

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF ADANI POWER LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ADANI POWER LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") for the quarter and nine months ended 31st December, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 8 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:
 - (a) Adani Power Limited
 - (b) Adani Power Maharashtra Limited
 - (c) Adani Power Rajasthan Limited
 - (d) Adani Transmission (India) Limited
 - (e) Adani Transmission (Maharashtra) Limited
4. We did not review the interim financial results of two subsidiaries included in the consolidated financial results, whose interim financial results reflect total revenues of Rs.1,028.27 crores and Rs.2,958.79 crores for the quarter and nine months ended 31st December, 2014, respectively and total loss after tax of Rs.167.28 crores and Rs.438.45 crores for the quarter and nine months ended 31st December, 2014, respectively, as considered in the preparation of the consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.



SR

Deloitte Haskins & Sells

5. We draw attention to note 6(a) of the Statement describing the progress of the litigation relating to the compensatory tariff. As stated in the said note, the proceedings related to the compensatory tariff by Appellate Tribunal for Electricity ("APTEL") have been stayed till the Supreme Court disposes off an appeal filed by the Company against the order of the APTEL rejecting the Company's plea to condone delay for filing appeal against the order of the Central Electricity Regulatory Commission ("CERC") dated 2nd April 2013 on the grounds described in the said note. The Company has continued to recognise revenue on account of compensatory tariff amounting to Rs.259.27 crores and Rs.670.43 crores for the quarter and nine months ended 31st December, 2014 respectively, and no provision has been considered necessary against the recovery of Rs.1,843.12 crores on account of compensatory tariff recognised up to 31st March, 2014, based on the assessment made by the Management that it would not be unreasonable to expect ultimate collection thereof which is predicated on the legal advice that the Company continues to have a good arguable case in support of the CERC order.
6. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 5 above which is sub-judice, and read with our comments in the paragraph 7 below, and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to:
 - (i) Note 6(b) of the Statement regarding recognition of revenue by the Company's subsidiary Adani Power Maharashtra Limited aggregating to Rs.258.30 crores and Rs.873.84 crores for the quarter and nine months ended 31st December, 2014, respectively, on account of Compensatory Tariff /Additional Compensatory Tariff consequent to the favorable orders of the Maharashtra Electricity Regulatory Commission ("MERC") dated 5th May, 2014 and 20th August, 2014, based on legal advice obtained by the Management of the Company with respect to the appeal filed by the customer against the order dated 5th May, 2014, that the said order is enforceable as on date and is in operation and that the Company has a fairly arguable case in support of the order, and the assessment of the Management of the Company that it would not be unreasonable to expect ultimate collection of the aforementioned amounts.



SRS

Deloitte Haskins & Sells

- (ii) Note 6(c) of the Statement regarding recognition of revenue by the Company's subsidiary Adani Power Rajasthan Limited aggregating to Rs.52.85 crores and Rs.261.65 crores for the quarter and nine months ended 31st December, 2014, respectively, based on the interim order of the Rajasthan Electricity Regulatory Commission. The statutory auditors of the said subsidiary have invited attention to this matter in their limited review report to the Board of Directors of the subsidiary.

Our report is not qualified in respect of these matters.

8. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and nine months ended 31st December, 2014 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



Samir R Shah
Partner
(Membership No. 101708)

MUMBAI, 28th January 2015