Annexure-3

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The Board of Directors
Adani Enterprises Limited
Adani House, Near Mithakhali Circle,
Navarangpura
Ahmedabad – 380 009 (Gujarat)

7 October 2017

Sub: Recommendation of equity share entitlement ratio for the proposed demerger of Renewable Power Undertaking of Adani Enterprises Limited and transfer to Adani Green Energy Limited ("Transaction")

Dear Sirs,

We refer to the engagement letter dated 29 September 2017 whereby Adani Enterprises Limited ("AEL") has requested B S R & Associates LLP ("BSR" or "Valuer" or "us" or "we") to recommend an equity share entitlement ratio in connection with the proposed demerger of Renewable Power Undertaking (as defined herein) of Adani Enterprises Limited ("AEL", the "Client", "Company", or "You") and transfer to Adani Green Energy Limited (AGEL) ("Proposed Demerger" or "Transaction") (together referred to as "Companies").

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that the Board of Directors of AEL propose to demerge Renewable Power Undertaking and transfer to AGEL. The Appointed Date for the Transaction is 1 April 2018. This is proposed to be achieved by way of a scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013. Under the Scheme of Proposed Demerger, as consideration for the transfer of Renewable Power Undertaking from AEL, the shareholders of AEL will be issued equity shares of AGEL ("Transaction").

BSR has been requested by the Board of Directors of AEL to submit a letter recommending an equity share entitlement ratio, as at date of this report, in connection with the Transaction. We understand that this Valuation Report will used by the Client for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

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The scope of our services is to conduct a relative valuation (and not absolute) of the equity shares of Renewable Power Undertaking and AGEL to arrive at the equity share entitlement ratio of AGEL and Renewable Power Undertaking in accordance with generally accepted professional standards.

This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Companies ("Management"):

- Audited financial statements of the Companies for the historical period;
- Quarterly financial information (for June 2017) as published by the Companies;
- Consolidated Management Business Plan for AGEL and Renewable Power Undertaking
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Arrangement dated 5 October 2017 ("Scheme");
- Other information, explanations and representations that were required and provided by the Management
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquires, as we considered necessary.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended equity share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report and (iii) the latest available financial statements of the Companies and

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other information provided by the Management or taken from public sources till the 6 October 2017.

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 6 October 2017 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share entitlement ratio. While we have provided our recommendation of the equity share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the equity share entitlement ratio of the equity shares of AGEL and Renewable Power Undertaking. You acknowledge and agree that you have the final responsibility for the determination of the equity share entitlement ratio at which the Proposed Demerger shall take place and factors other than our Valuation Report will need to be taken into account in determining the equity share entitlement ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or

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regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management of the Companies have indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation Report assumes that the specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in Period Balance Sheet of the Specified Companies. Our conclusion of value assumes that the assets and liabilities of the Specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

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No investigation of the Companies' claim to title of assets has been made for the purpose of this Valuation Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to the Board of Directors of AEL which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without out prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

BACKGROUND OF THE COMPANIES

Adani Enterprises Limited, founded in 1988, together with its subsidiaries, primarily engages in the coal mining and trading; oil and gas exploration; ports and multi-modal logistics; power generation and transmission; gas distribution; and edible oil and agro commodities businesses in India and internationally. Further, the company owns and operates solar power plants with an installed capacity of about 1,000 MW in various parts of the country through its subsidiaries.

The sharholding pattern of AEL as on 30 June 2017 is given below:

Category	% shareholding
Promoter & Promoter Group	74.92
Public	25.08
Total	**100.0**

Source: BSE website

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PDPL

Prayatna Developers Private Limited (PDPL) is developing 220 MW of solar power projects which are under various stages of implementation. PDPL is a 100 per cent subsidiary of Adani Enterprises Limited.

Renewable Trading Undertaking

AEL also carries on trading and supply of solar and wind energy equipments through its division which is termed as Renewable Trading Undertaking for the purpose of the Transaction.

AGEL

Adani Green Energy Limited (AGEL) owns and operates solar and wind power plants through group of its subsidiaries. The company was incorporated in 2015 and is based in Ahmedabad, India. AGEL is a associate of Adani Enterprises Limited and have its registered office in Ahmedabad, India. The shareholding pattern of AGEL as at 30 June 2017 is as follows:

Category	% shareholding
Adani Enterprises Limited	47.19
Promoters and Promoter Group	52.81
Total	**100.0**

Source: Management

Renewable Power Undertaking

The aforesaid businesses of development of renewable power projects, generation of renewable power and trading and supply of solar and wind energy equipments carried out by AEL, either itself or through its associate or wholly owned subsidiary are together referred to as "Renewable Power Business" or "Renewable Power Undertaking". In other words, it includes Renewable Trading Undertaking as defined above, PDPL (one of the wholly owned subsidiary of AEL), and approximately 47.19 per cent of AEL in AGEL (one of the associate of AEL).

APPROACH & METHODOLOGY - BASIS OF TRANSACTION

The Transaction contemplates the demerger of Renewable Power Undertaking from AEL and transfer to AGEL pursuant to the Scheme. Arriving at the equity share entitlement ratio for the proposed transfer of Renewable Power Undertaking with AGEL would require determining the value of the Renewable Power Undertaking in terms of the value of the equity shares of AGEL. These values are to be determined independently but on a relative basis, and without considering the proposed Transaction.

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There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case by Valuer independently, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies' Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for a transaction of a similar nature, regulatory guidelines and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The valuation methodologies used to arrive at the value attributable to the equity shareholders of Renewable Power Undertaking and AGEL are discussed hereunder:

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, in the case of an transaction, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, though AEL is a listed entity, we are valuing Renewable Power Undertaking (part of the listed company) and AGEL which is a part of the listed entity, therefore, the market price cannot be specifically attributed to the Renewable Power Undertaking or AGEL. Hence, this method has not been considered for valuation.

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Comparable Companies' Multiple (CCM) / Guideline Company method
Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have used EV/EBITDA multiple of comparable companies for both PDPL and AGEL (on a consolidated EBITDA) for our valuation analysis. The value arrived under this method is adjusted for cash and cash equivalents, investments, debt, and other matters as considered appropriate to arrive at the value available to the equity shareholders of the Companies.

Discounted Cash Flows ("DCF") Method
Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital.

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained generally from DCF analysis, the amount of loans is adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share.

For the purpose of DCF valuation, the free cash flow forecast of the Companies is based on Management Business Plan provided by the Management.

We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this

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engagement, we have relied extensively on historical information made available to us by the Management and the Management Business Plan for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders, value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent, borrowings, warrants (if any), surplus assets, contingent liabilities, value of investments, proposed dividend (if any) and other matters. The total value is then divided by fully diluted equity shares (considering rights, warrants) to arrive at the value per equity share.

We have used DCF for both PDPL and AGEL (on a sum of parts of its subsidiaries and the standalone business within AGEL) for our valuation analysis. The value arrived under this method is adjusted for cash and cash equivalents, investments, debt, and other matters as considered appropriate to arrive at the value available to the equity shareholders of the Companies.

Net Asset Value (NAV) Method
The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

Considering the nature and size of the business operations we have not used NAV method for the purpose of evaluating the value of PDPL and AGEL. We have used NAV approach for Renewable Trading Undertaking considering its current operations and the future business outlook as provided by the Management.

BASIS OF EQUITY SHARE ENTITLEMENT RATIO

The basis of demerger of Renewable Power Undertaking from AEL and transfer to AGEL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending an equity share entitlement ratio of equity shares it is necessary to arrive at a single value for the equity shares of AGEL and of Renewable Power Undertaking. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair equity share entitlement ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

As considered appropriate, we have independently applied methodologies discussed above and arrived at valuation. We have further independently assigned appropriate weightages to the value per equity share of AGEL and Renewable Power Undertaking,

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arrived using DCF method, Comparable Companies EV/EBITDA multiple and NAV method, to value the equity shares of PDPL, AGEL and Renewable Trading Undertaking.

Computation of fair equity share entitlement ratio as per BSR Analysis

	AGEL		Renewable Power Undertaking	
Valuation Approach	**Value per Share**	**Weightage**	**Value per Share**	**Weightage**
Market Approach	37.96	50%	28.42	50%
Income Approach	27.59	50%	21.44	50%
Asset Approach	9.36	0%	6.78	0%
Relative Value per share	**32.77**	**100%**	**24.93**	**100%**
Exchange Ratio (Rounded off)		**0.761**		

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the equity share entitlement ratio of equity shares for transfer of Renewable Power Undertaking to AGEL at 761 (Seven Hundred Sixty One) equity shares of AGEL of INR 10 each fully paid up for every 1,000 (One Thousand) equity shares of AEL of INR 1 each fully paid up.

Respectfully submitted.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No: 116231W

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Dated: 7 October 2017

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