures, high quality of accounting practices and adhering to the best level of business ethics.

Corporate Social Responsibility

Your company is driven by the core belief that the pursuit of shareholder value creation and contribution to enhancing social capital can be achieved simultaneously. Your company believes that there is no inherent contradiction between improving competitive ability and making a sincere commitment to bettering society, that the uniqueness of strategy lies in conceiving such integrated business models, that, linking business purpose with a larger societal purpose serves to create a multi-dimensional organization.

Through Adani Foundation, which works on the core sectors of Education, health and rural development, we had set up “Adani Vidya Mandir” last year. Our initiatives stretched to setting up of Gujarat Adani Institute of Medical Sciences (GAIMS) a public private partnership project which has received the approval of the Central Govt. for setting up a Medical College affiliated with the Kachh University in association with state owned G. K. General Hospital, Bhuj. The medical college has started functioning and will be taking about 150 students, the very first year. We have also set up Adani Institute of Infrastructure Management for imparting one year full time residential post graduation programme in Infrastructure Management from academic year 2009-10.

We also continue to minimize any impact on the environment and are working with our colleagues to create a greener organisation and community.

Acknowledgement

In the end, as I sit to list who all need to be thanked for making this organization what it is today and what it would be tomorrow, I feel that I need to thank one and all: the employees who have untiringly worked to achieve every milestone, in whom the company has invested money and who have returned the trust and confidence reposed in them through their hard work and dedication; the esteemed board members who have helped me in shaping the strategies; the customers, the vendors, the business associates who have supported the company; the various financial institutions and bankers, the Government of India, the Government of Gujarat, the regulatory authorities for their continued support and last but not the least you, the shareholders, investors and partners in the growth of the company for your continued confidence and trust in the management.

Thank you again,

Gautam S. Adani
Chairman

August 31, 2009
Ahmedabad

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