10th April 2023

BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400001.

Scrip Code: 512599

National Stock Exchange of India Limited
Exchange plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051.

Scrip Code: ADANIENT

Dear Sir / Madam,

Sub: Submission of Media Statement.

In response to article titled "Indian Data Reveals Adani empire's reliance on offshore funding" published by Financial Times on March 22, 2023, Adani Group has responded to the said article vide its response dated April 10, 2023.

We are sharing copies of said response and article with your esteemed exchanges in the interest of investors and to avoid any information disparity in public at large.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For **Adani Enterprises Limited**

JATINKUMAR RAMESHCHANDRA JALUNDHWALA
Digitally signed by JATINKUMAR RAMESHCHANDRA JALUNDHWALA
Date: 2023.04.10 12:11:50 +05'30'

Jatin Jalundhwala
Company Secretary &
Joint President (Legal)

Encl: as above

Adani Enterprises Limited
"Adani Corporate House",
Shantigram, Near Vaishno Devi Circle,
S. G. Highway, Khodiyar
Ahmedabad 382 421
Gujarat, India
CIN: L51100GJ1993PLC019067

Tel + 91 79 2656 5555
Fax + 91 79 2555 5500
info@adani.com
www.adani.com

Media Statement

ADANI GROUP ISSUES CLARIFICATION OF INACCURATE MEDIA REPORTING

Adani Group today shared a letter sent to the Financial Times following its publication of an article that contained fundamental misunderstandings of prior Adani Group disclosures, and resultant inaccuracies in the story.

The full text of the Letter to the Editor follows:

To the Editor:

Your article of 22 March 2023 "Indian Data Reveals Adani empire's reliance on offshore funding" is, on the face of it, a mendacious, deliberate effort to attempt to paint the Adani family and the Adani Group in the worst possible light. In doing so, it reveals a willingness to be selective in using publicly available facts, lazy in its approach to understanding disclosures to which your reporters were directed, and makes insinuations that are false and damaging.

Our statement to your reporter, that all the transactions about which the Financial Times inquired have been publicly disclosed, is accurate, and the story amply demonstrates that your reporters conveniently chose not to look in a meaningful way at those public disclosures or even at the related press releases (including ones that the Financial Times covered at the time).

If your reporters had fully taken into account all of those filings and other disclosures, they would have been simply unable to include – with any honesty – their subjective epithets about "hard-to-scrutinise money flows", "opaque overseas investments" and "funds of unclear provenance."

In fact, as publicly disclosed on 18 Jan 2021 and 23 Jan 2021, the Adani Group's promoters raised USD 2 Bn through the sale of a 20% stake in Adani Green Energy Ltd (AGEL) to TotalEnergies of France (then Total Renewables SAS), a fact the Financial Times contemporaneously reported but chose to ignore completely in the 22 March 2023 story.

Further, in Oct 2019, the promoters had raised USD ~700 Mn through the sale of a 37.4% stake in Adani Total Gas Ltd, a fact published in an Adani press release. Again, the Financial Times chose to ignore this fact in its report, although it did publish the news at that time.

These funds were reinvested by promoter entities to support the growth of new business and in portfolio companies such as Adani Enterprises Ltd, Adani Ports and Special Economic Zone Ltd, Adani Transmission Ltd and Adani Power Ltd. The promoter entities have had substantial holdings in Adani companies, which have increased over time. It is through the timely use of funds received through the sale of equity that these entities have been able to increase their investments.

Of note, the Adani family deployed its returns from the secondary sale to make additional purchases of AGEL equity and to provide support to AGEL via a shareholder loan and other securities – all also in the public domain.

Your story incorrectly mixed primary and secondary investments, and also ignored entirely a secondary transaction of USD 2 Billion – all so that the reporters could conveniently create an illusion of a USD 2 billion "gap in funding" to support their pre-conceived thesis of supposed round-tripping. That all falls away once the AGEL equity proceeds are taken into account.

Further, the article has no qualms about contradicting itself in order to create innuendoes. For example, the story claims:

> *"Most offshore shell companies supplying FDI to the conglomerate have been disclosed as part of Adani's "promoter group", meaning they are closely tied to Adani or his immediate family."*

Yet soon after, the story reports:

> *"Analysts said the money moving from obscure Mauritius entities was concerning because it was impossible to ascertain whether or not the funds had been "round-tripped"*

If the Financial Times agrees in the first paragraph above that the companies are part of the promoter group, then definitionally, how can they be validly described as obscure entities?

The facts are easily available and transparent. They are available through relevant securities regulatory filings that were made at the time and are a matter of public record.

We understand the competitive race to tear down Adani can be alluring. But we are fully compliant with securities laws and are not obscuring promoter ownership and financing. Through the creation of a misleading narrative, your story has created reputational impact on Adani Group companies. We ask you to take down the story immediately from your website. Further, because this story has driven misunderstanding in the market and with other media, and has become a political issue, we are compelled to share this information publicly at this time. That is regrettable, but could have been avoided by your reporters taking a careful and objective approach.

Adani Group

Adani Group

Indian data reveals Adani empire's reliance on offshore funding

Almost half conglomerate's $5.7bn in FDI over 5 years came from opaque overseas entities

Cynthia O'Murchu in London and **Chloe Cornish** in Mumbai MARCH 22 2023

Almost half of all foreign direct investment into Gautam Adani's conglomerate in recent years came from offshore entities linked to his family, highlighting the role of hard-to-scrutinise money flows in financing the Indian tycoon's business empire.

A Financial Times analysis of India's FDI remittance statistics shows offshore companies linked to the Adanis invested at least $2.6bn in the group between 2017 and 2022, 45.4 per cent of the more than $5.7bn it received in total FDI over the period.

The data underlines how funds of unclear provenance have helped Adani build his sprawling group as he expanded a trading and plastics operation into an infrastructure giant while aligning himself with Prime Minister Narendra Modi's development agenda.

The full extent of money flows from connected offshore entities into Adani Group is likely to be even higher given FDI data only captures a portion of overseas investment.

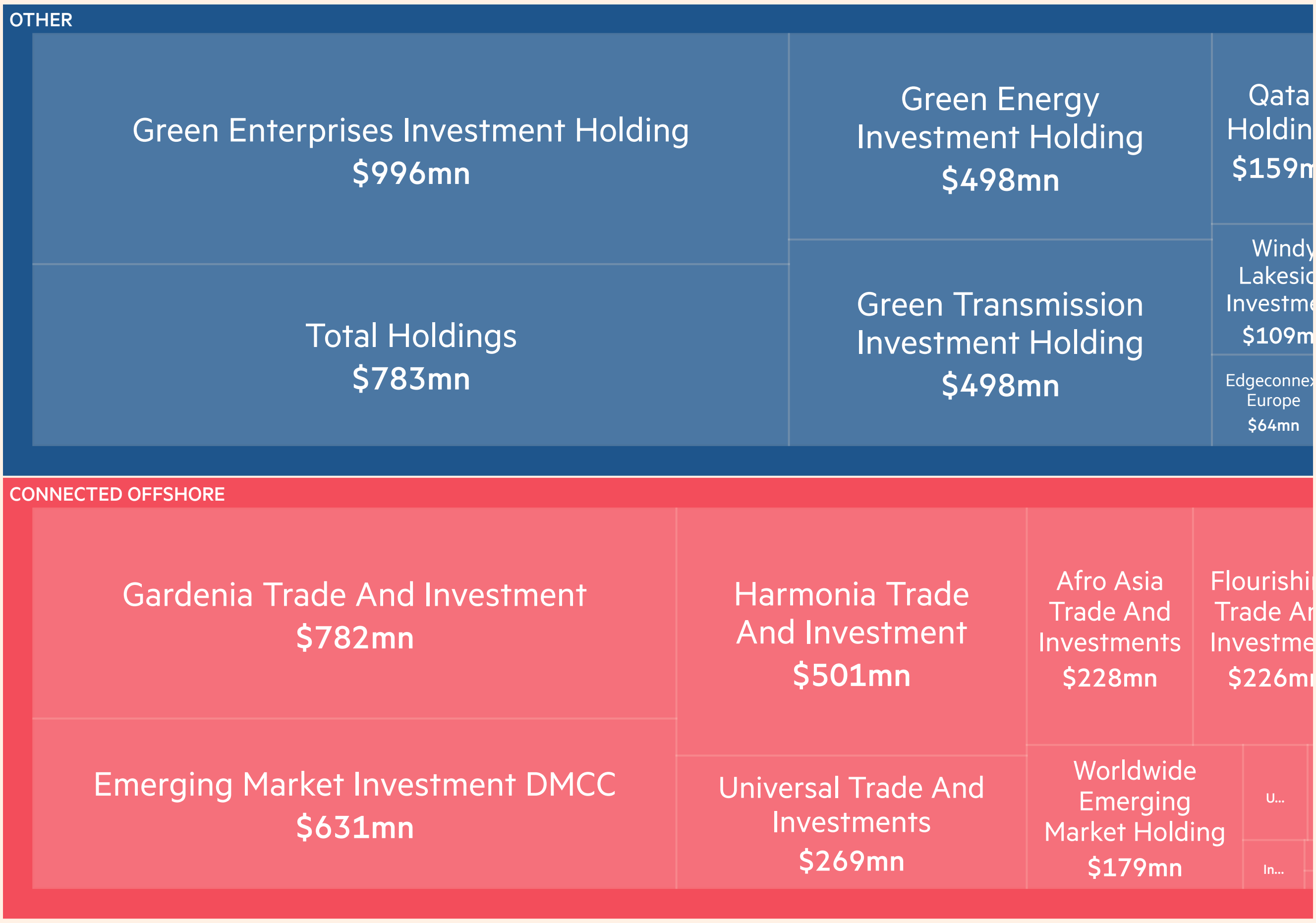
The rapid, debt-fuelled growth of Adani's companies drew scrutiny last year after their rocketing share prices briefly made him one of the world's richest people.

But his rise was halted in January when a US short seller alleged that a labyrinthine network of mostly Mauritius-based shell companies appeared to have been used to route funds into India to manipulate share prices of Adani's seven listed companies or make their balance sheets look healthier.

The report by Hindenburg Research triggered a stock market rout that wiped more than $100bn from the market value of the seven companies. Opposition politicians have since demanded inquiries into Adani's foreign connections, while India's Supreme Court this month directed the country's securities regulator to wrap up a probe within two months.

Almost half of the Adani group's $5.7bn FDI inflows came from opaque overseas entities with connections to the group

2017-2022



FINANCIAL TIMES

Source: Reserve Bank of India • The full extent of opaque overseas investments into Adani companies will be higher still. Official FDI statistics include neither foreign portfolio investments, which fall under a different reporting regime, nor investments in listed companies amounting to less than 10 per cent of their paid-up capital.

In the year to September 2022, Adani Group was one of India's biggest recipients of money officially recorded as FDI, receiving 6 per cent of inflows into the country. Of the group's $2.5bn in catalogued FDI over the 12-month period, $526mn came from two Mauritius companies linked to the Adani family while nearly $2bn came from Abu Dhabi's International Holding Company.

The full extent of opaque overseas investments into Adani companies will be higher still. Official FDI statistics include neither foreign portfolio investments, which fall under a different reporting regime, nor investments in listed companies amounting to less than 10 per cent of their paid-up capital.

Most offshore shell companies supplying FDI to the conglomerate have been disclosed as part of Adani's "promoter group", meaning they are closely tied to Adani or his immediate family.

Experts say the role of the offshore entities make an already Byzantine corporate structure — Adani Group has hundreds of subsidiaries and has disclosed thousands of related-party transactions — even more opaque.

“Why do you make it so complex that it’s very difficult for outsiders to understand? I think that is a legitimate question to ask,” said Jonas Heese, associate professor at Harvard Business School’s accounting and management unit.

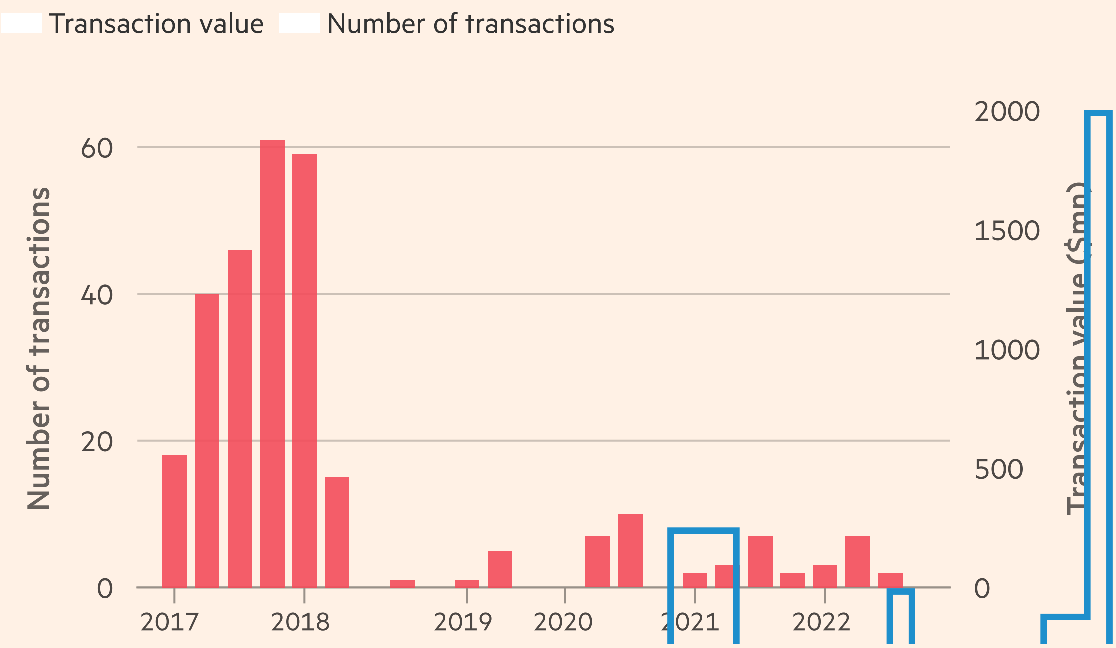
The biggest investments came from two companies directly or indirectly linked to Adani’s elder brother Vinod, who is listed in stock exchange filings as a Cypriot national and lives in Dubai.

Emerging Market Investment DMCC, which states on its website that it only invests Vinod Adani’s funds, ploughed $631mn into Adani companies between 2017 and 2018. Meanwhile, Mauritius-registered Gardenia Trade and Investment, which invested $782mn into Adani companies between 2021 and 2022, is directed by Emerging Market’s manager Subir Mittra.

Adani, which strenuously denies Hindenburg’s allegations, declined to comment on why such a large proportion of its overseas funding came from companies whose ultimate source of funds was not clear. However, it said “all these transactions are fully disclosed in our accounts and have been since 2015”.

Analysts said the money moving from obscure Mauritius entities was concerning because it was impossible to ascertain whether or not the funds had been “round-tripped” — sent out of India to a regulation-light offshore jurisdiction, then brought back into a connected company to boost its share price. India’s overseas investment rules prohibit round-tripping arrangements.

A quarter of the FDI flows into Adani group of companies came from connected shell companies through a series of small and frequent investments. More recently the transactions have become larger and less recurrent



FINANCIAL TIMES

Source: Reserve Bank of India

Experts say the opacity surrounding the Adani Group's offshore entities is unusual for a company that relies on institutional capital for growth because established investors prefer to back companies they understand. Typically, "with this lack of transparency you can't grow that fast", said Bala Vissa, professor of entrepreneurship and family enterprise at business school Insead.

A quarter of the more than $2.6bn in FDI that flowed into Adani companies from the connected offshore companies between 2017 and 2022 arrived in 2017. FDI data shows the shell companies made 165 separate FDI transactions that year worth an average of less than $4mn, with the majority flowing to Adani Ports.

Adani's net worth ballooned 125 per cent to $10.4bn over the course of 2017, according to Bloomberg data, faster than any other Indian tycoon that year.

Money flows into Adani companies have at times made up a large proportion of Mauritian FDI into India. In the first quarter of 2021, for instance, they accounted for 23 per cent of the Mauritius-to-India total.

Mahua Moitra, an opposition politician and former investment banker who is a vocal Adani critic, said Adani group's lack of transparency was unprofessional.

"They have got all the benefit of a big cap, such as inclusion in indices, access to cheap debt," she said. "But at the same time they're operating like a small mom and pop shop."

Additional reporting by Ella Hollowood

Methodology

The Financial Times analysed India's "share-based route" and "automatic route" for FDI, under which purchases of shares or equity-like debt are reported by Indian entities to India's central bank. For listed companies, only foreign equity investments making up more than 10 per cent of the paid-up capital are recorded. The FT also did not include a smaller government-approved foreign direct investment route, which Adani companies did not use.

The FDI data does not capture inflows from a number of Mauritius-based funds that have previously caused controversy, because transactions by foreign portfolio investors registered in India fall under a different reporting regime.

In the summer of 2021, media reports and Indian lawmakers raised concerns about the ownership of funds of foreign investors in Adani such as Albula Investment Fund and Cresta Fund, which invested heavily in Adani group companies. India's securities watchdog said at the time it was investigating some of Adani's companies in relation to their compliance with regulations but has yet to report any outcome.

Some entities have since reduced their holdings but similar Mauritius-based funds have continued to hold investments, including the asset management arm of London-based Elara Capital, which in mid-2021 was the third-largest shareholder in Adani Enterprises, according to CapitalIQ.