Annexure-H

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REPORT OF THE AUDIT COMMITTEE OF ADANI ENTERPRISES LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT AMONG ADANI ENTERPRISES LIMITED AND ADANI GREEN ENERGY LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("THE SCHEME")

1. Background

The Securities and Exchange Board of India vide its circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI Circular") has, amongst other requirements, sought a report from the Audit Committee of the listed companies recommending the Scheme.

The Audit Committee of the Board at the Meeting held today i.e. 7th October, 2017, has considered and reviewed the draft Scheme of Arrangement among Adani Enterprises Limited and Adani Green Energy Limited and their respective shareholders and creditors ("the Scheme") for Demerger of Renewable Power Undertaking (as defined in the Scheme) of AEL into AGEL under the provisions of Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 read with rules made thereunder, pursuant to above SEBI Circular.

This report of the Audit Committee is made in order to comply with the requirement of the aforesaid SEBI Circular after considering the following necessary documents:

1) Draft Scheme of Arrangement among Adani Enterprises Limited and Adani Green Energy Limited and their respective shareholders and creditors;

2) Valuation Report dated 7th October, 2017, issued by by B S R & Associates LLP, Independent Chartered Accountant;

3) Fairness Opinion dated 7th October, 2017, issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker; and

4) Certificate dated 7th October, 2017, from the Statutory Auditors of the Company, M/s. Shah Dhandharia & Co., Chartered Accountants, Ahmedabad regarding compliance of the Accounting Treatment.

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Nr Mithakhali Circle, Navrangpura
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2. Rational of the Scheme

The Committee perused the provisions in the Scheme which, inter alia, contains the rationale for the proposed Scheme of Arrangement. The Audit Committee noted that each of the varied businesses being carried on by AEL either by itself or through its subsidiaries or through associate companies including Renewable Power Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Renewable Power Business is separate and distinct from other businesses being carried out by AEL. The Renewable Power Business and the other businesses of AEL are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Renewable Power Business and other businesses of AEL are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Renewable Power Undertaking by way of demerger and transfer the same to AGEL.

The segregation would enable greater/enhanced focus of the management in the Renewable Power Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.

The demerger will also provide scope for independent collaboration and expansion.

3. Share Exchange / Entitlement Ratio

Pursuant to the scheme, AGEL shall issue 761 equity shares of Rs.10/- (Rupees Ten Only) each credited as fully paid-up for every 1,000 equity shares of Re. 1 (Rupee One Only) each held by shareholders of AEL as on record date to be decided by AEL.

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4. Recommendation of the Audit Committee

After consideration of the rationale and purpose of the Scheme, the Audit Committee recommends the Scheme to the Board of Directors of the Company for favourable consideration.

For and on behalf of the Audit Committee

V. Subramanian
Chairman of the Meeting - Audit Committee
Adani Enterprises Limited

Date: 07.10.2017

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