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NEW ISSUE TERM SHEET: US\$200,000,000 CONVERTIBLE BONDS DUE 2012 19 JAN 2007

Summary Terms & Conditions

Issuer	Adani Enterprises Limited, a public company incorporated in and existing under the laws of the Republic of India with limited liability.
Issue	US\$220,000,000 6 per cent. unsecured convertible bonds due 2012 (the "Bonds").
Issue Price	The Bonds will be issued at 100 per cent of their principal amount.
Issue Date	26 th January 2007.
Maturity Date (I)	27 th January 2012 (5 years and 1 day).
Maturity Date (II)	20-50 days after Maturity Date I
Option for Additional Bonds	The Issuer has granted to the Manager an option exercisable in whole or in part and on one or more occasions at any time prior to the date which is 30 days from 26 th January 2007, to purchase or procure purchasers for up to an additional US\$30,000,000 principal amount of the Bonds.
Interest Rate	The Bonds will bear interest at a rate of 6 per cent. per annum, which may increase by 1 per cent. on each reset date if the then prevailing conversion price is equal to the Securities and Exchange Board of India "SEBI" floor (subject to a maximum rate of 9 per cent. per annum) payable semi-annually in arrear on 26 th July and 26 th January with the first such payment being 26 th July 2007.
Conversion Ratio	The Conversion ratio will be set in the following manner on the one year anniversary of the issue. The number of Shares issued shall be determined by dividing the Conversion Price of the Shares by the Reference Price subtracting 1 multiplied by 20 per cent. This amount plus 1 will then be multiplied by the principal amount of the bonds multiplied by the then prevailing exchange rate and then divided by the Conversion Price. The Reference Price is equal to the 20 day Volume Weighted Average Price "VWAP" of the Shares as at the Issue Date of the Bonds.
Redemption at Maturity	Unless previously converted, redeemed or cancelled, the Issuer must elect 30 days before the Maturity Date I (5 years and 1 day from Issue Date) whether to redeem the bonds in cash or shares, if the 20-day VWAP is above the SEBI floor price 30 days before the Maturity Date I. If the 20-day VWAP is below the SEBI floor price, 30 days before the Maturity Date I, the Bonds will be redeemed in cash at par at Maturity Date I. If the Issuer elects to redeem the bonds in shares, the redemption will take part in two phases. 50 per cent of the outstanding bonds will be redeemed in shares at par plus 5 per cent accrued interest in shares, on the Maturity Date I based on the 20-day VWAP. The additional 50 per cent of the outstanding bonds will be redeemed in shares at par plus 5 per cent accrued interest in shares, 50 days from the Maturity Date I (based on the 20-day VWAP immediately preceding the 50th day) or 20-50 days after Maturity I, as determined by the liquidity test, whichever is later, defined as Maturity Date II. The number of days used to calculate the VWAP shall be based on an average daily liquidity test of 30 days before Maturity Date I as follows; if average daily liquidity is above 10 million US Dollars as determined by multiplying the combined daily volume on the BSE and NSE by the 1 day VWAP divided by the then prevailing foreign exchange rate, 20 days shall be used to calculate the VWAP, if the average daily liquidity is between 10 million US Dollars and 5 million US Dollars, 40 days will be used to determine the VWAP, and if the average daily liquidity is less than 5 million US dollars 50 days shall be used. In the event, the 20-day VWAP on Maturity Date II is lower than the 20-day VWAP on Maturity Date I, but still higher than the SEBI floor price, the Issuer will issue additional shares to make up for the par value plus 5 per cent accrued interest. In the event that the price on the Maturity Date II is below the SEBI floor price and shares can't be issued,



the Issuer will redeem the remaining 50 per cent in cash at par, and in addition will pay the investor a (between 5 – 15 per cent) one time cash coupon in addition to the normal coupon. This additional one time cash coupon amount will be determined by the difference between the 20-day VWAP on Maturity Date I and Maturity Date II but will be no greater than the remaining Reserve Bank of India "RBI" cap amount of Libor plus 350 basis points.

Status of the Bonds	The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Conversion Right	Except during certain Closed Periods, the Bonds are convertible by holders of the Bonds ("Bondholders") into fully paid equity shares of the Issuer with full voting rights with par value Rs.1 per share of the Issuer ("Shares") at any time on or after 27 th January 2008 (or such earlier date as is notified to the Bondholders by the Issuer) and prior to the close of business on 27 th December 2011, unless previously redeemed, converted or cancelled.
Conversion Price	The conversion price at which the Bonds may be converted into Shares (subject to adjustment in the manner provided in the "Terms and Conditions of the Bonds") (the "Conversion Price") will initially be at the 20-day VWAP of the Shares on 26 th January 2008.
Conversion Price Reset	The Conversion Price will be reset downwards by up to a cumulative total of 30 per cent. of the initial Conversion Price on 26 th July 2008, 26 th January 2009 and/or 26 th July 2009 if the 20-day VWAP (as defined in the "Terms and Conditions of the Bonds") of the Shares on the date immediately prior to a Reset Date is less than the Conversion Price. In no event shall the conversion price be reset downwards by more than 10 per cent on each reset date.
Adjustment to Conversion Price	The Conversion Price of the Bonds will be adjusted in certain events occurring after the Issue Date, including upon (i) bonus issues of Shares, (ii) free distribution of Shares, (iii) subdivision, consolidations and reclassification of Shares, (iv) issuance of rights to acquire Shares, (v) issuance of warrants at a discount to the prevailing market price (vi) issuance of convertible bonds and exchangeable bonds at below market price and (vii) issuance of Shares at below market price.
Mandatory Conversion	The Issuer has an option to require the Bondholders at any time on or after 27 th July 2008 and prior to 27 th January 2012, within 30 days' notice, to convert the full initial principal amount outstanding of the Bonds into Shares if the Shares on the Bombay Stock Exchange "BSE" have closed above 135 per cent. of the prevailing Conversion Price for each of 20 consecutive Trading Days. The Issuer has 45 days from the conditional trigger being exceeded to issue the notice for conversion.
Conversion by the Issuer at Any Time	The Bonds may be converted to Shares, in whole but not in part, at any time during such period at the option of the Issuer, subject to satisfaction of certain conditions, at par plus accrued and unpaid interest if 10 per cent. or less in aggregate principal amount of the Bonds issued (including such principal amount of the Bonds issued pursuant to the Option for Additional Bonds) remains outstanding.
Trust Deed	The Bonds will be issued under the trust deed, to be dated as of on or about 26 th January 2007 (the "Trust Deed") between the Issuer and The Bank of New York, London branch.
Redemption at the Option of the Issuer	The Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time on or after 27 th July 2008 and prior to 27 th January 2012, subject to satisfaction of certain conditions, at 135 per cent. of par value of the Bonds together with all accrued and unpaid interest on the Bonds as at the date fixed for redemption of the Bonds if the Closing Price for the 20 consecutive Trading Days immediately prior to the date on which notice of such redemption is published, is at least 135 per cent. above the par value of the Shares then in effect converted into US dollars at the rate of INR 44.2763 • US\$1.00. The Issuer has 45 days



from the conditional trigger being exceeded to issue the notice for redemption.

Redemption for Taxation.....	The Bonds may be redeemed at the option of the Issuer, in whole but not in part, subject to the satisfaction of certain conditions, including obtaining RBI approval, at the Early Redemption Amount on the date fixed for redemption in the event of certain changes affecting taxes as specified in "Terms and Conditions of the Bonds — Redemption for Taxation Reasons", in the Offering Circular.
Redemption of Bonds in the Event of Delisting.....	The Bonds may be redeemed at the option of the Bondholder, in whole but not in part, subject to satisfaction of certain conditions including obtaining RBI approval, at the par value of the Bonds together with all accrued and unpaid interest on the date fixed for redemption in the event of certain changes affecting taxes as specified in "Terms and Conditions of the Bonds "Redemption of Bonds in the Event of Delisting".
Redemption of Bonds in the Event of Change of Control.....	To the extent permitted by applicable law and regulations, unless the Bonds have been previously redeemed, cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE or the National Stock Exchange "NSE", each Bondholder shall have the option, to require the Issuer to redeem all of such Bondholder's Bonds at a price equal to the par value of the Bonds together with all accrued but unpaid interest on the Bonds. See "Terms and Conditions of the Bonds, "Redemption of Bonds in the Event of Change of Control".
RBI Approval Required for Redemption	Under current regulations applicable to convertible bonds, the Issuer requires the prior approval of the RBI before providing notice for or effecting any redemption or repurchase of the Bonds prior to the Maturity Date.
Form and Denomination of Bonds	The Bonds will be issued in registered form in denominations of US\$10,000 each or integral multiples thereof. The Bonds will be represented by the Global Certificate which on the Issue Date will be deposited with, and registered in the name of a nominee of a common depository for the Euroclear Operator and Clearstream, Luxembourg (collectively, the "Clearing Systems").
Share Ranking	Shares issued upon conversion of the Bonds will be fully paid with full voting rights and will rank pari passu with the Shares in issue on the relevant Conversion Date. Shares shall not be entitled to any rights the record date for which preceded the relevant Conversion Date See "Description of the Shares, Dividends".
Market for the Shares, Listing and Share Ownership Restrictions.....	The outstanding Shares of the Issuer are listed on the BSE, the NSE and the ASE and an application has been made to list the Shares issuable on conversion of the Bonds on the BSE and the NSE There are certain restrictions applicable to investments in shares and other securities of Indian companies, including the Shares, by persons who are not residents of India See "Appendix B, Foreign Investment and Exchange Controls".
Clearance	The Bonds will be cleared through the Clearing Systems. The Clearing Systems each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic bookentry transfer between their respective account holders.
Global Certificate	For as long as the Bonds are represented by the Global Certificate, the Global Certificate is held by a common depository for the Clearing Systems, payments of principal and premium in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Paying Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.
Indian Taxation.....	All payments (principal, premium and interest) in respect of the Bonds made by the Issuer will be made without deduction or withholding in respect of Indian taxation to the extent permitted by law. The Issuer will gross up the net taxable amount and will be required to account separately to the Indian tax authorities for any withholding taxes applicable to payments



attributable to such tax except as provided in Condition 10 of the Terms and Conditions. The Bonds will have the benefit of the tax concessions available under the provisions of Section 115AC of the Income Tax Act, as amended, of India. Under current Indian laws, tax is not payable by the recipients of dividends on Shares, including on the shares deliverable upon conversion of the Bonds.

Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, the United Kingdom, the United States, India, Switzerland, Singapore, France, Hong Kong and Germany For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see "Subscription and Sale".
Listing	Application will be made for the listing of the Bonds on the Singapore Stock Exchange The Bonds will trade on the Singapore Stock Exchange in a minimum lot size of US\$200,000 so long as any of the Bonds remain listed on the Singapore Stock Exchange. The Company has applied for the in-principle approval for the Shares issuable upon conversion of the Bonds to be listed on the BSE and NSE.
Trustee	The Bank of New York, London branch.
Principal Paying and Conversion Agent	The Bank of New York, London branch.
Registrar	The Bank of New York
Governing Law	The Bonds will be governed by, and construed in accordance with, English law.
Use of Proceeds	The net proceeds of the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately US \$194 million and will be used by the Issuer as set out in "Use of Proceeds", in the Offering Circular. The use of the net proceeds shall be in accordance with the end-use restrictions specified by the RBI and the Indian Government.
Bond Identifiers	ISIN: XS0282031870 Common Code: 028203187
Government of India Approvals	The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended, and the RBI Master Circular on External Commercial Borrowings and Trade Credits, dated 1 July 2006, permit Indian companies to issue foreign currency convertible bonds up to US\$500 million under the ""automatic route" (i.e. without the prior approval of the RBI), subject to compliance with certain conditions specified therein. The Issuer is undertaking the present issue of the Bonds in accordance with the guidelines and regulations described above.