



OUR VISION

To be a globally competitive,
India focused MNC,
with leadership in trading,
private infrastructure
and select niche technologies;
committed to the delight
of our customers and shareholders.



Adani Exports Limited

Golden Super Star Trading House

BOARD OF DIRECTORS

Shri Gautam S. Adani *Chairman*
Shri Rajesh S. Adani *Managing Director*
Shri Vasant S. Adani *Wholetime Director*
Shri Jay H. Shah
Dr. Pravin P. Shah
Dr. A. C. Shah
Shri C. R. Shah

COMPANY SECRETARY

Shri Hemendra C. Shah

AUDITORS

M/S. Dharmesh Parikh & Co.
Chartered Accountants,
Ahmedabad.

BANKERS

State Bank of India
Bank of Baroda
Punjab National Bank
Bank of India
Andhra Bank
State Bank of Travancore
Canara Bank
Development Credit Bank Ltd.
IndusInd Bank Ltd.
Societe Generale
Abu Dhabi Commercial Bank Ltd.
Centurion Bank Ltd.
Sumitomo Mitsui Banking Corporation
Syndicate Bank
State Bank of Hyderabad
United Commercial Bank
Central Bank of India
The Jammu & Kashmir Bank Ltd.

REGISTERED OFFICE

"Adani House"
Shrimali Society, Mithakhali Six Roads,
Navrangpura, Ahmedabad-380 009.

SHARE TRANSFER AGENT

Pinnacle Share Registry Private Ltd.
Near Asoka Mills Ltd.,
Naroda Road,
Ahmedabad - 380 025.

SHARES LISTED AT

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



Directors' Report

To
The Members,

The Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts of the Company, for the financial year ended 31st March, 2002.

COMPANY'S PERFORMANCE

Fiscal 2001-02 was India's most difficult year in the last decade. Industrial growth declined to 2.7 per cent. Exports declined by one per cent. The momentum of growth in export as achieved in 2000-2001 could not be sustained in 2001-2002, due to recessionary trends in both domestic and global economies. Your Company's workings reflect the impact of this economic slowdown. The turnover of the Company does not include a substantial portion of edible oil in view of the concentration of edible oil business under the joint venture company 'Adani Wilmar Ltd.' If the said turnover of Rs. 390 crores is excluded from the turnover of previous year, there is a moderate growth in turnover during 2001-2002.

In line with its philosophy to evolve as an integrated service provider, your Company has pursued the path of consolidation by concentrating on fewer business groups to sustain higher growth. This has necessitated a relook at some of the businesses with a view to optimising the overall return on capital and better manage the risk profile.

One such area is the "Marine Products Group" which is being phased out in a planned manner due to the changed environment and altered economics.

Your Company has over the last decade perfected the art of adapting to the changing business environment which is a continuous process in its global business. With the periodical microscopic review of its global business desk, it has now focussed on a few areas as part of the broad competitive strategy. The identified groups are as follows :

- A. Agro Group comprising wheat & rice, castor oil, oilseed extraction, sugar and pulses.
- B. Energy Group comprising petro-chemicals, oil & lubricants, coal & coke, fertilizers & raw materials.
- C. Textiles Group comprising cotton, fabrics, polyesters & yarns.
- D. Precious Goods Group comprising jems & jewellery, diamond, gold & silver.
- E. Strategic Investment Group that promoted Mundra Port, edible oil business, food & grocery retail outlets and the call centre.

Each of the business group is being managed by professional enterpreneurs and ably directed by their experienced Board. Over the years, with great emphasis on the integration of the processes, your Company has managed a beneficial blend of effective corporate policies and competitive business practices.

(Rs. in crore)*

Year ended 31 st March	2002	2001
Sales and other income	2825.55	3065.80
Gross profit before depreciation, interest and tax	109.64	151.60
Interest	41.78	29.93
Depreciation	1.89	1.71
Profit before tax	65.97	119.97
Provision for tax	0.3	1.67
Profit after tax	65.67	118.30
Surplus brought forward from previous year	146.73	127.40
Balance available for appropriations	212.41	245.69
Appropriations :		
Dividend on preference shares		
Interim	3.29	5.00
Final	0.03	0.06
Dividend on equity shares		
Final	6.61	6.61
Tax on dividend	0.34	1.78
Transferred to preference share capital redemption reserve	5.00	19.00
Debenture redemption reserve	6.00	16.50
General reserve	26.71	50.00
Balance carried to balance sheet	164.43	146.73
Total	212.41	245.69

*1 crore equals 10 Million



During the year under review, your Company's sales and other income declined by 7.84 percent at Rs. 2825.55 Crores while gross profit before depreciation, interest and taxation and net profit have declined to Rs. 109.64 Crores (Rs. 151.60 Crores) & Rs. 65.67 Crores (Rs. 118.30 Crores) respectively.

DIVIDEND

Your Directors are pleased to recommend dividend of 30 percent on equity shares for the financial year ended on 31st March 2002, which if approved at the forthcoming Annual General Meeting, will be paid to all those equity shareholders whose names will appear in the Register of the Members as on 14th September, 2002.

Interim dividends for 2001-2002 on cumulative redeemable preference shares aggregating to Rs. 329.34 lacs have been paid. Besides, a final dividend on cumulative redeemable preference shares amounting to Rs. 2.56 lacs for the year 2001-2002 is recommended.

THE ROLE AS DEVELOPER

(A) Mundra Port

Mundra Port, developed as a part of the overall growth strategy of Adani Group has handled 8.0 Mn Tonnes of cargo to date. In 2001-2002, the port commissioned 57 Km rail link between Adipur and Mundra and also the mechanised handling of cargo, leading to creation of un-matched value for its customers.

The project for containerised cargo will be put up by a new Company formed viz. Adani Container (Mundra) Terminals Ltd., (ACTL). The project will commence its operations in a phased manner from October, 2002 onwards. The project cost for ACTL has been appraised at Rs. 297 Crores.

With its deep draft and strategic location and a committed work force, Mundra Port is poised to become a gateway port of India in the years to come.

The concession agreement for the purpose of Gopalpur Port Development is under an advanced stage of discussion with the Government of Orissa. Simultaneously, crucial technical studies are being undertaken to establish technical feasibility of the project.

Our proposal for Dahej Port has been short listed as JV partner by Petronet LNG Ltd. for the development of deep water (18mtr) direct berthing facilities for multipurpose port at Dahej. Your Company shall shortly receive LOI for this purpose from Petronet LNG Ltd.

In line with the role of a true developer, your Company contemplates to develop a Special Economic Zone (SEZ) near Mundra. Application for SEZ development has been submitted to the Government of Gujarat. In its SEZ Policy announced recently, the Government of Gujarat has approved Mundra as a location. The application of your Company is under consideration by the Government of Gujarat for further recommendation to the Ministry of Commerce, Government of India.

(B) Edible Oil Refinery

'Adani Wilmar Limited (AWL)' is the manufacturer of "Fortune" range of refined oils, Raag Vanaspati and Jubilee refined palm oil. The Fortune brand offers a wide range of refined edible oils, which includes Soyabean oil, Sunflower, Cottonseed oil and Groundnut oil. This range is meant to cater to various regional tastes and preferences.

Refined in the largest and state-of-the-art single point refinery in India (800 MT/day), "Fortune" today has emerged as the largest selling brand in the refined edible oil category in the country. It owns 10 percent market share in the category as per AC Nielsen ORG MARG Retail Audit Report, April 2002. It has also emerged as the undisputed leader in refined soyabean oil segment, capturing 45 percent market share across the country (AC Nielsen ORG MARG). And all this has been achieved in a period of just 16 months since its launch.

(C) Food and Grocery Retail Chain

In line with its underlying theme of providing superior services, your Company has entered into retailing business through a new entity called B2C India Ltd. It has so far opened four "Adani's Supermarket", all of which are fully operational. Besides the full scale supermarkets, the Group has also opened an "Adani's Supermarket - Express Store" to enable the customers to shop for their immediate needs.

(D) IT Enabled Services

iCall India Limited (ICIL) is a leading edge IT Enabled Services (ITES) Company, specializing in 24x7 outsourced customer care solutions. The business model leverages state-of-the-art technology with the unique advantage of India based customer service representatives to deliver high quality, multi channel customer service solutions to US based clients.

ONGOING INFRASTRUCTURE PROJECTS

Natural Gas Distribution Project:

Your Company contemplates to enter into energy sector by laying a distribution network for supply of natural gas through pipeline to industrial, commercial and domestic sectors covering all major consumption centres of the state. Your Company has received in-principal gas supply commitment from Gujarat State Petroleum Corporation Limited for the project and has also signed Heads of Agreement with Indian Oil Corporation for the same purpose.

Further, your Company has received in-principal agreement from Gujarat State Petroleum Corporation Limited for the purpose of 11 percent equity participation in the project. Your Company is also at an advanced stage of finalising strategic alliance with one of the leading Indian Public Sector Oil Companies.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is enclosed as Annexure III.

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

A separate report on Corporate Governance, along with Auditor's Certificate on its compliance, is enclosed as Annexure IV.

FORMATION OF VARIOUS COMMITTEES

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

DIRECTORS

The tenure of Shri Vasant S. Adani as Whole-time Director of the Company expires on 30th June, 2002. Looking to his vast and considerable experience in administration and estate matters, it will be in the best interest of the Company to re-appoint Shri Vasant S. Adani as Whole-time Director for a period of 5 years w.e.f. 1st July, 2002 on the terms and conditions as detailed in the explanatory statement forming part of the notice of the ensuing Annual General Meeting.

Dr. A.C. Shah and Shri Vasant S. Adani, Directors of the Company, retire by rotation, and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March, 2002

- The applicable accounting standards have been followed and that no material departures have been made from the same.
- Such accounting policies have been selected and applied consistently and reasonable and prudent judgements and estimates were made 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.
- Proper and sufficient care has been taken 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 fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

CONSOLIDATED ACCOUNTS

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report.

SUBSIDIARY COMPANIES

As required under Section 212, of the Companies Act, 1956, the Accounts relating to Subsidiary Companies i.e. Adani Chemicals Ltd., Adani Global Ltd., Adani Global FZE and Adani Global Pte Ltd. are attached herewith. As the financial years of Adani Global Ltd., Adani Global FZE, and Adani Global Pte Ltd. are not coinciding with that of your Company, relevant information of the said Companies as required under Section 212(5) of the Companies Act, 1956, are annexed herewith.

AUDITORS AND AUDITORS' REPORT

The Company's Auditors M/s. Dharmesh Parikh and Co., Chartered Accountants, Ahmedabad, will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Notes forming part of Accounts are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

As your Company is a trading unit, 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. The details of foreign exchange earnings and outgo are appended in Annexure I attached herewith.

PARTICULARS OF EMPLOYEES

The particulars of employees as required by Section 217 (2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975, are set out in Annexure II to this report.

PERSONNEL

Your Company believes in the inherent potential of employees and is fully committed to the people development process in a fair, equitable and transparent manner. The Company's culture encourages employees to grow professionally and personally to their best capability. The Company strives to provide an environment that promotes achievement orientation and self-esteem. The Company has endeavoured to continuously develop extra growth through the practice of sound moral, ethical and business principles.

**Adani Exports Limited**

Golden Super Star Trading House

AWARDS

Your Company received the following awards/trophies during the year under review:

1. Soyabean Processors' Association of India SOPA Award of Merit for the highest merchant exporter of soyabean meal for the year 2000-2001.
2. For the second consecutive year, the prestigious "Gold Trophy for the Best Performance in the Category of Merchant Exporter" from the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC).
3. "ISO 9001:2000" certification by SGS Yarsley ICS of the United Kingdom, one of the world's leading independent certification bodies to the textile division of Adani Exports Limited (AEL).

ACKNOWLEDGMENT

Your Directors acknowledge and appreciate the vital role played by conscientious and hard-working employees of the Company at all levels towards its overall success. Your Directors also place on record their gratitude to members, other stakeholders, bankers and business associates for their continued support, valuable assistance and co-operation from various officials of State and Central Government.

For and on behalf of the Board of Directors

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002.

GAUTAM S. ADANI
Chairman

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002**ANNEXURE I****FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs. in lacs)

	Current year	Previous year
(I) Foreign Exchange earned (Including Export of Goods on FOB basis)	86995.68	98,798.13
(II) Foreign Exchange used	75546.03	65,083.68

ANNEXURE II

A. Information pursuant to Section 217(2A) of the Companies Act,1956, read with Companies (Particulars of Employees) Rules 1979.

Sr. No.	Name	Age (yrs.)	Designation	Remuneration Gross (Rs. in lacs)	Qualification	Date of commencement of employment	Last employment held designation & period for which held.
1	Mr. Gautam S. Adani	40	Chairman	39.46	S.Y. B.Com	1/12/93	Business
2	Mr. Rajesh S. Adani	38	Managing Director	41.76	B. Com.	1/12/93	Business
3	Mr. Vasant S. Adani	47	Whole-time Director	37.11	B.A.	7/1/95	Business
4	Mr. Pradeep Mittal	48	President (Coal & Coke)	32.32	B. Com., Diploma in Mktg.	1/1/98	Chief General Manager Karamchand Thapar & 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 & period for which held.
----- NOT APPLICABLE -----							

Notes: Remuneration as above includes salary, contribution to provident and other funds and other perquisites.



ANNEXURE - III to the Directors' Report

Management Discussion and Analysis Report

1. Industry Structure & Development

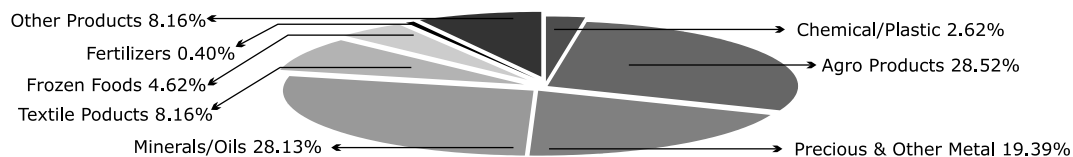
The Indian exports industry is one of the fastest growing sector in the economy. However, for the year under review, the post 11/9 impact was very severe. Exports shrunk by 1 percent to \$ 44.2 billion in the fiscal 2001-02 as compared with a robust 21 percent growth recorded in the previous fiscal i.e 2000-01. The Indian exports industry mainly consists of four major groups i.e. ores and minerals, petroleum products, agro products and manufactured goods. Whereas the exports of ores and minerals and petroleum products have increased, the export of agro products and manufactured goods have declined.

2. Opportunities and Threats

The year ahead will be one of the greatest challenges for the Indian industry. The competitive context of a rapidly globalising Indian market will severely test the inherent capabilities of Indian Companies. The uncertain prognosis on the economic slump in the United States, fears of slowdown in Europe and the continuing stagnation in Japan are already beginning to adversely impact export-led growth opportunities for Indian Companies. Sustaining positive investor sentiment in such a depressed global economic climate will require concerted initiatives on the part of both industry and Government. While Indian companies will have to hasten the achievement of international competitiveness, the Government will have to play the role of a catalyst by accelerating reforms and upgrading social and physical infrastructure.

Your Company continues the endeavour of aggressively building sustainable competitiveness in each of its businesses, pursuing as always the objective of significantly enlarging its contribution to the Indian economy and thereby creating better shareholder value.

3. Commodity Wise Performance



A. Agro Commodities

Your Company continues to maintain its status as one of the largest player in agro commodities in India.

In line with the stated objective of focusing on agro commodities, the Company during the year has emerged as the largest exporter of wheat from India with excellent networking in the international market as well as strong logistics support. The Company's major markets have been South East Asia and Middle East.

During the year soyabean meal exports also continued to grow. Your Company won the SOPA annual award of 2000-2001 - highest exporter as merchant exporter. Your Company made a dent in the highly competitive and demanding market of Europe for soyabean meal exports.

Castor oil exports by your Company continued to grow during the year and your Company emerged as one of the largest exporters of Castor Oil and its derivatives from India.

Pulses import during the year also continued to grow.

In the current year rice has been introduced for exports in the trade desk and your Company is expected to become one of the largest exporters of rice from India.

Your Company would continue to focus on its core strengths of consolidator and mover of bulk cargo. Sale of wheat, rice, soyabean meal, castor oil, sugar and pulses is expected to grow during the current year, which would help the Company to maintain its status as one of the largest agro players in India.

B. Textiles

The textile division during 2001-2002 has created a secured foothold as a prominent exporter of various textile products and has also gained high esteem amongst its suppliers.

Your Company has secured the award from Synthetic and Rayon Textiles Export Promotion Council (SRTEPC), for the Best Export Performance in Merchant Exports for the year 2001-2002. This award has been won by your Company for the second time in a row, which goes to highlight its dominance in the exports of SYNTHETIC AND BLENDED YARNS.

With a view to establishing itself as a world class supplier of textile products, your Company has implemented the ISO SYSTEM successfully and has been awarded the ISO 9001 version 2000 CERTIFICATE by SGS UK & UKAS.

As a part of its long-term planning, your Company has entered into new markets and developed new buyers for various products. This has consolidated its position in the global market. Departmental heads have also visited new potential markets and developed an understanding of these markets and cultivated relations with new buyers.

Your Company has forged an alliance with two of its partners to further consolidate its business in the related commodities i.e. Grey Fabric & Denim. This has given it an edge to your Company, as it would now control on the quality of its products.



C. Coal & Coke

During the year, your Company and sold 15 lac tonnes of Coal. This represents a growth of around 40 percent as compared to last year's performance.

The Company sourced imported coal mainly from China, Australia and South Africa. The said cargo is into the west coast ports of Mundra, Dahej and Navlakhi. On Panamax vessels major cargo was brought to Mundra Port.

For the year 2002-03 your Company expects big orders from State Electricity Boards, Fertilisers and Cement plants totaling about 18 lac tonnes.

D. Gems & Jewellery

Your Company is already in the business of global trading and has to its credit substantial exports of Gold Jewellery from India.

The Company has always been on the lookout for newer avenues in trading and has identified during the year, trading in Rough and Polished Diamonds as one such area having good potential.

The Company has also identified certain markets such as China and Taiwan as the countries to develop further relations. The initial studies conducted have given encouraging prospects of business in diamond with these countries.

The main source of Rough Diamonds is Antwerp and the above said countries are trying to penetrate this market for sourcing of Rough Diamonds but being small players, are not able to adjust to the volumes in this center. Your Company saw an opportunity to import Rough Diamonds in bulk and sell the same in smaller lots to these countries and as such, expected a reasonable value accretion in the process. The Company has also made a beginning in the exports of cut and polished diamonds, initially in small scale and plans to expand the business in the coming years as the demand increases.

With this view, the Company has also empowered its subsidiaries in Singapore and Dubai to identify these centres and promote the business widely.

E. Petro-chemicals, Oil & Lubricants

Your Company trades in the following products :-

Naphtha

SKO (Superior Kerosene Oil)

FO (Furnace Oil)

Bitumen

The major user of these products are industries for generation of power, solvent fuel etc. & bitumen is used for making roads in India.

The commodity is imported from the Middle East countries such as UAE, Qatar etc.

The Company imported Naphtha, SKO, FO, Bitumen to the tune of 43110 MT, 99600 MT, 56430 MT & 13470 MT respectively.

Your Company is a major importer of Petroleum products in the Private Sector. In future, your Company plans to trade in Indian market for all types of petroleum products.

Similarly, your Company hopes to build up handsome volume for the Naphtha, since your Company has the necessary infrastructure at its port apart from the commercial and shipping acumen to undertake this line of business.

F. Fertiliser & Raw Materials

Fertilizers and raw material division of your Company deals in Sulphur and Ammonium Nitrate. Due to recessionary trends in 2001-2002 the volumes remained stagnant, but in view of positive signs regarding recovery in the economy, it is expected that volumes should witness an upward-trend. Ammonium Nitrate is a relatively new product, which is being developed by your Company.

G. Treasury

The ultimate responsibility for risk management in your Company rests with the Executive Committee. They are assisted by Company's risk management department, which is responsible for assembling and consolidating risk information daily on all physical and terminal positions that the Company is carrying. All the trading desks participate actively in the process by working with the risk management department in developing policies and procedures that identify, assess, and control various risks inherent in the businesses.

Your Company's treasury acts as a centralized group treasury, which is a value added service center, with an internal transfer pricing mechanism and located at the company's head quarters in Ahmedabad. Given the increasing volatility in the currency markets, foreign exchange price risk has the potential to significantly impact Company's profit margins. Hence, the management of this risk assumes high importance.

The Company is exposed to significant currency risk, with large exposures in different currencies arising from exports, imports and foreign currency loans.



4. Competition/Outlook on Opportunities/Threats/Risks

The export industry is likely to achieve sustained growth in future. Due to liberalisation and favourable Government Policies, more and more players have joined the industry. The competition in export of agricultural products and manufactured goods have increased. Due to dismantling of Administered Price Mechanism in petroleum products, now it is a matter of competition and sustenance among the major players in the market. Since your Company exports wheat through Food Corporation of India and due to bumper agri-production in the previous year, the competition is not likely to have major effect on your Company, but the dismantling of Administered Price Mechanism will increase competition in the market.

The increased competition in the market has forced cost cutting policies to be adopted by your Company to remain competitive in the market. It has been done through reducing transportation costs, after landing and administrative costs. In light of the liberalisation of imports and government support to export and other incentives, the emerging business scenario is likely to be favourable for your Company in terms of increased market share and rise in growth rate.

5. Internal Control Systems and their adequacy

Adequate system of internal control is in place which assures your Company of :

- Proper recording and safeguarding of assets.
- Maintaining proper accounting records and reliability of financial information.
- The finance functionaries play an important role in financial planning and monitoring of the Company's operations on a global basis.
- Standard Operating Procedures (SOPs) and guidelines are issued from time to time to support best practices for adequate control in regard to operations of the Company.

Your Company has adequate internal control system commensurate with the size of the Company and the nature of its business. This system covers operational audit and review of business processes and performance in addition to the transaction audit. The findings are reported on a quarterly basis to the Audit Committee of the Board.

6. Financial Performance with respect to operational performance

Your Company's sales and other income declined by 7.84% for the year 2001-02 at Rs. 2825.55 crores while Gross Profit before Depreciation, Interest and Taxation and Net Profit have declined to Rs. 109.64 crores (Rs.151.60 crores) and Rs. 65.67 crores (Rs. 118.30 crores) respectively.

7. Human Resources

The greatest strength of your Company on Human Resource Development Front has been in linking HRD activities with the business plans of the organization. The whole HRD Movement at your Company has been evolved on task and people related goals. This culture/ value had been developed to build your Company into a –

- Performing Organisation
- Learning Organisation
- Fast Responding Organisation

Employee career development is the first priority in your Company. Career development of an individual commences by the time selection is made. This is possible through its :

- Well designed recruitment processes,
- Campus interview at institutes of national repute for recruiting Engineers, MBAs,
- Well designed career path and provision for accelerated growth to high performers,
- Cross functional rotation plan for developing multi job skills and building holistic vision.

Development system at your Company focuses on building Technical, Managerial and Social Competencies amongst the employees right from the induction stage.

To inculcate the spirit of effectiveness in management styles, your Company has moved from the conventional, hierarchical/power oriented culture to participative and performance oriented culture.

The total number of employees of your Company as on 31st March, 2002 were 281.

8. Management

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.

Cautionary Note

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.



ANNEXURE IV to the Directors' Report
Corporate Governance Report

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance by way of amendment to the listing agreements with the Stock Exchanges. The Board of Directors of the Company fully supports the principles of Corporate Governance & believes in implementing them in real spirit. The Company has complied with the mandatory requirements of the Code. Given below is a report on Corporate Governance.

1. Company's Philosophy on Corporate Governance

Corporate Governance to Adani Exports Ltd. means not only compliance with the provisions of Company Law, allied Acts and listing agreement but also director's responsibility to work with morality, ethics and accountability towards shareholders for their acts and decisions.

2. Composition of Board of Directors as on 31st March, 2002

The Board of Directors has a mix of Executive and Non-Executive Directors. The Board comprises three Executive Directors and four Non-Executive Directors. Accordingly, the composition of the Board meets the stipulated requirements.

Name of Director	Category	No. of other Directorships in Public Limited Companies	No. of other Board Committees of which Member/Chairman (other than Adani Exports Ltd.)
Mr. Gautam S. Adani	Executive-Chairman	13	3 [2 as Member & 1 as Chairman]
Mr. Rajesh S. Adani	Executive-Managing Director	14	4 [3 as Member & 1 as Chairman]
Mr. Vasant S. Adani	Executive-Whole time Director	14	3 [3 as Member]
Mr. Jay H. Shah	Non-executive & Independent Director	2	1 [1 as Member]
Dr. Pravin P. Shah	Non-executive & Independent Director	5	1 [1 as Member]
Dr. A. C. Shah	Non-executive & Independent Director	6	6 [3 as Member & 3 as Chairman]
Mr. C. R. Shah	Non-executive & Independent Director	6	4[1 as Member & 3 as Chairman]

Attendance of each Director at Board Meetings and last Annual General Meeting

During the year 2001-2002, the Board of Directors met four times on the following dates : 23rd day of June, 2001, 28th day of July, 2001, 29th day of October, 2001 & 30th day of January, 2002 respectively.

Name of Directors	No. of Board meetings attended during the period 1 st April, 2001 to 31 st March, 2002	Whether present at the previous AGM
Mr. Gautam S. Adani	4	Yes
Mr. Rajesh S. Adani	4	Yes
Mr. Vasant S. Adani	3	Yes
Mr. Jay H. Shah	1	Yes
Dr. Pravin P. Shah	3	No
Dr. A. C. Shah	2	No
Mr. C. R. Shah	4	Yes

3. Committees of the board**A. Audit committee****Terms of Reference**

The Audit Committee was formed by the Board of Director on 27th January, 2001 as per the Listing Agreement with the Stock Exchanges and also pursuant to the provisions of the Companies Act, 1956 and its functions include the overseeing financial reporting process, apprise the impact of accounting policies, auditing standards and legislation, reviewing the financial & risk management policies, adequacy of internal control system as well as Internal Audit function and also as described in the listing agreement. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

Composition, Name of Members and Chairman

The Committee consists of the following Directors :

Sr. No.	Name of the Director	Category
1	Mr. C. R. Shah	Chairman, Non-executive & Independent Director
2	Dr. A. C. Shah	Member, Non-executive & Independent Director
3	Dr. Pravin P. Shah	Member, Non-executive & Independent Director
4	Mr. Jay H. Shah	Member, Non-executive & Independent Director

* Mr. H. C. Shah acts as Secretary to the Committee.



Meetings and attendance during the year

During the financial year 2001-2002, three Audit Committee Meetings were held on the following dates: 23rd June, 2001, 29th October, 2001 & 30th January, 2002.

Name of Members	Audit Committee Meetings	
	Held	Attended
Mr. C. R. Shah	3	3
Dr. A. C. Shah	3	2
Dr. Pravin P. Shah	3	3
Mr. Jay H. Shah	3	1
Mr. Rajesh S. Adani *	3	2

* Mr. Rajesh S. Adani has resigned w.e.f. 30th January, 2002.

B. Remuneration Committee

Though it is a non-mandatory requirement as per clause 49 of the listing agreement, your Company has formed Remuneration Committee comprising Non-Executive Directors details of which are given hereunder

Composition, Name of Members and Chairman

The Committee consists of following Directors:

Sr. No.	Name of the Director	Category
1	Dr. Pravin P. Shah	Chairman
2	Mr. Jay H. Shah	Member
3	Mr. C. R. Shah	Member
4	Dr. A. C. Shah	Member

Remuneration to executive Directors shall be reviewed/recommended by the Remuneration Committee based on Remuneration Policy. Non-Executive Directors are not paid any remuneration except sitting fees.

No meeting of the committee was held upto 31st March, 2002. The first meeting of the remuneration committee was held on 27th June, 2002 where all the members were present.

Remuneration of Directors

The Company has no pecuniary relationship or transaction with its Non-Executive Directors other than payment of sitting fees to them for attending Board and Committee meetings.

Details of remuneration paid during the period from 1st April, 2001 to 31st March, 2002 is as under :

(Rs. in lacs)

Name	Salary	Bonus	Pension	Perquisites	Commission*	Others	Sitting fees		Total
							Board Meeting	Committee Meeting	
Mr. Gautam S. Adani	8.80	-	-	6.77	23.89	-	-	-	39.46
Mr. Rajesh S. Adani	13.07	-	-	4.80	23.89	-	-	-	41.76
Mr. Vasant S. Adani	9.41	-	-	3.81	23.89	-	-	-	37.11
Mr. Jay H. Shah	-	-	-	-	-	-	0.05	0.05	0.10
Dr. Pravin P. Shah	-	-	-	-	-	-	0.15	0.15	0.30
Dr. A. C. Shah	-	-	-	-	-	-	0.10	0.15	0.25
Mr. C. R. Shah	-	-	-	-	-	-	0.20	0.25	0.45

* Payable after approval of accounts by shareholders at the forthcoming Annual General Meeting to be held on 30th September, 2002.

Remuneration to Chairman, Managing Director and Whole-time Director is subject to review and recommendation by the Remuneration Committee to the Board and thereafter approved by shareholders in General Meeting.

The remuneration policy is directed towards rewarding performance, based on review of achievements.

The Company does not currently have a stock option or performance linked incentives for its Directors.

C. Shareholders'/Investors' Grievances Committee

Terms of Reference

The Board constituted a Shareholders'/Investors' Grievance Committee on 23rd June, 2001 to look into redressal of Shareholders'/Investors' grievances like transfer and transmission of shares, non-receipt of Balance sheet, non-receipt of declared dividend, dematerialisation of shares and matters relating to Duplicate share certificate, deletion of name, splitting & consolidation of shares and also delegate any of its responsibility, oversee the performance of the Registrar and Share Transfer Agent as well as recommend suggestions to improve the Investors' services.

During the year 2001-2002, 20 (Twenty) complaints were received from shareholders/investors. All the complaints have been resolved to the satisfaction of the complainants.



Adani Exports Limited

Golden Super Star Trading House

All valid share transfers received during the year 2001-02 have been acted upon by the Company. There were no transfers pending as on 31st March, 2002.

Constitution

The Shareholders'/Investors Grievance Committee comprised of following Members :

Name of Members	Category	Committee Meetings	
		Held	Attended
Mr. C. R. Shah	Chairman	2	2
Dr. A. C. Shah	Member	2	1
Mr. Jay H. Shah	Member	2	0
Mr. Vasant S. Adani	Member	2	2

Name of the Compliance Officer is as follows :

Shri H.C. Shah

Company Secretary & DGM – Accounts

Adani Exports Ltd.

“Adani House”

Near Mithakhali Six Roads,

Navrangpura,

Ahmedabad 380 009.

4. General Body Meetings

Details of last three Annual General Meetings (AGMs) held are given below

Financial Year	Date	Time	Venue
2000-2001	29 th Sep., 2001	11.00 a.m.	Lion's Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380006
1999-2000	18 th Sep., 2000	11.00 a.m.	Lion's Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380006
1998-1999	6 th Sep., 1999	11.00 a.m.	Lion's Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380006

Postal Ballot

In the previous year the Company passed a resolution under Section 372A of the Companies Act, 1956 for increasing the limits of the Company to make loans or investments, give guarantees or provide securities in/to other bodies corporate.

Shri Rohit K. Choksi, an eminent Chartered Accountant from Ahmedabad was appointed as scrutinizer to conduct the postal ballot exercise.

As per the scrutinizer's certificate, the Number of shares in respect of votes cast in favour the resolution were 10953755 and the votes cast against the resolution were 4281. The resolution was declared as passed by the scrutinizer at the previous AGM as passed by requisite majority.

The company has followed all necessary procedures and rules under the Companies Act, 1956 for passing resolution by Postal Ballot.

5. Disclosure

a) There is no transaction of material nature, with the promoters, the directors or the management, their relatives, subsidiaries etc. which may have potential conflict with the interests of the Company at large.

However, transactions with the related parties are disclosed in the Schedule 19 to the Accounts in the Annual Report.

b) The Department of Company Affairs has conducted an inspection under section 209A of the Companies Act, 1956 and they have alleged certain violations by the Company. Though the Company does not admit the same, but as a matter of prudence, the Company has approached the Central Government for compounding of the alleged violations.

6. Means Of Communication

a) The Company presently does not send its half-yearly report to each household of shareholders. The half-yearly results are published in newspapers. These are also posted on the Company's website.

b) First quarterly results of the Company were published in the Business Standard & Financial Express, Second Quarterly Results of the Company were published in the Sambhav & Asian Age, Third Quarterly results of the Company were published in Business Standard & Lok Satta Jansatta news papers. Audited results for the year ended on 31st March, 2002 were published in Asian Age and Smabhav newspapers.

c) These results together with the Company's official statement are also posted on the Company's website www.adanigroup.com. from time to time.

d) Presentations are also made from time to time to analysts and institutional investors.

e) Management Discussion and Analysis Report forms part of the Report of the Directors.



7. General Shareholder Information

A. Annual General Meeting

Date	Time	Venue
30 th September, 2002	11.00 a.m.	Lion's Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380006

B. Financial Calendar

The Company follows April-March as its financial year. The unaudited results for every quarter beginning from April is declared in the month following the quarter except for the last quarter, for which the audited results were declared in June, 2002 as permitted under the listing agreement.

C. Date of Book Closure :

9th September, 2002 to 14th September, 2002 (both days inclusive)

D. Dividend Payment Date

On or before 30th October, 2002.

E. Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Ahmedabad Stock Exchange, National Stock Exchange and Stock Exchange, Mumbai. The Company confirms that it has paid annual listing fees due to all the above Stock Exchanges for the year 2001-02.

F. Stock Code

1. Bombay Stock Exchange (BSE) : ADEX.BO
2. National Stock Exchange (NSE) : ADEX.NS
3. Ahmedabad Stock Exchange (ASE) : 00504

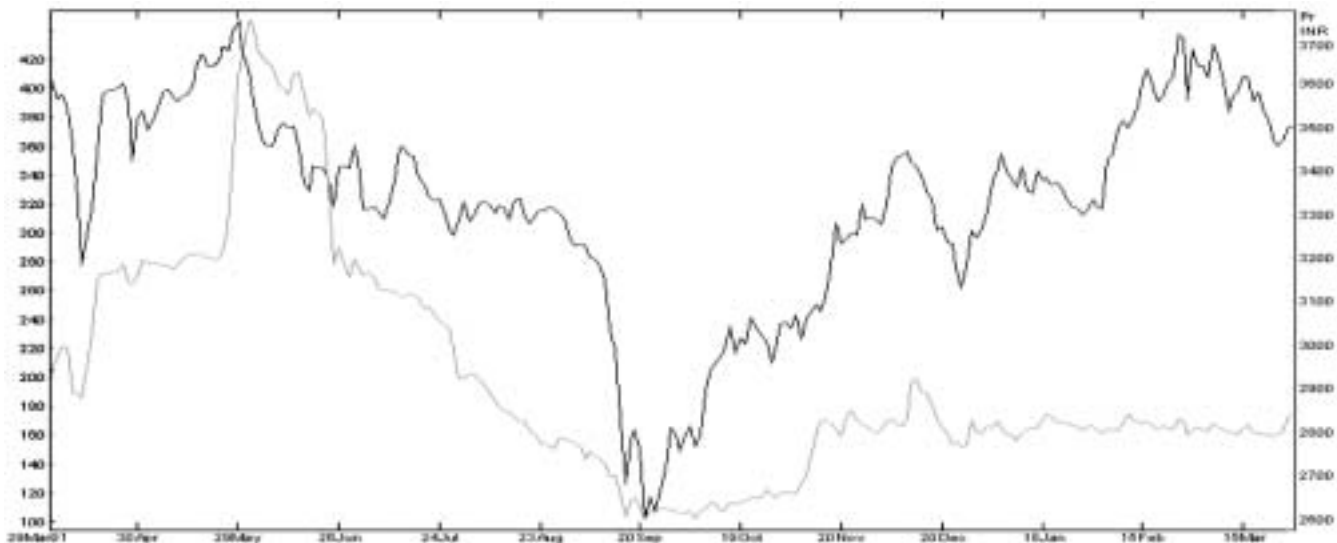
G. Market Price Data : High, Low during each month in last financial year

Month	BSE		NSE		ASE	
	High	Low	High	Low	High	Low
April	292.00	173.50	294.85	171.25	286.00	173.55
May	464.80	260.00	470.00	260.00	457.35	265.00
June	460.00	256.00	459.00	253.55	455.00	264.00
July	324.00	195.00	320.00	195.00	301.00	196.00
August	203.95	147.10	203.95	151.00	206.00	151.00
September	157.80	100.00	158.00	97.00	157.00	98.00
October	126.80	100.00	127.95	91.25	126.00	100.00
November	179.45	116.30	184.00	117.20	182.00	117.00
December	213.00	145.00	215.00	147.10	210.00	145.00
January	178.00	154.10	178.90	155.00	180.45	155.00
February	182.00	157.40	195.00	140.00	182.00	157.00
March	169.00	159.00	169.00	158.00	177.50	140.00

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

(Source : Reuters)

■ BSE SENSEX
■ AEL MARKET PRICE





I. Registrar and Transfer Agents

Pinnacle Share Registry Private Ltd., Near Asoka Mills Ltd., Naroda Road, Ahmedabad - 380 025.

J. Share Transfer System

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to Share Transfer Committee comprising of Mr. Gautam S. Adani, Mr. Rajesh S. Adani and Mr. Vasant S. Adani, Executive Directors of the Company and also reported to Shareholder's Grievances Committee formed by the Board of Directors. The committee attends the share transfer formalities at least once in a fortnight. The shares for transfers received in physical mode, are registered by the Registrar and Share Transfer Agents within 30 days of date of lodgement, if documents are complete in all respects and shares under objection are returned within two weeks, and thereafter option letter for simultaneous demat of shares are being sent to the transferee(s) for dematerialisation of shares. The share certificates duly endorsed are being returned immediately to those who do not opt for transfer cum dematerialisation. Confirmation in respect of dematerialisation is sent to the respective depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

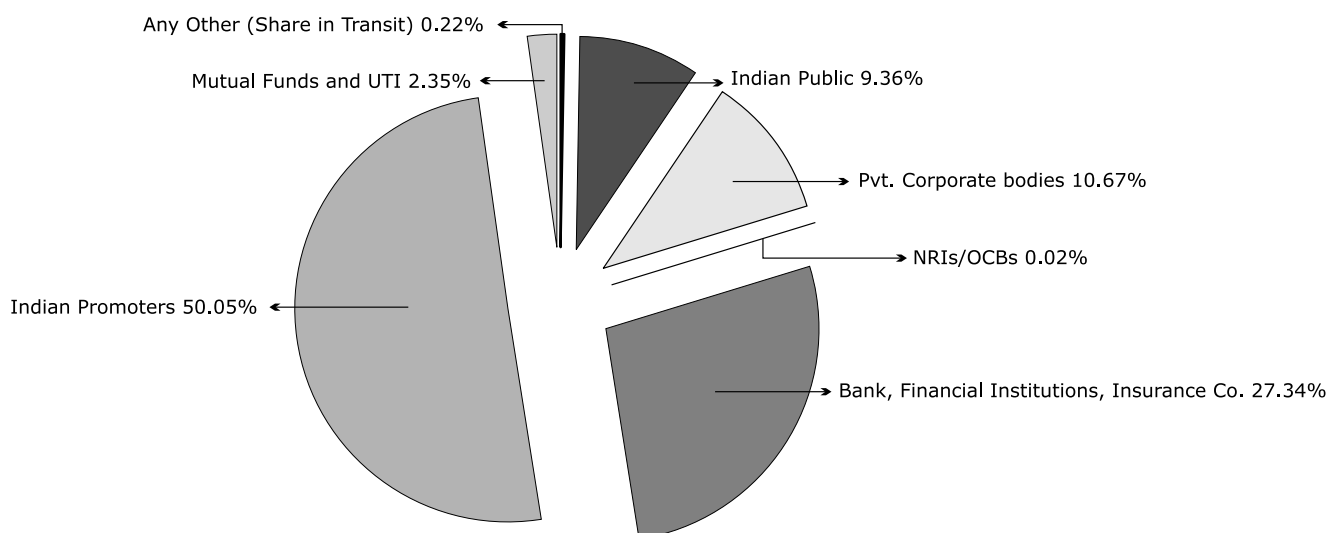
K. Dematerialisation of Shares and Liquidity

With effect from 26th June, 2000, trading in Equity Shares of the Company at the Stock Exchanges is permitted only in dematerialised form. The Company's shares are available for trading in the depository systems, of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on 31st March, 2002 **19236281** Equity Shares of the Company, forming **87.24%** of the Share Capital of the Company, stands dematerialised.

L. Distribution of Shareholding as on 31st March, 2002

Number of shares as on 31st March, 2002	Number of shareholders (%)		Shares held in each class (%)	
	Holders	% of Total	Total Shares	% of Total
1 to 500	5472	91.17	739855	3.36
501 to 1000	230	3.83	179759	0.82
1001 to 2000	122	2.03	188302	0.85
2001 to 3000	31	0.52	78514	0.36
3001 to 4000	20	0.33	71454	0.32
4001 to 5000	11	0.18	49954	0.23
5001 to 10000	37	0.62	247184	1.12
10001 & above	79	1.32	20492378	92.94
In transit in NSDL system	0	0.00	0	0.00
TOTAL	6002	100.00	22047400	100.00

M. Shareholding Pattern as on 31st March, 2002





Adani Exports Limited

Golden Super Star Trading House

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

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at 31st March, 2002.

O. Plant Locations

The Company is a Golden Super Star Trading 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 :

The Company Secretary

Adani Exports Ltd.,

"Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009.

Tel No. (079) 5555 555, 5555 500, 6565 555, 5555 215 (DID), Fax No. (079) 6565 500.

Email address : hcs@adanigroup.com **OR**

Registrar and Share Transfer Agent : Pinnacle Shares Registry Private Ltd.

Near Ashoka Mills, Naroda Road, Ahmedabad - 380 025.

Tel No. (079) 220 4226, 220 0591, 220 0582, 220 0338 Fax No. (079) 220 2963

Auditors' Certificate on Corporate Governance

To

The Members,

The Adani Exports Limited

We have examined the compliance of conditions of Corporate Governance by the Adani Exports Limited for the year ended March 31, 2002, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended / pending for more than 30 days.

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 : 27TH JUNE, 2002

(D. A. PARIKH)
PROPRIETOR



Adani Exports Limited

Golden Super Star Trading House

Auditors' Report

To
The Members of
Adani Exports Limited

We have audited the attached Balance Sheet of **ADANI EXPORTS LIMITED**, as at 31st March, 2002 and also the Profit and Loss Account 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.

1. 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 mis-statement. 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.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of Sub-Section(4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. 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 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account of the Company;
 - 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, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 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:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

(D. A. PARIKH)
Proprietor



Annexure referred to in paragraph 2 of our Auditors' report of even date on the accounts for the year ended 31st March, 2002 of Adani Exports Limited

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i) The Company has generally maintained proper records showing particulars, including quantitative details and situation of its fixed assets. 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. According to the information and explanations given to us, no material discrepancies have been noticed on such verifications.
- ii) None of the fixed assets have been revalued during the year under review.
- iii) As explained to us, the stocks of finished goods, mercantile goods and raw materials have been physically verified during the year by the management, except for stocks lying with outside parties, which have, however, been confirmed by them.
- iv) The procedures explained to us, which are followed by the management for physical verification of the above referred stocks, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) According to the records produced to us for our verification, discrepancies which were noticed on physical verification of stocks referred to in (iii) above, as compared to book records, have been adjusted in the book records, on the basis of a year-end scrutiny carried out by the Company.
- vi) We have examined the stock verification records of the Company. On the basis of such an examination and the assistance received from the Company's commercial staff, we are satisfied that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding financial year.
- vii) According to the information and explanations given to us, the Company has taken unsecured loan from companies listed in the registers maintained under Section 301 of the Companies Act, 1956, in which, directors are interested, as contemplated under Sub-Section (6) of the Section 299 of the said Act. In terms of Sub-Section (6) of Section 370 of the Act, provisions of the Section are not applicable to the Company on or after the commencement of the Companies (Amendment) Act, 1999 of India.
- viii) According to the information and explanations given to us, the Company has given unsecured loan to companies listed in the registers maintained under Section 301 of the Companies Act, 1956, in which, directors are interested, as contemplated under Sub-Section (6) of the Section 299 of the said Act. In terms of Sub-Section (6) of Section 370 of the Act, provisions of the Section are not applicable to the Company on or after the commencement of the Companies (Amendment) Act, 1999 of India.
- ix) The parties (including employees) to whom loans or advances in the nature of loans have been given by the Company, are repaying the principal amounts as stipulated and are also regular in payment of interest in most of the cases. In those cases where principal amounts and/or interest are not being paid as stipulated, reasonable steps have been or are being taken by the Company for recovery of the principal and/or interest. There are, however, certain cases of loans or advances in the nature of loans to employees where no interest is chargeable according to the terms of the loans and advances concerned.
- x) In our opinion, and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of packing materials, raw materials, plant and machinery, equipments and other assets and also for sale of goods.
- xi) In our opinion and according to the information and explanations given to us, the transactions for purchase of goods & materials and sale of goods, materials & services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.



Adani Exports Limited

Golden Super Star Trading House

- xii) According to the information given to us, the Company has a procedure for the determination of damaged or unserviceable packing materials, raw materials and finished goods. We are informed that no such stocks have been determined during the year under review.
- xiii) The Company has not accepted deposits from the public. However, in respect of deposit accepted from parties, the Company has complied with the provision of Section 58A of the Companies Act, 1956 and Rules framed thereunder.
- xiv) We are informed that the Company does not generate any by-product or scrap.
- xv) In our opinion the Company has an adequate internal audit system which in our opinion is commensurate with the size and nature of its business.
- xvi) The maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company.
- xvii) According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities.
- xviii) According to the information and explanations given to us there were no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty which have remained outstanding, as at 31st March, 2002, for a period of more than six months from the date they became payable.
- xix) According to the information and explanations given to us and records of the company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice. The Directors have also confirmed that no personal expenses have been charged to revenue account.
- xx) The Company is not a Sick Industrial Company within the meaning of Clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xxi) In respect of the trading activities, damaged goods have been determined at the time of physical verification, consequential adjustments, which were not significant, have been made in the accounts.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

(D. A. PARIKH)
Proprietor

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002



Balance Sheet as at 31st March, 2002

(Rs. in lacs)

PARTICULARS	SCHEDULE	AS AT		AS AT	
		31-03-2002		31-03-2001	
A SOURCES OF FUNDS :					
I SHAREHOLDERS' FUND					
(A) Share capital	1	4,204.74		5,254.74	
(B) Reserves & surplus	2	47,406.03	51,610.77	45,486.23	50,740.97
II LOAN FUNDS					
(A) Secured loans	3	40,818.64		45,370.86	
(B) Unsecured loans	4	6,728.09	47,546.73	11,104.60	56,475.46
III DEFERRED TAX LIABILITY					
Deferred tax liability		396.27		-	
Deferred tax assets (see note no.35)		64.06	332.21	-	-
TOTAL			99,489.71		107,216.43
B APPLICATION OF FUNDS :					
I FIXED ASSETS					
(A) Gross block	5	4,406.53		4,021.25	
(B) Less : depreciation		786.28		616.04	
(C) Net block		3,620.25		3,405.21	
(D) Capital work-in-progress		275.29	3,895.54	412.23	3,817.44
II INVESTMENTS	6		5,656.67		6,002.01
III CURRENT ASSETS, LOANS & ADVANCES					
(A) Inventories	7	12,526.25		12,787.66	
(B) Receivables	8	98,142.71		100,390.17	
(C) Cash & bank balances	9	12,079.81		12,791.78	
(D) Loans & advances	10	39,670.20		34,484.66	
		162,418.97		160,454.27	
LESS :-					
CURRENT LIABILITIES & PROVISIONS					
(A) Current liabilities	11	71,632.12		62,077.23	
(B) Provisions	12	849.35		980.06	
		72,481.47		63,057.29	
NET CURRENT ASSETS			89,937.50		97,396.98
TOTAL			99,489.71		107,216.43

Notes forming part of the accounts

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As per attached report of even date

For **DHARMESH PARIKH & CO.**
Chartered Accountants

D. A. PARIKH
Proprietor

HEMENDRA C. SHAH
Company Secretary

For and on behalf of the Board

GAUTAM S. ADANI
Chairman

RAJESH S. ADANI
Managing Director

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

**Profit & Loss Account for the Year ended 31st March, 2002**

(Rs. in lacs)

PARTICULARS	SCHEDULE	AS AT	
		31-03-2002	31-03-2001
A INCOME :			
Sales & operating earnings	13	281,243.88	301,399.53
Other income	14	1,311.39	5,180.41
		282,555.27	306,579.94
B EXPENDITURE :			
Cost of materials	15	260,199.50	278,677.82
Personnel expenses	16	664.08	685.09
Operation & other expenses	17	10,727.96	12,056.56
Interest	18	4,177.90	2,992.81
Depreciation		188.84	171.02
		275,958.28	294,583.30
Profit for the year before taxation		6,596.99	11,996.64
Provision for taxation:			
- Current tax (including wealth tax of Rs. 5.62 lacs) (P.Y. Rs. 3.85 lacs)		20.00	167.00
- Deferred tax		9.61	-
Profit after taxation		6,567.38	11,829.64
Add : Surplus brought forward from previous year		14,673.12	12,739.74
Profit available for appropriation		21,240.50	24,569.38
APPROPRIATIONS :			
Interim dividend on preference shares		329.34	500.18
Dividend on preference shares		2.56	6.17
Proposed dividend on equity shares		661.42	661.42
Tax on dividend		33.59	178.49
Transfer to general reserve		2,670.67	5,000.00
Transfer to preference shares redemption reserve		500.00	1,900.00
Transferred to debenture redemption reserve		600.00	1,650.00
Balance carried to Balance Sheet		16,442.92	14,673.12
		21,240.50	24,569.38
Earning per share (Rs.)			
- Basic & diluted		28.13	50.86
- Annualised		28.13	50.86

Notes forming part of the accounts

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As per attached report of even date

For and on behalf of the Board

For **DHARMESH PARIKH & CO.**
Chartered Accountants**GAUTAM S. ADANI**
Chairman**D. A. PARIKH**
Proprietor**HEMENDRA C. SHAH**
Company Secretary**RAJESH S. ADANI**
Managing DirectorPLACE : AHMEDABAD
DATE : 27TH JUNE, 2002PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002



**Schedules 1 to 12 forming part of the Balance Sheet
as at 31st March, 2002**

(Rs. in lacs)

PARTICULARS	AS AT 31-03-2002		AS AT 31-03-2001	
	SCHEDULE : 1			
SHARE CAPITAL				
AUTHORISED				
3,00,00,000 (Previous year 3,00,00,000) Equity shares of Rs. 10/- each		3,000.00		3,000.00
7,00,00,000 (Previous year 7,00,00,000) Preference shares of Rs. 10/- each		7,000.00		7,000.00
		10,000.00		10,000.00
ISSUED, SUBSCRIBED & PAID-UP				
2,20,47,400 (Previous year 2,20,47,400) Equity shares of Rs. 10/- each		2,204.74		2,204.74
NIL (Previous year 20,00,000) 13.5% Cumulative redeemable preference shares - Series II of Rs. 10/- each		-	200.00	
NIL (Previous year 10,00,000) 13.5% Cumulative redeemable preference shares - Series III of Rs. 10/- each		-	100.00	
NIL (Previous year 25,00,000) 13.5% Cumulative redeemable preference shares - Series IV of Rs. 10/- each		-	250.00	
NIL (Previous year 50,00,000) 13.5% Cumulative redeemable preference shares - Series V of Rs. 10/- each		-	500.00	
1,00,00,000 (Previous year 1,00,00,000) 13.5% Cumulative redeemable preference shares - Series VI of Rs. 10/- each		1,000.00	1,000.00	
1,00,00,000 (Previous year 1,00,00,000) 9.9% Cumulative redeemable preference shares - Series VII of Rs. 10/- each		1,000.00	1,000.00	3,050.00
		4,204.74		5,254.74
NOTES :				
of the above :				
i 5,00,000 (Previous year 5,00,000) equity shares of Rs. 10/- each were allotted as fully paid up at premium without payment being received in cash pursuant to the scheme of amalgamation as approved by the High Court of Gujarat.				
ii 5,00,000 (Previous year 5,00,000) Equity shares were issued as bonus shares by capitalisation of profit.				
iii 1,65,35,500 (Previous year 1,65,35,500) Equity shares were issued as bonus shares by capitalisation of share premium.				



PARTICULARS	AS AT 31-03-2002		AS AT 31-03-2001	
SCHEDULE : 2				
RESERVES & SURPLUS				
1 GENERAL RESERVE				
As per last balance sheet	25,000.00		20,000.00	
Add : Transferred during the year from profit & loss account	2,670.67		5,000.00	
Add : Preference share redemption reserve written back	950.00		-	
Less: Deferred tax liability of previous years	322.60		-	
Less: Transferred to profit & loss account in respect of bad debts (see note no. 8)	3,031.34		-	
Less: Transferred to profit & loss account in respect of diminution in value of investment (see note no. 6)	266.73	25,000.00	-	25,000.00
2 PREFERENCE SHARE REDEMPTION RESERVE				
As per last balance sheet	2,450.00		550.00	
Less: Transfer to general reserve	950.00		-	
Add : Transferred during the year from profit & loss account	500.00	2,000.00	1,900.00	2,450.00
3 DEBENTURE REDEMPTION RESERVE				
As per last balance sheet	1,650.00		-	
Created during the year	600.00	2,250.00	1,650.00	1,650.00
4 SHARE PREMIUM ACCOUNT				
As per last balance sheet	963.11	963.11	963.11	963.11
5 RESERVE UNDER SECTION 33AC OF INCOME-TAX ACT, 1961 :				
As per last balance sheet	750.00	750.00	750.00	750.00
6 SURPLUS IN PROFIT & LOSS ACCOUNT		16,442.92		14,673.12
		47,406.03		45,486.23
SCHEDULE : 3				
SECURED LOANS				
1 From banks - term loans (Note I to V)				
a) Foreign currency loan (ECB)		1,626.67		3,574.20
b) Rupee loan		9,771.39		9,870.93
2 From banks - working capital (Note I to IV)		24,622.41		26,925.73
3 Non convertible debentures (Note VI)		4,500.00		5,000.00
4 Interest accrued and due		298.17		-
		40,818.64		45,370.86
NOTES :				
Above facilities are ;				
I Secured by hypothecation of the stocks and book debts by way of first charge ranking pari passu among the banks.				
II Secured by tangible movable properties ranking pari passu among the banks.				
III Guaranteed by some of the Directors and their relatives in their personal capacity.				
IV Further secured by creation of equitable mortgage.				
a) Over certain immovable properties belonging to some of the Directors and their relatives to secure the ECB facilities and rupee term loan from State Bank of India and Andhra Bank.				
b) Over certain immovable properties belonging to the Company.				
c) Over certain immovable properties belonging to Adani Properties Ltd.				
V Term loan refer to in 1 (b) above to the extent of Rs. 86.44 crores are secured by second pari passu charge.				



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a) Over movable assets of the Company,				
b) Over certain immovable properties by creation of equitable mortgage as mentioned in note no. IV b) & c) above and by pledge of shares held by some of the Directors and their relatives and guaranteed by some of the Directors and their relatives in their personal capacity.				
VI a) 10,00,000 privately placed 14.75% secured redeemable non convertible debentures of Rs. 100/- each allotted w.e.f. 18 th May, 1999, are redeemable at par in one installment at the end of 36 months from the date of allotment.				
b) 15,00,000 privately placed 14.50% secured redeemable non convertible debentures of Rs.100/- each allotted w.e.f. 29 th December, 1999, are redeemable at par in three equal annual installments commencing from the expiry of 3 rd year from the date of allotment.				
c) 20,00,000 privately placed 13.50% secured redeemable non convertible debentures of Rs. 100/- each allotted w.e.f. 28 th July, 2000, are redeemable at par at the end of 36 months from the date of allotment.				
d) All the above debentures are secured by pledge of shares of some of the Directors and their relatives by way of mortgage and exclusive charge on some of the immovable properties of the Company.				
SCHEDULE : 4				
UNSECURED LOANS				
Inter corporate loans			692.91	904.60
Loans from banks/financial institutions (Note)			5,900.96	9,900.00
Non convertible debentures			-	300.00
Interest accrued and due			134.22	-
			6,728.09	11,104.60
NOTES :				
I) Above loans from financial institutions/banks are secured by demand promissory note, pledge of shares of some of the Directors and their relatives and guaranteed by some of the Directors in their personal capacity.				

SCHEDULE : 5

FIXED ASSETS

(Rs. in lacs)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/01	Additions during the year	Deductions during the year	As at 31/03/02	As at 01/04/01	Provided for the year	Deductions during the year	As at 31/03/02	As at 31/03/02	As at 31/03/01
1	Land	573.86	-	-	573.86	-	-	-	-	573.86	573.86
2	Building	1,529.54	205.81	-	1,735.35	94.38	28.29	-	122.67	1,612.68	1,435.16
3	Plant & machinery	77.78	0.11	-	77.89	16.84	3.71	-	20.55	57.34	60.94
4	Furniture & fixtures	529.76	39.23	-	568.99	125.07	35.17	-	160.24	408.75	404.69
5	Electric fittings & installations	96.96	4.79	-	101.75	17.49	4.68	-	22.17	79.58	79.47
6	Office equipment	301.71	25.70	1.57	325.84	49.49	15.05	0.29	64.25	261.59	252.22
7	Computer equipment	216.66	26.67	-	243.33	101.38	34.06	-	135.44	107.89	115.28
8	Vehicles	694.98	129.16	44.62	779.52	211.39	67.88	18.31	260.96	518.56	483.59
	Total	4,021.25	431.47	46.19	4,406.53	616.04	188.84	18.60	786.28	3,620.25	3,405.21
	Previous year	3,721.78	344.25	44.78	4,021.25	465.91	171.02	20.89	616.04	3,405.21	-



PARTICULARS	AS AT 31-03-2002	AS AT 31-03-2001
SCHEDULE : 6		
INVESTMENTS (LONG-TERM)		
GOVERNMENT SECURITIES (UNQUOTED)		
(Lodged with Government departments)		
in 6 year National Saving Certificates	2.06	2.03
in Kisan Vikas Patra	0.01	0.01
INVESTMENT IN SUBSIDIARY COMPANIES (UNQUOTED)		
1) 2,50,000 (2,50,000) fully paid up equity shares of Adani Chemicals Ltd. of Rs. 10/- each	25.00	25.00
2) 4,000 (4,000) fully paid up equity shares of Adani Global Ltd. of \$ 100/- each	148.77	148.77
3) 36,000 (36,000) fully paid up 10% redeemable preference shares of Adani Global Ltd. of \$ 100/- each	1,446.14	1,446.14
OTHERS (UNQUOTED)		
1) 37,63,300 (42,63,300) fully paid up equity shares of Adani Port Ltd. of Rs. 10/- each	376.33	426.33
2) 1,28,83,950 (1,28,83,950) equity shares of Adani Wilmar Ltd. of Rs. 10/- each	1,288.40	1,288.40
3) 500 (500) fully paid up units of Rs. 10/- each of GIC Mutual Fund	0.05	0.05
4) 10 (10) equity shares of Coffee Futures Exchange Board India Ltd. of Rs. 10,000/- each	1.00	1.00
5) 2,10,00,000 (2,10,00,000) fully paid up equity shares of Gujarat Adani Port Ltd. of Rs. 10/- each	2,100.00	2,100.00
6) 26,000 (NIL) equity shares of Adani Container (Mundra) Terminals Ltd. of Rs. 10/- each; partly paid up	1.30	-
7) 5 (NIL) Bond of UCO Bank of Rs. 5,00,000/- each	25.00	-
OTHERS (QUOTED)		
1) 3,350 (3,350) fully paid up equity shares of State Bank of Travancore of Rs. 100/- each	20.10	20.10
2) 1,35,578 (2,00,578) fully paid up equity shares of IndusInd Bank Ltd. of Rs. 10/- each	61.01	90.26
3) NIL (2,800) fully paid up equity shares of Bank of India of Rs.10/- each	-	1.26
4) 6,91,838 (6,91,838) equity shares of Rs. 10/- each of IFCI	69.18	69.18
5) NIL (1,000) equity shares of Rs. 10/- each of Apollo Tyres Ltd.	-	1.64
6) 3,07,725 (3,07,725) fully paid up equity shares of PNB Gilts Ltd. of Rs. 30/- each	92.32	92.32
7) NIL (2,27,900) fully paid up equity shares of Andhra Bank of Rs. 10/- each	-	22.79
8) 5,33,450 (5,33,450) fully paid up equity shares of Unicorp Industries Ltd. of Rs. 10/- each (see note no. 6)	-	266.73
	5,656.67	6,002.01
Aggregate book value - Quoted	242.61	564.28
- Unquoted	5,414.06	5,437.73
Aggregate market value- Quoted	68.92	238.71



PARTICULARS	AS AT 31-03-2002	AS AT 31-03-2001
SCHEDULE : 7		
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)		
Raw-materials	7.27	455.43
Finished goods (note 36-A)	12,075.44	11,910.53
Licences	443.54	421.70
	12,526.25	12,787.66
SCHEDULE : 8		
RECEIVABLES (UNSECURED, CONSIDERED GOOD)		
Over six months	21,759.39	11,765.95
Others	76,383.32	88,624.22
	98,142.71	100,390.17
SCHEDULE : 9		
CASH & BANK BALANCES		
Cash on hand (including cheques on hand)	162.94	485.62
Balances with Scheduled Banks :-		
- Margin money account	9,134.76	9,023.02
- In current account	2,772.98	3,275.22
- Public issue collection account	2.99	2.99
- Unclaimed dividend account	6.14	4.93
	12,079.81	12,791.78
SCHEDULE : 10		
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Loans	1,631.66	5,447.71
Advances recoverable in cash or kind or for value to be received	36,325.14	27,893.69
Interest accrued but not due	351.74	390.09
Advance payment of income tax (including TDS of Rs. 919.09 Lacs, previous year Rs. 101.35 lacs)	1,061.83	312.93
Deposit with Customs, Central Excise authorities	299.83	440.24
	39,670.20	34,484.66
SCHEDULE : 11		
CURRENT LIABILITIES		
Sundry creditors	65,955.92	56,733.18
Other liabilities	5,352.81	5,068.83
Unclaimed dividend	9.53	4.94
Interest accrued but not due	313.86	270.28
	71,632.12	62,077.23
SCHEDULE : 12		
PROVISIONS		
Provision for taxation	185.36	169.21
Proposed dividend	663.99	667.59
Tax on dividend (including surcharge)	-	143.26
	849.35	980.06



**Schedules 13 to 18 forming part of the Profit & Loss Account
for the year ended 31st March, 2002**

(Rs. in lacs)

PARTICULARS	2001-2002		2000-2001	
SCHEDULE : 13				
SALES & OPERATING EARNINGS				
Sales		277,384.80		292,893.66
Export incentives		1,997.21		6,392.03
Commission & service charges		1,861.87		2,113.84
		281,243.88		301,399.53
SCHEDULE : 14				
OTHER INCOME				
Dividend (gross)		213.20		191.46
Profit on sale of fixed assets/investments		700.04		4,810.36
Miscellaneous income (TDS Rs. 85.94 lacs, P.Y. Rs.0.40 lacs)		398.15		178.59
		1,311.39		5,180.41
SCHEDULE : 15				
COST OF MATERIALS				
Raw material consumed				
Opening stock	455.43		534.92	
ADD : Purchases during the year	1,468.56		2,693.91	
	1,923.99		3,228.83	
LESS : Closing stock	7.27		455.43	
	1,916.72		2,773.40	
ADD : Processing charges	1,180.37	3,097.09	2,214.03	4,987.43
Purchase of traded goods		257,289.16		275,371.14
Decrease/(Increase) in stock				
Opening stock of finished/traded goods	12,332.23		10,651.48	
Closing stock of finished/traded goods	12,518.98		12,332.23	
		(186.75)		(1,680.75)
		260,199.50		278,677.82
SCHEDULE : 16				
PERSONNEL EXPENSES				
Salaries & bonus		563.57		608.48
Contribution to provident & other funds		83.18		57.36
Staff welfare expenses		17.33		19.25
		664.08		685.09



PARTICULARS	2001-2002		2000-2001	
SCHEDULE : 17				
OPERATION & OTHER EXPENSES				
Rent		67.38		81.15
Rates & taxes		92.89		57.82
Postage, telephone & telex expenses		268.49		277.39
Stationery & printing expenses		38.51		31.83
Bank commission/charges		1,678.86		1,392.41
REPAIRS TO :				
Office building	12.97		21.32	
Office equipments	23.96		16.69	
Others	58.68	95.61	53.75	91.76
Electric power expenses		76.88		77.67
Insurance expenses		227.88		198.71
Miscellaneous expenses		744.30		1,464.09
Payment to auditors		12.26		13.33
Office expenses		12.06		18.42
Directors sitting fees		1.10		0.50
Loss on sale of assets		40.13		14.30
Clearing & forwarding expenses		4,538.38		4,415.14
Hedging loss		-		56.14
Commission to supporting manufacturers		289.99		1,239.22
Packing expenses		141.20		75.24
Advertisement expenses		10.44		22.31
Supervision & testing expenses		359.35		258.81
Sales promotion expenses		21.45		591.21
Bad debts written-off :				
	3,031.34		-	-
Less :- Transferred from general reserve (see note no. 8)	3,031.34	-	-	-
Diminution in value of investments :	266.73		-	
Less :- Transferred from general reserve (see note no. 6)	266.73	-	-	-
Brokerage, commission & service charges		909.40		1,139.64
Travelling & conveyance expenses		402.50		404.15
Exchange rate difference		698.90		135.32
		10,727.96		12,056.56
SCHEDULE : 18				
INTEREST EXPENSES				
Interest others	2,287.14		1,317.49	
Interest on bank borrowings	5,408.41	7,695.55	4,342.70	5,660.19
LESS : INTEREST INCOME				
Interest on deposit & others (gross) TDS of Rs. 723.23 lacs (Previous year Rs. 73.91 lacs)		3,517.65		2,667.38
		4,177.90		2,992.81



SCHEDULE: " 19 "

NOTES FORMING PART OF THE ACCOUNTS

A) 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 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.
- iii) All expenditure and income to the extent considered payable and receivable respectively are accounted for on accrual basis except those with significant uncertainties.
- iv) In preparing and presenting these financial statements the following Accounting Standards recently issued by the Institute of Chartered Accountants of India are applicable to the Company for first time.
 - Accounting Standard 17 – Segment Reporting;
 - Accounting Standard 18 – Related Party Disclosures;
 - Accounting Standard 20 – Earnings Per Share; and
 - Accounting Standard 22 – Accounting for Taxes on Income

b) FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

c) 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.

d) 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) Investment in shares of foreign subsidiary company is expressed in Indian currency at the rates of exchange prevailing at the time when the original investment was made.

e) INVENTORIES

- i) Inventories are valued at lower of cost or net realisable value.
- ii) The Custom duty in respect of closing inventory of finished goods is included as cost of inventory.
- iii) The basis of determining cost for various categories of inventories are as follows:
 - a) Raw material : First in First Out (FIFO)
 - b) Traded/Finished goods : First in First Out (FIFO)/Specific identification of their individual costs – as the case may be
 - c) Licences on hand : Specific identification of their individual costs

f) 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.

g) 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.

h) LIQUIDATED DAMAGES

Liquidated damages/penalties, if any, are provided whenever there is a claim from customer & when the same is accepted by the Company.

i) EXPORT INCENTIVES

Export benefits under duty entitlement pass book and duty draw back are accounted on accrual basis to the extent considered receivable. Premium on export quota are accounted as and when realised.



j) FOREIGN CURRENCY TRANSACTIONS

- i) Export sales are accounted for at the rate as on the date of negotiation or collection or at forward contract rates, wherever applicable.
- ii) Imports are accounted for at contracted rates or at actuals, wherever applicable.
- iii) The foreign exchange difference/roll-over charges for the forward contracts and payments/receipts on cancellation of forward contracts are adjusted to the profit and loss account.
- iv) Foreign Currency liabilities are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising therefrom charged to the profit and loss account.

k) REVENUE RECOGNITION

- i) Sales of goods is recognised on shipment or despatch to customer. Sales includes amounts recovered towards excise duty as wherever applicable 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.

l) MATERIAL EVENTS

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

m) CONTINGENT LIABILITIES

All known liabilities are provided for in the accounts except liabilities which are of a contingent nature, in respect of which suitable disclosures are made in the accounts.

n) TAXATION

- a) Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.
- b) In case of matters under appeal, due to disallowance or otherwise, full provision will be made when the said liabilities are accepted.

o) DEFERRED TAXATION

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallise as deferred tax charge/benefit in the profit and loss account and as deferred tax asset/liabilities in the balance sheet.

p) SEGMENT ACCOUNTING

The accounting policies applicable to the reportable segment are the same as those used in the preparation of the financial statements as set out above.

Segment revenue and expenses include amounts which can be directly identifiable to the segment or allocable on a reasonable basis.

Segment assets include all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consist primarily of deposits from customers, creditors and statutory liabilities.

q) RELATED PARTY TRANSACTIONS

Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and/or operating decisions.

r) EARNING PER SHARE

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholder. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

s) PROPOSED DIVIDEND

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

t) CAPITAL WORK-IN-PROGRESS

Advances paid towards the acquisition of fixed assets, and the cost of assets not put to use before the year ended, are disclosed under capital work-in-progress.

u) INSURANCE CLAIMS

Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claims and refunds whose recovery can not be ascertained with reasonable certainty, are accounted for on acceptance/actual receipts basis.

v) **RETIREMENT BENEFITS**

- i) **Provident Fund and Pension Fund:** The Company contributes towards provident and pension fund which is administered by Central Government and are charged against revenue every year.
- ii) **Gratuity and Superannuation Fund:** Liabilities for payment of gratuity & superannuation to employees are covered through Group Gratuity & Superannuation 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 account on the basis of the actuarial valuer's certificate.

w) **PRIOR PERIOD ITEMS**

Prior period expenses/income is accounted under the respective heads. Material items, if any, are disclosed separately by way of note.

B) NOTES ON ACCOUNTS:-

1. Cumulative redeemable preference shares under series VI and VII of the face value of Rs. 10/- each are redeemable at the end of three years and five years from the date of allotment, being 11-05-1999 and 10-06-2000 respectively. The Company has an option to redeem the preference shares any time after eighteen months in case of series VI and after 2 years & 4 years in case of series VII, from the date of issue at a par.
2. Buildings include cost of ownership accommodations including Rs. 0.03 lacs (Previous year Rs. 0.03 lacs), being cost of shares held in various Co-operative Societies.
3. Office premises of Rs. 375.25 lacs includes Rs. 231.68 lacs represent unquoted Shares (160 equity shares of A type and 1280 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 leasehold land and Rs. 143.57 lacs towards construction contribution and exclusive use of terrace and allotted parking space.
4. **Capital work in progress includes:-**
Building worth Rs. 64.64 lacs (previous year Rs. 64.64 lacs) has been disputed and the matter is sub-judice.
5. No provision has been made in the accounts for diminution in the value of investments amounted to Rs. 173.70 lacs by reason of these investments being strategic "Long Term Investments" and the decline in their value being on account of temporary factors, in view of the Management.
6. The Company had acquired 533450 equity shares of Rs. 10 each in Unicorp Industries Limited at a cost of Rs. 266.73 lacs in May, 2000. The unit of Unicorp Industries Limited has been closed down. Considering the above the management is of the view that there is a decline, other than temporary, in the carrying amounts of long term investments. Such reduction in carrying amount is charged to the profit and loss account and an equivalent amount has been withdrawn from general reserve to offset this charge.

7. **Capital Commitments:-**

(Rs. in lacs)

Estimated amount of contracts remaining to be executed and not provided for	31.33	85.56
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8. During the year, outstanding in receivable account amounting to Rs. 1904.55 lacs outstanding for more than six months and trade advances given in the due course of business of Rs. 1126.78 lacs has 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 sales affected in past years has been debited to the profit & loss account. An equivalent amount has been withdrawn from the general reserve to offset this charge, as it pertains to past years.
9. **Receivable include:**
Amount due from a subsidiary company of Rs. 8974.87 lacs (previous year Rs. 13179.86 lacs).
10. Confirmation of certain parties for amounts due to them/amounts due from them as per accounts of the Company are not received. Provision for doubtful debts, if any, in respect of above and the consequential adjustment, if any, arising out of reconciliation are unascertainable at this stage.
11. **Loans & Advances include:**
 - (a) Rs. NIL (previous year Rs. 135.37 lacs) towards advance against promoter's contribution in erstwhile Subsidiary Company.
 - (b) Amount due from Subsidiary Companies of Rs. 199.00 lacs (previous year Rs. 193.30 lacs).
 - (c) Amount due from Companies Rs. 4222.79 lacs (previous year Rs. 5119.04 lacs) in which some of the Directors of the Company are interested.
 - (d) Rs. 500.00 lacs (previous year Rs. NIL) towards advance against promoter's contribution in a Company under the same Management.
 - (e) Rs. 15.50 lacs (previous year Rs. NIL) towards equity of Punjab National Bank Limited, pending allotment of shares.



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12. Loans & Advances include claim against the insurance company in respect of loss of materials, pending settlements which is yet to be settled by the insurance company. To expedite the matter, Company has filed an application before High Court of Gujarat. Hence, the adjustment in Company account in respect thereon will be made on settlement of the claim by insurance company.
13. The Company has given advances to some of the parties for fulfillment of commitment, and for non-fulfillment of commitment, the Company has taken legal action and is examining other options for recovery of the advances.
14. Export incentive receivable included under the head loans & advances, shortfall/excess if any, is not taken into account as the same is unascertainable, the matter is sub-judice and pending for disposal with High Court of Chennai.
15. No provision has been made for debts and advance which are under litigation/dispute/management discretion. Management is hopeful of their recovery. In the opinion of the management adequate balance is lying in general reserve to meet the eventuality of this account being irrecoverable.
16. 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 amount considered reasonably necessary.
17. **Contingent liabilities not provided for :**

(Rs. in lacs)

PARTICULARS	AS AT 31-03-2002	AS AT 31-03-2001
a) Claims against the Company not acknowledge as debts	67.00	67.00
b) In respect of Corporate Guarantee given :-		
i) To Companies under the same management	80722.00	78936.00
ii) For obligations to other parties	100.00	25.00
c) In respect of disputed demand from custom authorities for which the liability is not ascertainable	-	-
d) Demand against the Company not admitted as debts regarding sales tax against which appeals are pending	236.90	92.14
e) Demand against the Company not admitted as debts regarding Custom duty against which appeals are pending	37.03	37.03
f) In respect of bank guarantees given towards		
i) To Govt. agencies for exports	810.75	-
ii) Towards various demurrage claims under settlement	708.08	-
g) Uncalled liability on partly paid investments	24.70	-
h) In respect of completed income-tax assessments, the Company is in appeal	-	0.75

- i) Certain claims/show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained in the earlier years from prominent legal counsels.
- j) No provision has been made in the accounts for demands of income-tax for the earlier years amounting to Rs. 18.62 lacs (previous year Rs. 18.62 lacs) against which appeals have been filed.
- k) Claims filed by M. S. Shoes group of Companies, pending before various authorities are not admitted as liabilities.
18. The Company has given counter guarantee to Housing Development Finance Corporation Limited (HDFC) against loan given to employees amounting to Rs. 89.22 lacs (previous year Rs. 97.47 lacs) for construction/purchase of residential houses.
19. 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.
20. Other liabilities include Rs. 4.00 lacs received against agreement to sell of land pending other formalities.
21. Other liabilities include Rs. 386.51 lacs (previous year Rs. 263.63 lacs) being temporary overdrawn balance in current account with scheduled banks.
22. Sundry creditors include Rs. 54.29 lacs for liability against leave earned (leave liability actuarially valued at 31-3-2001 is Rs. 22.90 lacs).
23. In terms of notification issued by the Department of Company Affairs dated 22-02-1999, the Company is required to make certain additional disclosures under the head "Sundry Creditors" in respect of dues to small scale industrial undertakings. In absence of complete information about the status of creditors as to whether they constitute an SSI undertaking as on 31st March, 2002, the details of amount due to each small scale undertakings exceeding Rs. 1.00 lac and outstanding for more than 30 days could not be compiled and disclosed.



Adani Exports Limited

Golden Super Star Trading House

24. a) Provision for taxation for the year has been made after considering allowance, claims and reliefs available to the Company as advised by the Company's tax consultants.
- b) Various tax related legal proceedings are pending against the Company. Potential liabilities, if any, have been adequately provided for, and management does not estimate any incremental liability in respect of legal proceedings.

25. **Current liabilities include :-**

Amount due to Companies in which some of the Directors are interested Rs. 22.59 lacs (previous year Rs. 22.59 lacs).

26. **Unsecured loan includes:-**

- (a) Rs. 22.00 lacs (previous year Rs. 22.00 lacs) from a Company in which one of the Director is interested.
- (b) Rs. NIL (previous year Rs. 750.00 lacs) from Companies in which some of the Directors are interested.

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

(Rs. in lacs)

	2001-2002	2000-2001
i Audit fee	9.66	10.71
ii Tax audit fee	2.10	2.10
iii Other services	0.50	0.52

28. **Prior period adjustments is adjusted to miscellaneous expenses:-**

(Rs. in lacs)

	2001-2002	2000-2001
Debits relating to earlier years	90.88	455.77
Credits relating to earlier years	31.24	128.18
Net Total	59.64	327.60

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

(Rs. in lacs)

PARTICULARS	2001-2002	2000-2001
A. Profit Before Taxation	6596.99	11996.64
Add : Depreciation as per Accounts	188.84	171.02
Directors' sitting fees	1.10	0.50
Directors' remuneration	34.02	30.11
Directors' commission	71.67	86.36
Loss on sale of investments/assets	40.13	25.31
	6931.65	12309.94
Less : Depreciation as per Sec. 350 of the Companies Act, 1956	259.16	291.62
Profit on sale of investments/assets	700.04	4821.37
Profit for the purpose of Directors' Commission	5973.55	7196.95
Chairman @ 0.4% on Rs. 5973.55 (previous year at 0.4% on Rs. 7196.95)	23.89	28.78
Managing Director @ 0.4% on Rs. 5973.55 (previous year at 0.4% on Rs. 7196.95)	23.89	28.79
Whole-time Director @ 0.4% on Rs. 5973.55 (previous year at 0.4% on Rs. 7196.95)	23.89	28.79
	71.67	86.36
B. Managerial remuneration to Chairman, Managing & Whole-time Directors under Section 198 of the Companies Act, 1956		
i) Salaries	31.99	27.69
ii) Contributions to provident and other funds	2.03	2.42
iii) Commission	71.67	86.36
	105.69	116.47

**Adani Exports Limited**

Golden Super Star Trading House

30. Miscellaneous income includes Rs. 8.36 lacs (previous year Rs. 11.27 lacs) being net of debit & credit balances no longer required & Written Off during the year.
31. In view of the amendment of Section 115O of the Income Tax Act, 1961, by the Finance Act, 2002 tax on distributed profit has not been provided for.
32. **Segment Reporting**

(i) Information about Primary Segment (Business Segment)

Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS17) issued by the Institute of Chartered Accountants of India, the Company's primary business segment is global trading. The trading business of the Company incorporates product groups like agro commodities, coal & coke, textiles, petroleum & chemicals and precious metals which mainly have similar risk and returns.

(Rs. in lacs)

Particulars	For the Year ended 31 st March, 2002	
	Global Trading	Total Company
A REVENUE		
1 Sales	281243.88	281243.88
2 Other income	1311.39	1311.39
3 Total revenue	282555.27	282555.27
B RESULTS		
1 Segment result/operating profit	10774.89	10774.89
2 Interest expenses	7695.55	7695.55
3 Interest income	3517.65	3517.65
4 Profit before tax	6596.99	6596.99
5 Provision for taxation		
Current tax	20.00	20.00
Deferred tax	9.61	9.61
6 Profit from ordinary activity	6567.38	6567.38
7 Extraordinary loss	-	-
8 Net profit	6567.38	6567.38
C OTHER INFORMATION		
1 Segment assets	170634.06	170634.06
2 Capital work-in-progress	275.29	275.29
3 Advance tax net off provision	544.26	544.26
4 Total assets	171453.61	171453.61
5 Segment liabilities	119528.98	119528.98
6 Share capital & reserve	51610.77	51610.77
7 Interest accrued but not due	313.86	313.86
8 Total liabilities	171453.61	171453.61
9 Capital expenditure	-	-
10 Depreciation	188.84	188.84
11 Non-cash expenses other than depreciation	-	-

Segment Accounting Policies:

In addition to the significant accounting policies applicable to the business segment as set out in Note-33 Schedule 19 of the Notes to the accounts, the accounting policies in relation to segment accounting are as under;

a) Segment Assets and Liabilities:

All segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include investments, inter-corporate deposits, share capital, reserves and surplus, borrowings, provision for contingencies and income tax (both current and deferred).



b) Segment Revenue and Expenses:

Segment revenue and expenses are directly attributable to the segment and includes interest income on inter-
corporate deposits, profit on sale of investments, interest expenses, provision for contingencies and income tax.

Note: As Accounting Standard 17, "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI) is applicable only in respect of accounting periods commencing on or after 1st April, 2001. The council of the ICAI has decided at its 224th meeting, held on 8th to 10th March, 2002 that corresponding previous year figures in respect of segment reporting had not been disclosed.

33. Related Party Disclosure (As identified by the management)

i) Name of related parties & description of relationship

A Controlling Companies

—

B Subsidiary Companies

Adani Global Pte Ltd.

Adani Chemicals Limited

Adani Global Limited

Adani Global FZE

C Associate Entities

Adani Properties Private Limited

Adani Agro Private Limited

Adani Port Limited

B2C India Limited

I Call India Limited

I-Gate India Private Limited

Adani Impex Private Limited

Gujarat Adani Infrastructure Private Limited

Shahi Property Developers Private Limited

Adani Port Infrastructure Limited

Gujarat Adani Port Limited

Gujarat Adani Energy Limited

Intercontinental (India)

Shantivan

Advance Exports

Crown International

Adani Container (Mundra) Terminals Limited

D Joint Control

Adani Wilmar Limited

E Key Management Personnel

Shri Gautam S. Adani

Shri Rajesh S. Adani

Shri Vasant S. Adani

F Relatives

Shri Vinodbhai Adani

Smt. Ranjan Vinodbhai Adani



ii) Nature & Volume of Transaction with Related Parties

(Rs. in lacs)

Particulars	Controlling Company	Associate Entities	Joint Control Company	Subsidiary Company	Key Mngt. Personnels	Relatives
1 Sales (net of return)	-	916.94	21.75	25000.99	-	-
2 Sale of investment	-	750.00	-	-	-	-
3 Sale of fixed assets	-	0.18	-	-	-	-
4 Purchase (net of return)	-	3481.17	-	10378.15	-	-
5 Interest - received/(paid)	-	3056.03	-	-	-	-
6 Funds given/received (net) including equity participation	-	1049.50	971.51	0.45	-	-
7 Service rendered	-	236.50	54.88	96.68	-	-
8 Service availed	-	1150.02	0.26	-	-	4.05
9 Rent paid	-	39.29	11.08	-	-	-
10 Rent received	-	-	17.41	-	-	-
11 Remuneration	-	-	-	-	105.69	-
12 Guarantee & collateral securities Given*	-	-	-	-	-	-
Availed*	-	-	-	-	-	-
13 Balance outstanding as on 31 st March, 2002	-	3431.16	1357.80	9173.87	-	-

As this is the first year for which related party transactions are presented, comparative figures are not available.

* Refer to Note No. 18 for corporate guarantees given to Companies under same management.

34. Earning Per Share

(Rs. in lacs)

Particulars	Year ended 31 st March, 2002	Year ended 31 st March, 2001
Net profit after tax provision	6567.38	11829.64
Less: Preference dividend including tax thereon	365.50	684.85
Net profit after tax available for equity shareholders	6201.88	11144.79
Weighted average no. of equity shares outstanding during the year	22047400	22047400
Basic Earning per Share (in Rs.)	28.13	50.86

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

35. a) Deferred Tax

(Rs. in lacs)

Particulars	As at 31 st March, 2002	As at 31 st March, 2001
Deferred tax liability on account of		
(i) Depreciation	65.03	331.24
Total	65.03	331.24
Deferred tax assets on account of		
(i) Miscellaneous expenditure	(0.80)	1.65
(ii) Brought forward capital loss	0.21	6.99
(iii) Diminution in value of investments	56.01	-
Total	55.42	8.64
Net deferred tax liability	9.61	322.60

b) In accordance with "Accounting Standard 22", the Company has recognized the accumulated deferred tax liability (net) as at 31st March, 2001 amounting to Rs. 322.60 lacs as a deduction from general reserve. The deferred tax charge of Rs. 9.61 lacs for the year has been recognised in the profit and loss account.



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36. **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) SALES AND STOCKS OF GOODS TRADED AND PROCESSED

(Rs. in lacs)

Sr. No.	CLASS	UNITS	OPENING STOCK		CLOSING STOCK		SALES	
			Qty.	Amount	Qty.	Amount	Qty.	Amount
1	Chemical/Plastics	MT	9,627.258 8,953.795	1,514.65 1,156.68	5,911.609 9,627.258	1,204.29 1,514.65	58,456.133 49,366.770	7,741.86 7,242.61
2	Agro products	MT	120,344.674 43,930.756	7,544.32 7,354.69	26,088.063 120,344.674	3,014.00 7,544.32	983,676.088 1,210,354.115	79,112.49 128,172.14
3	Precious & other metal	KGS	0.190 0.250	0.92 1.21	11,305.508 0.190	1,467.09 0.92	828,964.706 1,033,915.384	71,627.93 44,023.67
4	Minerals/Oils	MT	62,424.662 32,291.383	2,003.32 656.36	49,149.564 62,424.662	2,212.78 2,003.32	1,967,980.817 1,232,129.760	68,038.93 30,263.55
5	Textile products	KGS	250,335.100 15,984.000	439.88 11.27	291,042.490 250,335.100	151.17 439.88	6,630,655.385 8,443,115.390	7,263.11 9,224.35
	Textile products	NOS	238.000 238.000	0.04 0.04	- 238.000	- 0.04	19,426.000 3,471.000	14.70 2.03
	Textile products	YDS	114,101.650 24,744.910	72.83 9.01	25,346.750 114,101.650	16.15 72.83	8,462,913.980 10,557,046.317	4,038.52 4,875.50
	Textile products	MTR	661,670.600 74,220.600	306.65 48.76	90,711.800 661,670.600	34.27 306.65	25,500,038.920 6,885,769.140	11,400.95 4,015.78
6	Froozen foods	MT	- -	- -	- -	- -	17,016.816 35,456.466	12,829.73 32,506.95
7	Fertilizers	MT	- -	- -	- -	- -	63,753.794 92,351.989	1,109.69 1,784.49
8	Shares	NOS	- 80,000	- 220.00	3,513,300 -	3,270.64 -	- 80,000	- 776.21
9	Other products	-	193.341 28,086.543	449.62 1,193.46	299.341 193.341	1,148.60 449.62	57,961.000 141,494.848	14,206.88 30,006.38
GRAND TOTAL				12,332.23		12,518.98		277,384.80
				10,651.48		12,332.23		292,893.66

(B) PURCHASE OF TRADED GOODS

(Rs. in lacs)

SR. NO.	CLASS	UNITS	2001-2002		2000-2001	
			Qty.	Amount	Qty.	Amount
1	Chemical/Plastics	MT	54,886.385	7,243.67	50,358.158	7,011.18
2	Agro products	MT	902,035.611	66,233.96	1,297,702.277	119,327.18
3	Precious & other metal	KGS	847,980.250	73,573.18	1,033,915.324	45,739.00
4	Minerals/Oils	MT	1,956,924.100	60,610.64	1,262,529.358	26,951.57
5	Textile products	KGS	6,585,441.465	6,459.66	8,443,003.750	8,946.31
	Textile products	NOS	19,188.000	10.46	3,471.000	2.17
	Textile products	YDS	5,261,430.170	3,013.81	4,613,635.420	2,873.46
	Textile products	MTR	21,149,810.680	8,843.23	3,709,913.440	1,683.08
6	Froozen foods	MT	17,016.816	12,829.73	35,456.466	32,506.96
7	Fertilizers	MT	63,753.794	942.92	92,351.989	1,733.47
8	Shares	NOS	3,513,000.000	3,270.64	-	-
9	Other purchases	-	58,067.000	14,257.26	137,246.880	28,596.76
TOTAL				257,289.16		275,371.14



(C) RAW MATERIAL CONVERTED

(Rs. in lacs)

Products	Qty. Units	2001-2002		2000-2001	
		Qty.	Amount	Qty.	Amount
1 Agro products	MT	-	-	1,391.615	387.23
2 Textiles	KGS	1,308,180.000	1,080.56	2,415,614.810	3,073.70
	YDS	4,615,507.540	1,857.83	5,089,833.740	1,526.50
	MTR	249,992.000	158.70	-	-
TOTAL			3,097.09		4,987.43

D) IMPORTED & INDIGENOUS CONSUMPTION

(Rs. in lacs)

	2001-2002	%	2000-2001	%
Raw material – Import	45.18	1.46	348.33	6.98
– Indigenous	3051.91	98.54	4639.10	93.02
Total	3097.09	100	4987.43	100

E) VALUE OF IMPORTS ON CIF BASIS

(Rs. in lacs)

	2001-2002	2000-2001
Trade goods	74777.04	64175.29
Capital goods	-	96.78
Total	74777.04	64272.07

F) EXPENDITURE IN FOREIGN CURRENCY

(Rs. in lacs)

	2001-2002	2000-2001
Travelling expenses	90.88	59.85
Other matter	260.09	236.70
Interest	304.97	420.09
Bank charges	113.05	94.97
Total	768.99	811.61

G) EARNINGS IN FOREIGN CURRENCY

(Rs. in lacs)

	2001-2002	2000-2001
Export of goods on F.O.B. basis	86782.02	98585.92
Commission	1.02	2.44
Interest income	11.92	22.89
Dividend income	200.72	186.88
Total	86995.68	98798.13

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

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

**Adani Exports Limited**

Golden Super Star Trading House

38. 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. : 19067
State Code : 04
Balance Sheet Date : 31-03-2002

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue - NIL Right Issue - NIL
Bonus Issue - NIL Private Placement - NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total liabilities : 1,71,97,118
Total assets : 1,71,97,118

Sources of Funds:

Paid-up capital : 4,20,474
Reserves & surplus : 47,40,603
Secured loans : 40,81,864
Unsecured loans : 6,72,809
Deferred tax liability (net) : 33221

Application of Funds :

Net fixed assets : 3,89,554
Investments : 5,65,667
Net current assets : 89,93,750
Miscellaneous expenditure : -
Accumulated losses : -

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other income) : 2,82,55,526
Total expenditure : 2,75,95,827
Profit/(Loss) before tax : 6,59,699
Profit/(Loss) after tax : 6,56,738
Earning per share (Rs.) : 28.13
Dividend rate % : 30

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

GAUTAM S. ADANI
Chairman

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

HEMENDRA C. SHAH
Company Secretary

RAJESH S. ADANI
Managing Director



Cash Flow Statement for the year ended 31st March, 2002

(Rs. in lacs)

PARTICULARS	2001-2002		2000-2001	
A CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS		6596.99		11996.64
Adjustment for:				
Depreciation	188.84		171.02	
Income from investments	(213.20)		(191.45)	
Loss on sale of investment	26.42		11.00	
Profit on sale of investment	(700.04)		(4821.36)	
Loss on sale of fixed assets	13.71		14.30	
Interest paid	7695.54		5660.19	
Interest income	(3517.65)	3493.62	(2667.38)	(1823.69)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		10090.61		10172.95
Adjustment for:				
Trade & other receivables	(783.89)		(22894.52)	
Inventories	261.39		(1601.25)	
Loans & advances	(5185.53)		(3259.68)	
Trade payables	9554.89	3846.86	2548.85	(25206.60)
CASH GENERATED FROM OPERATIONS		13937.47		(15033.65)
Direct tax (paid)/refund	(3.85)	(3.85)	431.64	431.64
NET CASH FROM OPERATING ACTIVITIES		13933.62		(14602.00)
B CASH FLOW FROM INVESTING ACTIVITIES				
Additions to fixed assets	(294.51)		(344.25)	
Additions to work-in-progress	0.00		(53.57)	
Sale of fixed assets	13.88		9.59	
Sale of investments	778.54		5185.32	
Purchase of investments	(26.30)		(2481.89)	
Income from investments	213.20		191.45	
Interest received	3517.65		2720.26	
NET CASH FROM INVESTING ACTIVITIES		4202.46		5226.92
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	0.00		1000.00	
Redemption of preference shares	(1050.00)		(1900.00)	
Proceeds from working capital borrowings	(2303.32)		7580.12	
Proceeds from long term borrowings	(6625.41)		9395.63	
Proceeds from short term borrowings	0.00		3103.54	
Interest paid	(7695.54)		(5578.06)	
Dividend paid	(1173.78)		(926.58)	
NET CASH FROM FINANCING ACTIVITIES		(18848.05)		12674.65
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(711.97)		3299.56
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		12791.78		9492.22
CASH & CASH EQUIVALENT AS AT 31/03/2002		12079.81		12791.78

For and on behalf of the Board

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

GAUTAM S. ADANI
Chairman

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of Adani Exports Limited, derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2002, and 31st March, 2001, and found the same in agreement therewith.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

D. A. PARIKH
Proprietor

**Statement Pursuant to Section 212 of the Companies Act, 1956**

Name of The Subsidiary Company	Adani Chemicals Ltd. Rs. in lacs	Adani Global Ltd. in US\$	Adani Global FZE in AED	Adani Global Pte. Ltd. in S\$
1. Financial year of the subsidiary companies ended on	31/03/2002	31/12/2001	31/12/2001	31/12/2001
2. Extent of interest in subsidiary companies	51.02%	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	NIL	NIL	NIL	NIL
ii) for the previous year of the subsidiary since it became the subsidiary of the Company	NIL	NIL	NIL	NIL
b) Not dealt with in the Company's accounts				
i) for the financial year of the subsidiary	NIL	185120	13326337	139315
ii) for the previous year of the subsidiary since it became the subsidiary of the Company	NIL	151978	8938443	3978
4. Statement of changes under Section 212(5) of the Companies Act, 1956, from :		(01/01/2002	To	31/03/2002)
1. Fixed assets, capitalised Assets & W.I.P.	NIL	NIL	NIL	NIL
2. Investments	NIL	NIL	NIL	NIL
3. Monies lent	NIL	NIL	NIL	NIL
4. Monies borrowed term loan for its ongoing project from the financial institutions/banks	NIL	NIL	NIL	NIL

* by Adani Global Ltd.

For and on behalf of the Board

GAUTAM S. ADANI
ChairmanPLACE : AHMEDABAD
DATE : 27TH JUNE, 2002**HEMENDRA C. SHAH**
Company Secretary**RAJESH S. ADANI**
Managing Director



Consolidated Balance Sheet as at 31st March, 2002

(Rs. in lacs)

PARTICULARS	SCHEDULE	AS AT 31-03-2002	
A SOURCES OF FUNDS :			
I SHAREHOLDERS' FUND			
(A) Share capital	1	4,204.74	
(B) Reserves & surplus	2	51,126.46	55,331.20
II LOAN FUNDS :			
(A) Secured loans	3	40,818.64	
(B) Unsecured loans	4	6,728.09	47,546.73
III MINORITY INTEREST			
(A) Capital reserve		25.00	
(B) Less : Miscellenous expenses to the extent written off		0.29	24.71
IV DEFERRED TAX LIABILITY			
Deferred tax liability		396.27	
Deferred tax assets (see note no. 22)		64.06	332.21
TOTAL			103,234.85
B APPLICATION OF FUNDS :			
I FIXED ASSETS			
(A) Gross block	5	4,777.81	
(B) Less : Depreciation		1,052.41	
(C) Net block		3,725.40	
(D) Capital work-in-progress		288.18	4,013.58
PRE-OPERATIVE EXPENDITURE			175.28
PENDING ALLOCATION (See note no. 25)			
II INVESTMENTS	6		4,184.44
III CURRENT ASSETS, LOANS & ADVANCES			
(A) Inventories	7	13,268.84	
(B) Receivables	8	107,095.16	
(C) Cash & bank balances	9	14,863.34	
(D) Loans & advances	10	39,555.33	
		174,782.66	
LESS :			
CURRENT LIABILITIES & PROVISIONS			
(A) Current liabilities	11	79,064.24	
(B) Provisions	12	857.18	
		79,921.42	
NET CURRENT ASSETS			94,861.24
IV MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN-OFF (See note no. 25)			0.31
TOTAL			103,234.85

Notes forming part of the accounts

19

As per attached report of even date

For **DHARMESH PARIKH & CO.**
Chartered Accountants

D. A. PARIKH
Proprietor

HEMENDRA C. SHAH
Company Secretary

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

For and on behalf of the Board

GAUTAM S. ADANI
Chairman

RAJESH S. ADANI
Managing Director

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002



Consolidated Profit & Loss Account for the year ended 31st March, 2002

(Rs. in lacs)

PARTICULARS	SCHEDULE	AS AT 31-03-2002
A INCOME :		
Sales & operating earnings	13	375,628.02
Other income	14	1,421.38
		377,049.40
B EXPENDITURE :		
Cost of materials	15	351,049.08
Personnel expenses	16	840.60
Operation & other expenses	17	11,603.84
Interest	18	4,890.50
Depreciation		228.57
		368,612.59
Profit for the year before taxation		8,436.81
Provision for taxation:		
- Current tax (including wealth tax of Rs. 5.62 lacs)		27.64
- Deferred tax		9.61
Profit after taxation		8,399.56
Add : Surplus brought forward from previous year		15,893.34
Profit available for appropriation		24,292.90
APPROPRIATIONS :		
Interim dividend on preference shares		329.34
Dividend on preference shares		2.56
Proposed dividend on equity shares		661.42
Tax on dividend		33.59
Transfer to general reserve		2,670.67
Transfer to preference shares redemption reserve		500.00
Transferred to debenture redemption reserve		600.00
Balance carried to balance sheet		19,495.32
		24,292.90
Earning per share (Rs.)		
- Basic & diluted		36.43
- Annualised		36.43

Notes forming part of the accounts

19

As per attached report of even date

For **DHARMESH PARIKH & CO.**
Chartered Accountants

D. A. PARIKH
Proprietor

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

HEMENDRA C. SHAH
Company Secretary

For and on behalf of the Board

GAUTAM S. ADANI
Chairman

RAJESH S. ADANI
Managing Director

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002



Schedules 1 to 12 forming part of the Consolidated Balance Sheet as at 31st March, 2002

(Rs. in lacs)

PARTICULARS	AS AT 31-03-2002	
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED		
3,00,00,000 Equity shares of Rs. 10/- each		3,000.00
7,00,00,000 Preference shares of Rs. 10/- each		7,000.00
		10,000.00
ISSUED, SUBSCRIBED & PAID-UP		
2,20,47,400 Equity shares of Rs. 10/- each		2,204.74
1,00,00,000 13.5% cumulative redeemable preference shares - Series VI of Rs. 10/- each	1,000.00	
1,00,00,000 9.9% cumulative redeemable preference shares - Series VII of Rs. 10/- each	1,000.00	2,000.00
		4,204.74
NOTES :		
of the above :		
i 5,00,000 Equity shares of Rs. 10/- each were allotted as fully paid up at premium without payment being received in cash pursuant to the scheme of amalgamation as approved by the High Court of Gujarat.		
ii 5,00,000 Equity shares were issued as bonus shares by capitalization of profit.		
iii 1,65,35,500 Equity shares were issued as bonus shares by capitalization of share-premium.		
SCHEDULE : 2		
RESERVES & SURPLUS		
1 GENERAL RESERVE		
As per last balance sheet	25,000.00	
Add : Transferred during the year from profit & loss account	2,670.67	
Add : Preference share redemption reserve written back	950.00	
Less: Deferred tax liability of previous years'	322.60	
Less: Transferred to profit & loss account in respect of bad-debts (see note no. 11)	3,031.34	
Less: Transferred to profit & loss account in respect of diminution in value of investment (see note no. 9)	266.73	25,000.00
2 PREFERENCE SHARE REDEMPTION RESERVE		
As per last balance sheet	2,450.00	
Less: Transfer to general reserve	950.00	
Add : Transferred during the year from profit & loss account	500.00	2,000.00
3 DEBENTURE REDEMPTION RESERVE		
As per last balance sheet	1,650.00	
Created during the year	600.00	2,250.00
4 SHARE PREMIUM ACCOUNT		
As per last balance sheet	963.11	963.11
5 RESERVE UNDER SECTION 33AC OF INCOME-TAX ACT, 1961 :		
As per last balance sheet	750.00	750.00
6 EXCHANGE RESERVE		63.44
7 CAPITAL RESERVE		604.59
8 SURPLUS IN PROFIT & LOSS ACCOUNT		19,495.32
		51,126.46



PARTICULARS	AS AT 31-03-2002
SCHEDULE : 3	
SECURED LOANS	
1 From banks - term loans (note I to V)]	
a) Foreign currency loan (ECB)	1,626.67
b) Rupee loan	9,771.39
2 From banks - working capital (note I to IV)	24,622.41
3 Non convertible debentures (note VI)	4,500.00
4 Interest accrued and due	298.17
	40,818.64
NOTES :	
Above facilities are ;	
I Secured by hypothecation of the stocks and book debts by way of first charge ranking pari passu among the Banks.	
II Secured by tangible movable properties ranking pari passu among the banks.	
III Guaranteed by some of the Directors and their relatives in their personal capacity.	
IV Further secured by creation of equitable mortgage.	
a) Over certain immovable properties belonging to some of the Directors and their relatives to secure the ECB facilities and rupee term loan from State Bank of India and Andhra Bank.	
b) Over certain immovable properties belonging to the Company.	
c) Over certain immovable properties belonging to Adani Properties Ltd.	
V Term loan referred to in I (b) above to the extent of Rs. 86.44 crores are secured by second pari passu charge.	
a) Over movable assets of the Company,	
b) Over creation of immovable properties by creation of equitable mortgage as mentioned in Note No. IV b) & c) above and by pledge of shares held by some of the Directors and their relatives and guaranteed by some of the Directors and their relatives in their personal capacity.	
VI a) 10,00,000 privately placed 14.75% secured redeemable non convertible debentures of Rs. 100/- each allotted w.e.f. 18 th May, 1999, are redeemable at par in one installment at the end of 36 months from the date of allotment.	
b) 15,00,000 privately placed 14.50% secured redeemable non convertible debentures of Rs.100/- each allotted w.e.f. 29 th December, 1999, are redeemable at par in three equal annual installments commencing from the expiry of 3rd year from the date of allotment.	
c) 20,00,000 privately placed 13.5% secured redeemable non convertible debentures of Rs. 100/- each allotted w.e.f. 28 th July, 2000, are redeemable at par at the end of 36 months from the date of allotment.	
d) All the above debentures are secured by pledge of shares of some of the Directors and their relatives by way of mortgage and exclusive charge on some of the immovable properties of the Company.	
SCHEDULE : 4	
UNSECURED LOANS	
Inter corporate loans	692.91
Loans from banks/financial institutions (note)	5,900.96
Ineterest accrued and due	134.22
	6,728.09
NOTES :	
I) Above loans from financial institutions/banks are secured by demand promissory note, pledge of shares of some of the Directors and their relatives and guaranteed by some of the Directors in their personal capacity.	



SCHEDULE : 5

FIXED ASSETS

(Rs. in lacs)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01/04/01	Additions during the year	Deductions during the year	As at 31/03/02	As at 01/04/01	Provided for the year	Deductions during the year	As at 31/03/02	As at 31/03/02
1	Land	587.87	-	-	587.87	-	-	-	-	587.87
2	Building	1,666.78	205.81	-	1,872.59	192.84	46.04	-	238.89	1,633.70
3	Plant & machinery	77.78	0.11	-	77.89	16.84	3.71	-	20.55	57.34
4	Furniture & fixtures	660.66	42.41	-	703.07	225.03	40.74	-	265.77	437.30
5	Electric fittings & installations	96.96	4.79	-	101.75	17.48	4.68	-	22.16	79.59
6	Office equipment	338.48	27.27	1.57	364.18	68.66	22.47	0.29	90.84	273.34
7	Computer equipment	216.65	26.66	-	243.31	101.38	34.06	-	135.44	107.87
8	Vehicles	724.70	147.07	44.62	827.15	216.75	80.32	18.31	278.76	548.39
	Total	4,369.88	454.12	46.19	4,777.81	838.99	232.03	18.60	1,052.41	3,725.40

(Rs. in lacs)

PARTICULARS	AS AT 31-03-2002
SCHEDULE : 6	
INVESTMENTS (LONG-TERM)	
GOVERNMENT SECURITIES (UNQUOTED)	
(Lodged with Government departments)	
in 6 year National Saving Certificates	6.88
in Kisan Vikas Patra	0.01
OTHERS (UNQUOTED)	
1) 37,63,300 Fully paid up equity shares of Adani Port Ltd. of Rs. 10/- each	376.33
2) 1,28,83,950 Equity shares of Adani Wilmar Ltd. of Rs. 10/- each	1,288.40
3) 500 Fully paid up units of Rs. 10/- each of GIC Mutual Fund	0.05
4) 10 Equity shares of Coffee Futures Exchange Board India Ltd. of Rs. 10,000/- each	1.00
5) 2,10,00,000 Fully paid up equity shares of Gujarat Adani Port Ltd. of Rs. 10/- each	2,100.00
6) 26,000 Equity shares of Adani Container (Mundra) Terminals Ltd. of Rs. 10/- each; partly paid-up.	1.30
7) 5 Bond of UCO Bank of Rs. 5,00,000/- each	25.00
8) 5,00,000 Equity share of Adani Wilmar (Singapore) Pte. Ltd. of SGD 1 each	142.86
OTHERS (QUOTED)	
1) 3,350 Fully paid up equity shares of State Bank of Travancore of Rs. 100/- each	20.10
2) 1,35,578 Fully paid up equity shares of IndusInd Bank Ltd. of Rs. 10/- each	61.01
3) 6,91,838 Equity shares of Rs. 10/- each of IFCI	69.18
4) 3,07,725 Fully paid up equity shares of PNB Gilts Ltd. of Rs. 30/- each	92.32
5) 5,33,450 Fully paid up equity shares of Unicorp Industries Ltd. of Rs. 10/- each. (see note no. 9)	-
	4,184.44
Aggregate book value - Quoted	242.61
- Unquoted	3,941.83
Aggregate market value - Quoted	68.92



PARTICULARS	AS AT 31-03-2002
SCHEDULE : 7	
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)	
Raw-materials	7.27
Finished goods	12,818.02
Licences	443.54
	13,268.83
SCHEDULE : 8	
RECEIVABLES (UNSECURED, CONSIDERED GOOD)	
Over six months	21,759.39
Others	85,335.77
	107,095.16
SCHEDULE : 9	
CASH & BANK BALANCES	
Cash on hand (including cheques on hand)	352.63
Balances with Scheduled Banks :-	
- Margin money account	9,134.76
- Deposits	2,128.61
- In current account	3,238.21
- Public issue collection account	2.99
- Unclaimed dividend account	6.14
	14,863.34
SCHEDULE : 10	
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)	
Loans	1,437.91
Advances recoverable in cash or kind or for value to be received	36,399.12
Interest accrued but not due	356.64
Advance payment of income tax (including TDS of Rs. 919.09 lacs)	1,061.83
Deposit with Customs, Central Excise authorities	299.83
	39,555.33
SCHEDULE : 11	
CURRENT LIABILITIES	
Sundry creditors	72,318.10
Other liabilities	6,422.75
Unclaimed dividend/dividend payable	9.53
Interest accrued but not due	313.86
	79,064.24
SCHEDULE : 12	
PROVISIONS	
Provision for taxation	193.19
Proposed dividend	663.99
	857.18



**Schedules 13 to 18 forming part of the Consolidated Profit & Loss Account
for the year ended 31st March, 2002**

(Rs. in lacs)

PARTICULARS	AS AT 31-03-2002	
SCHEDULE : 13		
SALES & OPERATING EARNINGS		
Sales		371,768.94
Export incentives		1,997.21
Commission & service charges		1,861.87
		375,628.02
SCHEDULE : 14		
OTHER INCOME		
Dividend (gross)		213.20
Profit on sale of fixed assets/investments		700.04
Miscellaneous income (TDS Rs. 85.94 lacs)		508.14
		1,421.38
SCHEDULE : 15		
COST OF MATERIALS		
Raw material consumed		
Opening stock	455.43	
Add : Purchases during the year	1,468.56	
	1,923.99	
Less : Closing stock	7.27	
	1,916.72	
Add : Processing charges	1,180.37	3,097.09
Purchase of traded goods		348,633.13
Decrease/(Increase) in stock		
Opening stock of finished/traded goods	12,564.95	
Closing stock of finished/traded goods	13,246.09	(681.14)
		351,049.08
SCHEDULE : 16		
PERSONNEL EXPENSES		
Salaries & bonus		740.09
Contribution to provident & other funds		83.18
Staff welfare expenses		17.33
		840.60



PARTICULARS	AS AT 31-03-2002	
SCHEDULE : 17		
OPERATION & OTHER EXPENSES		
Rent		91.62
Rates & taxes		92.89
Postage, telephone & telex expenses		268.98
Stationery & printing expenses		38.51
Bank commission/charges		1,774.82
Selling & distribution expenses		516.68
REPAIRS TO :		
Office building	12.97	
Office equipments	23.96	
Others	58.68	
		95.61
Electric power expenses		76.88
Insurance expenses		227.88
Miscellaneous expenses		745.84
Payment to auditors		12.84
Office expenses		85.50
Directors sitting fees		1.10
Loss on sale of assets		40.13
Clearing & forwarding expenses		4,702.59
Commission to supporting manufacturers		289.99
Packing expenses		141.20
Advertisement expenses		10.44
Supervision & testing expenses.		359.35
Sales promotion expenses		21.45
Bad-debts written-off :	3,031.34	
Less : Transferred from general reserve (see note no. 11)	3,031.34	-
Diminution in value of investments :	266.73	
Less : Transferred from general reserve (see note no. 9)	266.73	-
Brokerage, commission & service charges		909.40
Travelling & conveyance expenses		402.50
Exchange rate difference		697.64
		11,603.84
SCHEDULE : 18		
INTEREST EXPENSES		
Interest others	3,007.00	
Interest on bank borrowings	5,408.41	8,415.41
LESS : INTEREST INCOME		
Interest on deposit & others (gross) TDS of Rs. 723.23 lacs		3,524.91
		4,890.50

**SCHEDULE: " 19 "****NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS****(A) SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN PREPARATION AND PRESENTATION OF CONSOLIDATED ACCOUNTS :****1 Basis of Accounting :**

The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards in the country of incorporation.

2 Principles of consolidation :

The consolidated financial statements relate to Adani Exports Ltd. ("the Company"), and its majority owned Subsidiary Companies. The consolidated financial statements have been prepared on the following basis.

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of items of assets and liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible in the same manner as the company's separate financial statements.
- The excess of cost to the Company of its investment in the subsidiary company is recognized in the financial statements as Goodwill, which is adjusted against capital reserve generated on account of consolidation.
- The excess of Company's portion of equity and reserves of the subsidiary company as at the time of its investment is treated as capital reserve.

3 The Subsidiary Companies considered in the consolidated financial statements are

Name of the company	Country of incorporation	% voting power held as at 31st March, 2002	Reporting date
Adani Global Ltd. (AGL)	Mauritius	100%	31/12/2001
Adani Global FZE (AGFZE)	Dubai	100% by AGL	31/12/2001
Adani Global Pte. Ltd. (AGPTE)	Singapore	100% by AGL	31/12/2001
Adani Chemicals Ltd. (ACL)	India	51.02%	31/03/2002

4 Exchange adjustments :

In case of AGL, AGFZE, AGPTE, the summarized revenue and expenses reflected in profit & loss account have been translated to Indian Rupees at an average annual exchange rate, of the currency in which the financial statements of above companies has been drawn. Similarly, assets and liabilities has been translated, taking into account closing exchange rate prevailing on balance sheet date. Resultant excess/shortfall, arising out of elimination process in consolidation has been treated as exchange rate difference in reserves/surpluses.

5 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 & ACL.

6 Minority interest :

Minority share includes 2,40,000 equity shares of Rs. 10/- each fully paid up, issued by Adani Chemicals Ltd.

(B) NOTES ON ACCOUNTS :**7 Capital work in progress includes:-**

Building worth Rs. 64.64 lacs has been disputed and the matter is sub-judice.

8 No provision has been made in the accounts for diminution in the value of investments amounted to Rs. 173.69 lacs by reason of these investments being strategic "Long Term Investments" and the decline in their value being on account of temporary factors, in view of the management.



Adani Exports Limited

Golden Super Star Trading House

9 The Company had acquired 533450 equity shares of Rs. 10 each in Unicorp Industries Limited at a cost of Rs. 266.73 lacs in May, 2000. The unit of Unicorp Industries Limited has been closed down. Considering the above the management is of the view that there is a decline, other than temporary, in the carrying amounts of long term investments. Such reduction in carrying amount is charged to the profit and loss account and an equivalent amount has been withdrawn from general reserve to off-set this charge.

10 Capital commitments:-

(Rs. in lacs)

Estimated amount of contracts remaining to be executed and not provided for	31.33
---	-------

11 During the year, outstanding in receivable account amounting to Rs. 1904.55 lacs outstanding for more than six months and trade advances given in the due course of business of Rs. 1126.79 lacs has 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 judgment, is doubtful of recovery. Accordingly, the above amount in respect of outstanding dues representing sales affected in past years has been debited to the profit & loss account. An equivalent amount has been withdrawn from the general reserve to offset this charge as it pertains to past years.

12 Confirmation of certain parties for amounts due to them/amounts due from them as per accounts of the Company are not received. Provision for doubtful debts, if any, in respect of above and the consequential adjustment, if any, arising out of reconciliation are unascertainable at this stage.

13 Loans & advances include claim against the insurance company in respect of loss of materials, pending settlements which is yet to be settled by the insurance company. To expedite the matter, Company has filed an application before High Court of Gujarat. Hence, the adjustment in Company account in respect thereon will be made on settlement of the claim by insurance company.

14 The Company has given advances to some of the parties for fulfillment of commitment, and for non-fulfillment of commitment, the Company has taken legal action and is examining other options for recovery of the advances.

15 Export incentive receivable included under the head loans & advances, shortfall/excess if any, is not taken into account as the same is unascertainable, matter is sub-judice and pending for disposal with High Court of Chennai.

16 No provision has been made for debts and advance which are under litigation/dispute/management discretion. Management is hopeful of their recovery. In the opinion of the management adequate balance is lying in general reserve to meet the eventuality of this account being irrecoverable.

17 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 amount considered reasonably necessary.

18 Other liabilities include Rs. 9.00 lacs received against agreement to sell of land pending other formalities.

- 19 a) Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.
- b) In case of matters under appeal, due to disallowance or otherwise, full provision will be made when the said liabilities are accepted.

20 Prior period adjustments is adjusted to miscellaneous expenses:-

(Rs. in lacs)

	2001-2002
Debits relating to earlier years	90.88
Credits relating to earlier years	31.24
NET TOTAL	59.64



21 Earning per share

(Rs. in lacs)

PARTICULARS	Year ended 31/03/2002
Net profit after tax provision	8399.56
Less: Preference dividend including tax thereon	365.49
Net profit after tax available for equity shareholders	8034.07
Weighted average no. of equity shares outstanding during the year	22047400
Basic earning per share (in Rs.)	36.44

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

22 a) Deferred tax

(Rs. in lacs)

	As at 31/03/2002
Deferred tax liability on account of	
(i) Depreciation	65.03
Total	65.03
Deferred tax assets on account of	
(i) Miscellaneous expenditure	(0.80)
(ii) Brought forward capital loss	0.21
(iii) Diminution in value of investments	56.01
Total	55.42
Net deferred tax liability	9.61

B) In accordance with "Accounting Standard 22", the Company has recognized the accumulated deferred tax liability (net) as at 31st March, 2001 amounting to Rs. 322.60 lacs as a deduction from general reserve. The deferred tax charge of Rs. 9.61 lacs for the year has been recognised in the profit & loss account.

23 Contingent liabilities not provided for :

(Rs. in lacs)

Particulars	As at 31/03/2002
a) Claims against the company not acknowledge as debts	67.00
b) In respect of corporate guarantee given :	
I To companies under the same management	80722.00
II For obligations to other parties	100.00
c) In respect of disputed demand from custom authorities for which the liability is not ascertainable	—
d) Demand against the Company not admitted as debts regarding sales tax against which appeals are pending	236.90
e) Demand against the Company not admitted as debts regarding custom duty against which appeals are pending	37.03
f) In respect of bank guarantees given towards	
I To Government agencies for exports	810.75
II Towards various demurrage claims under settlement	708.08
g) Uncalled liability on partly paid investments	24.70



- h) Certain claims/show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained in the earlier years from prominent legal counsels.
- i) No provision has been made in the accounts for demands of income-tax for the earlier years amounting to Rs. 18.62 lacs against which appeals have been filed.
- j) Claims filed by M. S. Shoes group of companies, pending before various authorities are not admitted as liabilities.

24 Related Party Disclosure (As identified by the management)

(i) Name of related parties & description of relationship

A Associate Entities

Adani Properties Private Limited
Adani Agro Private Limited
Adani Port Limited
B2C India Limited
I Call India Limited
I-Gate India Private Limited
Adani Impex Private Limited
Gujarat Adani Infrastructure Private Limited
Shahi Property Developers Private Limited
Adani Port Infrastructure Limited
Gujarat Adani Port Limited
Gujarat Adani Energy Limited
Intercontinental (India)
Shantivan
Advance Exports
Crown International
Adani Container (Mundra) Terminals Limited
Gudami International

B Joint Control

Adani Wilmar Limited

C Key Management Personnel

Shri Gautam S. Adani
Shri Rajesh S. Adani
Shri Vasant S. Adani

D Relatives

Shri Vinodbhai Adani
Smt. Ranjan Vinodbhai Adani

**Adani Exports Limited**

Golden Super Star Trading House

(ii) Nature & volume of transaction with related parties

(Rs. in lacs)

Particulars	Associate entities	Joint control company	Key mngt. personnel	Relatives
1 Sales (net of return)	401.90	21.75	-	-
2 Sale of investment	750.00	-	-	-
3 Sale of fixed assets	0.18	-	-	-
4 Purchase (net of return)	11698.19	-	-	-
5 Interest - received/(paid)	3056.03	-	-	-
6 Funds given/received (net) (including equity participation)	1049.50	971.51	-	-
7 Service rendered	712.13	54.88	-	-
8 Service availed	1150.02	0.26	-	4.05
9 Rent paid	39.29	11.08	-	-
10 Rent received	-	17.41	-	-
11 Remuneration	-	-	105.69	-
12 Guarantee & collateral securities				
Given *	-	-	-	-
Availed *	-	-	-	-
13 Balance outstanding as on 31.03.2002	1169.95	1357.80	-	-

25 Pre-operative expenses (pending allocation) of Rs. 175.28 lacs and Miscellaneous expenditure (to the extent not written off or adjusted) of Rs. 0.31 lacs represents one of the subsidiary company i.e. Adani Chemicals Ltd. Company's project is under implementation and has not yet started any commercial activity.

26 Since the consolidated accounts have been prepared for the first time, the comparable figures for the previous year have not been presented.

Signature to Schedule "1" to "19"

For and on behalf of the Board

GAUTAM S. ADANI
Chairman

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

HEMENDRA C. SHAH
Company Secretary

RAJESH S. ADANI
Managing Director

**Consolidated Cash Flow Statement for the year ended 31st March, 2002**

(Rs. in lacs)

PARTICULARS	2001-2002	
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS		8436.79
Adjustment for:		
Depreciation	228.57	
Income from investments	(213.20)	
Loss on sale of investment	26.42	
Profit on sale of investment	(700.04)	
Loss on sale of fixed assets	13.71	
Interest paid	8415.41	
Interest income	(3524.91)	
Preliminary expenses written off	0.43	4246.40
Operating Profit before working capital changes		12683.19
Adjustment for:		
Trade & other receivables	(7222.83)	
Inventories	(243.51)	
Loans & advances	(5717.89)	
Trade payables	17198.97	4014.74
Cash generated from operations		16697.93
Direct tax paid (refund)	(4.08)	(4.08)
Net cash from operating activities		16693.85
B Cash Flow from Investing Activities		
Additions to fixed assets	(317.16)	
Sale of fixed assets	13.88	
Sale of investments	778.54	
* Purchase of investments	(81.63)	
Income from investments	10.84	
Interest received	3524.91	
Preoperative expenditure	(6.48)	
Net cash from Investing Activities		3922.90
C Cash Flow from Financing Activities		
Redemption of preference shares	(1050.00)	
Proceeds/Repayment of working capital borrowings	(2303.32)	
Proceeds/Repayment of long term borrowings	(6625.41)	
* Proceeds/Repayment of short term borrowings	(102.75)	
Interest paid	(8415.41)	
Dividend paid	(1173.78)	
Net Cash from Financing Activities		(19670.68)
D Others		
Exchange reserve		38.55
Net Increase/(Decrease) in cash & cash equivalents		984.62
Cash & cash equivalent at the beginning of the year		13878.71
Cash & cash equivalent at the end of the year		14863.34

* Repayment of loan/purchase of investment has been taken at closing exchange rate.

Notes :

- The above Cash Flow Statement has been prepared under the "indirect method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the ICAI.
- Since Consolidated Cash Flow have been prepared for the first time, the comparable figures have not been presented. This is the Cash Flow Statement referred to in our report of even date.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

For and on behalf of the Board

D. A. PARIKH
Proprietor

HEMENDRA C. SHAH
Company Secretary

GAUTAM S. ADANI
Chairman

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002

RAJESH S. ADANI
Managing Director



Auditors' Report on Consolidated Accounts

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF **ADANI EXPORTS LIMITED** ON THE CONSOLIDATED FINANCIAL STATEMENTS OF **ADANI EXPORTS LIMITED** AND ITS SUBSIDIARIES.

We have examined the attached Consolidated Balance Sheet of **Adani Exports Limited** and its subsidiaries (the **Adani Group**) as at 31st March, 2002, and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These consolidated financial statements are the responsibility of the **Adani Exports Limited'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 the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material mis-statement. 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 statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Indian subsidiary referred to in Note 3 of Schedule 19 to the Consolidated Financial Statements, for the year ended 31st March, 2002 whose financial statements reflect total assets of Rs. 252.18 lacs as at 31st March, 2002 and total revenue of Rs. NIL for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of the other auditors.

We also did not audit the financial statements of Foreign subsidiaries referred to Note 3 of Schedule 19 to the Consolidated Financial Statement, for the year ended 31st December, 2001 whose financial statements reflect total assets Rs. 22860.66 lacs as at 31st December, 2001 and total revenue of Rs. 123506.87 lacs for the year then ended. These financial statements have been audited by other auditors, whose reports have been furnished to us. It was not practicable to draw up the financial statements of these foreign subsidiaries to 31-3-2002. Significant transactions & other events between 1st January, 2002 to 31st March, 2002 are taken into consideration while preparing the consolidated financial statements.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21 – Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **Adani Group** included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the **Adani Group**, we are of the opinion that the said 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, 2002;
- (b) in the case of the consolidated profit and loss account of the consolidated results of operations of the **Adani Group** for the year then ended; and
- (c) in the case of the consolidated cash flow statement, of the consolidated cash flow of the **Adani Group** for the year then ended.

For **DHARMESH PARIKH & CO.**
Chartered Accountants

(D. A. PARIKH)
Proprietor

PLACE : AHMEDABAD
DATE : 27TH JUNE, 2002