

August 7, 2015

The Corporate Finance Department
Securities and Exchange Board of India,
Division of Issues and Listing – II,
Plot No.C4-A, 'G' Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051

Attn: Mr. Jayanta Jash

Dear Sir / Madam,

Ref.: Request for an interpretative letter under Paragraph 4 and 5(ii) of the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in relation to creeping acquisition limit under Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

This is to request for an interpretative letter under Paragraph 5(ii) of the Securities and Exchange Board of India (Informal Guidance), 2003 (the “Scheme”) on the basis of the submissions below:

1. Factual Background

- 1.1. Adani Enterprises Limited (“AEL”) is a company incorporated under the Companies Act, 1956 and has its equity shares of face value of Re. 1/- (Rupee One only) each listed on the BSE Limited and The National Stock Exchange of India Limited (collectively, the “Stock Exchanges”).
- 1.2. Adani Power Limited (“APL”) is a company incorporated under the Companies Act, 1956 and has its equity shares of face value of Rs. 10/- (Rupees Ten only) each (the “Equity Shares”) listed on the Stock Exchanges.
- 1.3. AEL held 68.99% shares of APL. Consequent to a composite scheme of arrangement (in terms of Sections 391 to 394 and the other provisions of the Companies Act, 1956 as well as certain provisions of the Companies Act, 2013) between AEL, APL, Adani Ports and Special Economic Zone Limited, Adani Transmission Limited and Adani Mining Private Limited and their respective shareholders and creditors, which was approved by the Hon’ble Gujarat High Court and became effective from May 22, 2015 (the “Composite Scheme”):
 - a) the entire holding of AEL in APL (i.e. 1,98,12,90,000 Equity Shares) was cancelled; and

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- b) in lieu of such cancellation, on June 8, 2015, APL allotted proportionate Equity Shares to the shareholders of AEL, i.e. 18,596 Equity Shares for every 10,000 equity shares held by such equity shareholder of AEL whose name appeared in the register of members of AEL on June 4, 2015 (being the record date for the purpose of the Composite Scheme).

The appointed date for the Composite Scheme was April 1, 2015.

- 1.4. Accordingly, after the allotment of the Equity Shares pursuant to the Composite Scheme, the shareholding of the members of the 'Promoter and Promoter Group' of APL stood modified as follows:

Sr. No.	Name of Acquirers	Pre- Composite Scheme		Allotment pursuant to the Composite Scheme		Post- Composite Scheme	
		No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
1.	AEL	1,98,12,90,000	68.99	(1,98,12,90,000)	(68.99)	0	0.00
2.	Shri Gautam S. Adani & Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	-	0.00	1,15,51,79,633	39.35	1,15,51,79,633	39.35
3.	Adani Properties Private Limited	4,40,66,085	1.53	18,50,14,800	6.27	22,90,80,885	7.80
4.	Shri Vinod Shantilal Adani	5,77,00,000	2.01	16,87,57,026	5.70	22,64,57,026	7.71
5.	Ventura Power Investments Pvt. Ltd. Mauritius	7,08,78,997	2.47	68,58,204	0.18	7,77,37,201	2.65
6.	Shri Gautam S. Adani & Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	-	0.00	1,64,32,820	0.56	1,64,32,820	0.56
7.	Shri Bhavik B. Shah	5,000	0.00	68,805	0.00	73,805	0.00
8.	Shri Rakesh R. Shah	368	0.00	11,36,364	0.04	11,36,732	0.04
9.	Smt. Surekha B. Shah	5,000	0.00	63,226	0.00	68,226	0.00
10.	Smt. Priti R. Shah	-	0.00	3,64,481	0.01	3,64,481	0.01
11.	Shri Vinod N. Sanghavi	4,500	0.00	29,753	0.00	34,253	0.00
	Total	2,15,39,49,950	75.00	(44,73,84,888)	(16.87)	1,70,65,65,062	58.13

The persons and entities mentioned from Serial No. 2 to Serial No. 11 in the table above are collectively referred to as the "APL Promoter and Promoter Group".



- 1.5. The acquisition of Equity Shares of APL by the shareholders of AEL (including the members of the APL Promoter and Promoter Group) was an exempt transaction (i.e. exempt from the requirement of making an open offer) in terms of Regulation 10(1)(d)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “**2011 Regulations**”). The APL Promoter and Promoter Group has made requisite disclosures under the 2011 Regulations in relation to the acquisition of the Equity Shares pursuant to the Composite Scheme.
- 1.6. The APL Promoter and Promoter Group is considering to acquire, from time to time, additional Equity Shares of APL in the financial year 2015-16, subject to the market conditions and other considerations.

2. Legal Framework

2.1. Provisions under the 2011 Regulations:

- a) In terms of Regulation 3(2) of the 2011 Regulations, an acquirer, together with the persons acting in concert, holding 25% or more of the voting rights but less than the maximum permissible non-public shareholding (75%), may acquire additional shares or voting rights entitling them to exercise 5% or less voting rights in any financial year without making a public announcement of an open offer (“**Regulation 3(2)**”). The explanation to Regulation 3(2) further stipulates that gross acquisitions have to be considered for calculating the aforesaid creeping acquisition limit of 5%, i.e. acquisitions considered irrespective of any intermittent fall in shareholding or voting rights, in a single financial year. Regulation 3(2) is reproduced below:

“Substantial acquisition of shares or voting rights.

3. (1)

(2) No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:



Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.

Explanation. — For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation,—

(i) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.

(ii) in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the preallotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

.....”

- b) Regulation 10(1) of the 2011 Regulations sets out the transactions pursuant to which the acquirers are exempted from the obligation to make an open offer under Regulation 3 and Regulation 4 of the 2011 Regulations (“**Regulation 10(1)**”). The relevant extract of Regulation 10(1) is reproduced below:

“General exemptions.

10. (1) The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefor,—

.....

(d) acquisition pursuant to a scheme,—

.....

(ii) of arrangement involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign; or

.....



(6) In respect of any acquisition made pursuant to exemption provided for in this regulation, the acquirer shall file a report with the stock exchanges where the shares of the target company are listed, in such form as may be specified not later than four working days from the acquisition, and the stock exchange shall forthwith disseminate such information to the public.

.....”

3. Application under the Scheme

- 3.1. The Scheme permits any acquirers/ potential acquirers of the voting rights in a listed company to make a request for informal guidance. Adani Properties Pvt. Ltd., a member of the APL Promoter and Promoter Group, being the potential acquirer of the Equity Shares under the 2011 Regulations, is making this request for informal guidance under Paragraph 4 of the Scheme.

4. Request for Interpretative Letter

- 4.1. In light of the above, Adani Properties Pvt. Ltd., a member of the APL Promoter and Promoter Group, respectfully requests for an interpretative letter on:
- a) Whether the Equity Shares allotted by APL to the members of the APL Promoter and Promoter Group pursuant to the Composite Scheme consume or reduce, as the case may be, the creeping acquisition limit of 5% (in terms of Regulation 3(2) of the 2011 Regulations), computed on a gross acquisition basis, available to the APL Promoter and Promoter Group in the financial year 2015-16.
 - b) Whether the members of APL Promoter and Promoter Group can acquire additional Equity Shares through market purchases in the financial year 2015-16 under the creeping acquisition limit of 5% of voting rights, without triggering the open offer requirement stipulated under Regulation 3(2) of the 2011 Regulations, after allotment by APL of certain Equity Shares pursuant to the Composite Scheme, which acquisition is exempted under Regulation 10(1)(d)(ii) of the 2011 Regulations.
- 4.2. We seek your considered Informal Guidance to this effect and we will extend our full co-operation in the event that you may require any further information. We shall be pleased to furnish any additional information as may be required in support of this application. Any request for further information may be addressed to:



Mr. Ashok Jagetiya

Address: 104, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009

Tel: + 91-79-2555 5785; **Fax:** + 91-79-2555 5540

Email: ashok.jagetiya@adani.com

5. Request for Confidentiality

- 5.1. In accordance with Paragraph 11 of the Scheme, we request that this letter and its contents as well as your response in the form of interpretative letter be kept confidential for the maximum period possible, i.e. until 90 days, after the response to this letter has been tendered.

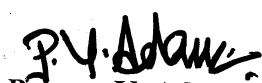
6. Compliance with Paragraph 6 of the Scheme

- 6.1. In accordance with Paragraph 6 of the Scheme, this request for informal guidance is accompanied with a demand draft for Rs. 25,000/- (Rupees Twenty Five Thousand Only) dated 7th August, 2015 drawn on Axis Bank Ltd., payable at Mumbai.
- 6.2. All material facts, circumstances and legal provisions which in our opinion are relevant for the purposes of determination of this request are stated herein.

Thanking you.

Respectfully submitted,

For Adani Properties Pvt. Ltd.


Pranav V. Adani
Director
(DIN: 00008457)

