



FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble High Court of Gujarat has, vide its order dated 7th May, 2015 sanctioned the Composite Scheme of Arrangement between Adani Enterprises Limited ('AEL') and Adani Ports and Special Economic Zone Limited ('APSEZ') and Adani Power Limited ('APL') and Adani Transmission Limited ('ATL') and Adani Mining Private Limited ('AMPL') and their respective shareholders and creditors under section 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Sections 13, 52 and other relevant provisions of the Companies Act, 2013 ('the Scheme'). The Scheme involves inter-alia demerger of Port Undertaking, Power Undertaking and Transmission Undertaking of AEL and transfer of the same to APSEZ, APL and ATL respectively with effect from the Appointed Date i.e. April 1, 2015.

- In terms of the above Scheme, APSEZ, APL and ATL are required to issue and allot to each member of AEL whose name is recorded in the register of members and records of AEL as on the Record Date in the following ratio - 14,123 equity shares in APSEZ for every 10,000 equity shares held by the equity shareholder in AEL;
- 18,596 equity shares in APL for every 10,000 equity shares held by the equity shareholder in AEL; and
- 1 equity share in ATL for every 1 equity share held by the equity shareholder in AEL.

AEL had fixed 4th June, 2015 as the Record Date to determine its shareholders who would be entitled to the shares of APSEZ, APL and ATL as aforesaid, pursuant to the Scheme.

Accordingly, the Board of Directors of APSEZ, APL and ATL have on 8th June, 2015 allotted Equity Shares to those shareholders of AEL whose names appeared in the Register of Members as on the Record Date.

We wish to inform the shareholders the proportionate cost of acquisition of the equity share(s) of APSEZ, APL and ATL to be received pursuant to the scheme vis-à-vis the cost of acquisition of the equity share(s) of AEL for the purpose of computing the capital gain / loss as per the provisions of the Income Tax Act, 1961 ('the Act').

The cost of acquisition in respect of each shareholder will be different and is relevant only in cases where shares of AEL were acquired / bought before the record date.

Applicable Statutory Provisions: Section 49(2C) and 49(2D) of the Act.

1. Cost of acquisition of Resulting Company's shares i.e. APSEZ, APL and ATL	Original cost of acquisition of shares of Demerged Company X Net book value of assets transferred by the Demerged Company as on the appointed date Net worth of the Demerged Company immediately before Demerger
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2. Cost of acquisition of Demerged Company's shares i.e. AEL	Original cost of acquisition of shares of the Demerged Company less Cost of acquisitions of Resulting Company's Shares (as computed under 1 above)
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The net book value of assets which relate to the Port Undertaking, Power Undertaking and Transmission Undertaking as on the appointed date (i.e. April 1, 2015) was Rs.1,365.91 crores, Rs.3,541.80 crores and Rs.2,320.41 crores respectively while the net worth of AEL immediately before demerger was Rs.10,278.06 crores.

Thus, the proportion of net book value of the assets of AEL transferred to APSEZ, APL and ATL vis-à-vis the net worth of AEL immediately before such demerger will be 13.29%, 34.46% and 22.58% respectively.

Accordingly, the cost of acquisition of equity shares of APSEZ, APL and ATL will be 13.29%, 34.46% and 22.58% respectively of the total cost of acquisition of the original equity share of AEL prior to such demerger.

Based on Expert's opinion obtained by the Company, to determine post demerger cost of acquisition of Equity Share(s) of AEL, APSEZ, APL and ATL in accordance with the provisions of the Act, the shareholders are advised to apportion their pre-demerger cost of equity shares of AEL in the following manner:-

Name of the Company	% of cost of acquisition of AEL's shares
Adani Enterprises Limited	29.67%
Adani Ports and Special Economic Zone Limited	13.29%
Adani Power Limited	34.46%
Adani Transmission Limited	22.58%
Total	100.00%

As regards the equity share(s) of APSEZ, APL and ATL credited to your demat account / share certificate received by you, as the case may be, the date of acquisition for the purpose of capital gains/loss will be the date of acquisition of the original share(s) of AEL for each shareholder as per clause (g) in Explanation 1 to section 2(42A) of the Income Tax Act, 1961. Kindly consult your tax advisors, having regard to the facts of your case.

Further, the company has been advised that according to the provisions of Section 47(vii) of the Act, the issue of share(s) by Resulting Companies (i.e. APSEZ, APL and ATL) to the shareholders of the Demerged Company (i.e. AEL), pursuant to the Scheme, will not be regarded as transfer and hence will not be taxable in the hands of the shareholder.

We trust this explains the position clearly and would help you to compute the cost of



acquisition per share individually for AEL, APSEZ, APL and ATL, if and when the shares are sold attracting capital gains/loss under the Act. The shareholders are advised to seek legal opinion, should they feel it necessary.

This communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain and AEL / APSEZ / APL / ATL take no express or implied liability in relation to this guidance.

Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to be re-evaluated in light of the changes. AEL / APSEZ / APL / ATL do not take the responsibility of updating this communication at any time in future.

Jatin Jalundhwala
Chief Legal Officer &
Company Secretary
Adani Enterprises Limited