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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI ENTERPRISES LIMITED AT ITS MEETING HELD ON 30TH JANUARY, 2025, EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST ADANI GREEN TECHNOLOGY LIMITED AND ADANI EMERGING BUSINESS PRIVATE LIMITED AND ADANI ENTERPRISES LIMITED AND ADANI TRADECOM LIMITED AND ADANI NEW INDUSTRIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. Background

1.1 The Board of Directors ("**Board**") of Adani Enterprises Limited ("**Company**" or "**AEL**" or "**Amalgamated Company**") at its meeting held on 1st August, 2024, approved Composite Scheme of Arrangement amongst Adani Green Technology Limited ("**Amalgamating Company 1**") and Adani Emerging Business Private Limited ("**Amalgamating Company 2**") and Company and Adani Tradecom Limited ("**Transferor Company**") and Adani New Industries Limited ("**Transferee Company**") and their respective shareholders and creditors ("**Composite Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and rules made thereunder which provides for:

(a) amalgamation of the Amalgamating Company 1 and Amalgamating Company 2, respectively, with the Amalgamated Company, with effect from the Appointed Date, pursuant to the provisions of Sections 230 – 232 and/or other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act

(b) amalgamation of the Transferor Company with the Transferee Company, with effect from the Appointed Date, pursuant to the provisions of Sections 230 – 232 and/or other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act; and

(c) various other matters consequential or otherwise integrally connected therewith

(capitalised terms as defined in the Composite Scheme)

and for which Consideration shall be paid as under:

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"Adani Corporate House",
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a) For the amalgamation of the Amalgamating Company 1 into Amalgamated Company, all the equity shares issued by the Amalgamating Company 1 and held by the Transferor Company and/or its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Amalgamated Company as the Transferor Company is a wholly owned subsidiary of the Amalgamated Company.

b) For the amalgamation of the Amalgamating Company 2 into Amalgamated Company, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the equity shareholder(s) of the Amalgamating Company 2 whose names are recorded in the register of members as a member of the Amalgamating Company 2 on the Amalgamated Record Date 11 (Eleven) Amalgamated Company Shares, credited as fully paid-up, for every 553 (Five Hundred Fifty Three) equity shares of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the Amalgamating Company 2. ("**Amalgamated Share Exchange Ratio**") (The Amalgamated Company Shares to be issued by the Amalgamated Company to the equity shareholders of Amalgamating Company 2 shall be hereinafter referred to as "**Amalgamated New Equity Shares**").

c) For the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Composite Scheme, the Transferee Company shall, without any further application, act or deed, issue and allot to the equity shareholder(s) of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company on the Transferee Record Date 1 (One) Transferee Company Shares, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of Re. 1/- (Rupee One only) each fully paid-up held by such member in the Transferor Company ("**Transferee Share Exchange Ratio**") (The Transferee Company Shares to be issued by the Transferee Company to the equity shareholders of Transferor Company shall be hereinafter referred to as "**Transferee New Equity Shares**").

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1.2 In terms of the Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, the master circular issued by SEBI bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024 issued by the Securities and Exchange Board of India as amended from time to time ("**SEBI Circular**"), and as per Section 232(2)(c) of the Act, and any other applicable provisions of any other law for the time being in force (including any statutory modification(s), amendments thereto, or re-enactment thereof, for the time being in force), a report from the Board of the Company explaining the effect of the Composite Scheme on each class of shareholders (promoters and non - promoter shareholders), key managerial personnel ("**KMPs**"), debenture holders, creditors, employees and directors of the Company, setting out, among other things, the share exchange ratio, specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the notice of the meeting of shareholders and/or creditors if ordered by the jurisdictional National Company Law Tribunal.

1.3 Further, pursuant to the requirements of the SEBI Circular, the Board is required to also comment on impact of the Composite Scheme on the holder of Non-Convertible Debentures ("**NCDs**") / Non-Convertible Preference Shares ("**NCPS**"), safeguards for the protection of the holders of NCDs / NCPS and exit offer to the dissenting shareholders of NCDs / NCPS, if any.

Accordingly, this report of the Board is prepared to comply with the aforesaid requirements.

2. Documents placed before the Board:

While deliberating on the Composite Scheme, the Board, inter-alia, considered and took on record the following documents:

(a) A draft of the proposed Composite Scheme.
(b) Valuation report dated 1st August, 2024 and addendum thereof dated 29th October, 2024 prepared by Roshan Nilesh Vaishnav ("**Valuation Report**"),

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registered valuer appointed by the Company, who has recommended an exchange ratio of:

- 11 (Eleven) Amalgamated Company Shares, credited as fully paid-up, for every 553 (Five Hundred Fifty Three) equity shares of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the Amalgamating Company 2; and
- 1 (One) Transferee Company Shares, credited as fully paid-up, for every 1 (One) equity shares of the face value of Re. 1/- (Rupee One only) each fully paid-up held by such member in the Transferor Company.

(c) Fairness opinion dated 1st August, 2024 and addendum thereon dated 29th January, 2025 on the Valuation Report, issued by IDBI Capital Markets & Securities Limited, a SEBI registered merchant banker, appointed by the Company ("**Fairness Opinion**") proving their opinion on the fairness of the recommendations made in the Valuation Report.

(d) Draft Auditor's certificate to be issued by Shah Dhandharia & Co. LLP (Firm Registration No. 118707W/W100724), the statutory auditors of the Company, certifying that the accounting treatment contained in the draft Composite Scheme is in compliance, inter alia, with all the applicable accounting standards specified by the Central Government under Section 133 of the Act and other generally accepted accounting principles.

(e) Audit Committee's approval dated 1st August, 2024, recommending the Composite Scheme;

(f) Other presentations, reports, documents and information pertaining to the draft Composite Scheme made available to/ circulated to the Board

The Composite Scheme, amongst others, contemplates the following arrangements:

(a) amalgamation of the Amalgamating Company 1 and Amalgamating Company 2, respectively, with the Amalgamated Company, with effect from the Appointed Date, pursuant to the provisions of Sections 230 – 232 and/or other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act;

(b) amalgamation of the Transferor Company with the Transferee Company, with effect from the Appointed Date, pursuant to the provisions of Sections 230 –

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232 and/or other applicable provisions of the Act and in accordance with Section 2(1B) of the Income Tax Act; and

(c) various other matters consequential or otherwise integrally connected therewith.

3. Rationale of the Composite Scheme:

1. Transferee Company was incorporated as vehicle to incubate, develop and build the largest integrated platform for production of green hydrogen through an end-to-end supply value chain. Transferee Company is structured to serve as parent company for generation of green hydrogen and related downstream products, along with backward integration of renewable energy component (solar and wind generation) manufacturing. This ecosystem has three business streams – (a) manufacturing of supply chain products (solar and wind); (b) green hydrogen generation; and (c) downstream products.

2. It is the objective of Amalgamated Company to consolidate overall hydrogen ecosystem as mentioned above under one entity i.e. Transferee Company, which will diligently work for development and production of various renewable energy components and green hydrogen.

3. The Composite Scheme will result in, inter alia, the following benefits:

   a) consolidation of renewable components and green hydrogen production business, productive utilization of combined resources, operational and administrative efficiencies, economics of scale, reduction in overheads and other expenses, reduction in the multiplicity of legal and regulatory compliances, and consequential creation of greater value for shareholders and all other stakeholders;

   b) availability of expanded business pre-qualifications, increased business capacity to enable to build larger and more complex projects and provide better access to the funds for growth opportunities;

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c) benefit from the complimentary skills of the combined management team under single umbrella; and

d) simplification of corporate structure and reducing the multiplicity of legal and regulatory compliances;

4. Valuation of Share Exchange / Entitlement Ratio

a. Roshan Nilesh Vaishnav had carried out Valuation Report in respect of issuance of Amalgamated New Equity Shares by Amalgamated Company to the equity shareholders of Amalgamated Company 2 and Transferee New Equity Shares by Transferee Company to the equity shareholders of Transferor Company.

b. Based on the Valuation Report, the Board of Directors approved share exchange ratio, as under:

- 11 (Eleven) Amalgamated Company Shares, credited as fully paid-up, for every 553 (Five Hundred Fifty Three) equity shares of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the Amalgamating Company 2; and
- 1 (One) Transferee Company Shares, credited as fully paid-up, for every 1 (One) equity shares of the face value of Re. 1/- (Rupee One only) each fully paid-up held by such member in the Transferor Company.

c. No special valuation difficulties were reported.

5. Effect of the Composite Scheme on equity shareholders (promoter and non-promoter shareholders), Key Managerial Personnel, debenture holders, creditors, employees and Directors of the Company:

A. Effect on each class of shareholders (promoter and non-promoter shareholders):

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(a) Upon the Composite Scheme becoming effective, following changes will be there affecting the shareholders:

- For the amalgamation of the Amalgamating Company 1 into Amalgamated Company, all the equity shares issued by the Amalgamating Company 1 and held by the Transferor Company and/or its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Amalgamated Company as the Transferor Company is a wholly owned subsidiary of the Amalgamated Company.
- For the amalgamation of the Amalgamating Company 2 into Amalgamated Company, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the equity shareholder(s) of the Amalgamating Company 2 whose names are recorded in the register of members as a member of the Amalgamating Company 2 on the Amalgamated Record Date 11 (Eleven) Amalgamated Company Shares, credited as fully paid-up, for every 553 (Five Hundred Fifty Three) equity shares of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the Amalgamating Company 2. ("**Amalgamated Share Exchange Ratio**") (The Amalgamated Company Shares to be issued by the Amalgamated Company to the equity shareholders of Amalgamating Company 2 shall be hereinafter referred to as "**Amalgamated New Equity Shares**").
- For the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Composite Scheme, the Transferee Company shall, without any further application, act or deed, issue and allot to the equity shareholder(s) of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company on the Transferee Record Date 1 (One) Transferee Company Shares, credited as fully paid-up, for every 1 (One) equity shares of the face value of Re. 1/- (Rupee One only) each fully paid-up held by such member in the Transferor Company ("**Transferee Share Exchange Ratio**") (The Transferee Company Shares to be issued by the Transferee Company to the equity shareholders of

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Transferor Company shall be hereinafter referred to as "**Transferee New Equity Shares**").

(b) The Composite Scheme is expected to have several benefits for the Company as indicated in the rationale of the Composite Scheme.

(c) Accordingly, the Composite Scheme will have no adverse effect on the shareholders of the Company.

The said share exchange ratio are arrived at after taking into consideration the Valuation Report issued by Roshan Nilesh Vaishnav, registered valuer, and Fairness Opinion issued by IDBI Capital Markets & Securities Limited, which have been duly considered by the Audit Committee and the Board of Directors of the Company and the Board has come to the conclusion that the said share exchange ratio is fair and reasonable.

The equity shares so issued and allotted as provided above shall be subject to the provisions of the Memorandum and Articles of Association of the Amalgamated Company and Transferee Company and shall rank pari passu in all respects with the then existing equity shares of the Amalgamated Company and Transferee Company after the Effective Date.

B. Effect on the KMPs and Directors of the Company:

The Composite Scheme would not have any effect on the KMPs and Directors of the Company.

The KMPs and Directors of the Company and their respective relatives may be deemed to be concerned and / or interested in the Composite Scheme only to the extent of their shareholding in the Company (if any), or to the extent the said KMPs / Directors are the partners, directors, members of the companies, firms, association of persons, body corporates and / or beneficiary of the trust that holds shares in the Company, as applicable.

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C. Effect and impact on the holders of debentures and safeguards for the protection of the debenture holders:

There will not be any impact on the debenture holders of the Company pursuant to the Composite Scheme. The current debenture holders will continue to be served by the Company.

Therefore, the Composite Scheme will not have any adverse impact on the holders of the NCDs and thus adequately safeguards interests of the holders of the NCDs.

D. Exit offer to the dissenting holders of the debentures of the Company:

The NCDs of the Company will continue to be freely tradable and listed on the Stock Exchange, in cases where they are listed, thereby providing liquidity to holders of NCDs.

E. Effect on the creditors:

Under the Composite Scheme, there is no arrangement with the creditors (secured or unsecured) of the Company. No compromise is offered under the Composite Scheme to any of the creditors of the Company. The liability of the creditors of the Company, under the Composite Scheme, is neither being reduced nor being extinguished.

F. Effect on staff or employees:

1.1 With effect from the Effective Date, all the staff and employees of the respective Amalgamating Companies, if any, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Amalgamated Company, and, subject to the provisions of the Scheme, on terms and conditions not less favourable than those on which they are engaged by the respective Amalgamating Companies and without any interruption of or break in service as a result of the transfer and vesting of the Undertakings of the Amalgamating Companies to the Amalgamated Company. With regard to provident fund, gratuity,

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superannuation, leave encashment and any other special scheme or benefits created by the respective Amalgamating Companies which exist immediately prior to the Effective Date, if any, the Amalgamated Company shall stand substituted for the respective Amalgamating Companies for all purposes whatsoever, upon the coming into effect of this Scheme, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the respective Amalgamating Companies, in accordance with applicable Law. It is hereby clarified that upon the coming into effect of this Scheme, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the respective Amalgamating Companies for such purpose shall be treated as having been continuous.

1.2 With effect from the Effective Date, all the staff and employees of the Transferor Company, if any, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, and, subject to the provisions of the Scheme, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the Transferor Company, if any, which exist immediately prior to the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon the coming into effect of this Scheme, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with applicable Law. It is hereby clarified that upon the coming into effect of this Scheme, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

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6. Conclusion

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, (promoters and non-promoter shareholders), key managerial personnel, directors, debenture holders, creditors and employees. The Scheme is in the best interest of the shareholders (promoters and non-promoter shareholders), key managerial personnel, directors, debenture holders, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the Scheme.

By order of the Board
For **Adani Enterprises Limited**

Gautam S. Adani
Chairman
DIN: 00006273

Date: 30/01/2025
Place: AHMEDABAD

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