

Note on the Scheme of Arrangement among Adani Enterprises Limited ('AEL') and Adani Green Energy Limited ('AGEL') and their respective Shareholders and Creditors ('the Scheme')

The Scheme envisages the following:-

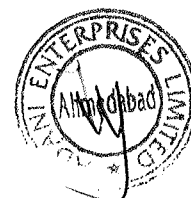
- demerger of the Renewable Power Undertaking of AEL transfer of the same to AGEL which includes issuance of equity shares by AGEL to the equity shareholders of AEL;
- reduction of paid-up equity share capital of AGEL, pursuant to cancellation of equity shares held by AEL in AGEL;
- increase in the authorised share capital of AGEL; and
- matters consequential, supplemental and/or otherwise integrally connected therewith.

A. "Renewable Power Undertaking" means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Renewable Power Business (which includes (i) AEL's strategic investments in AGEL and PDPL, respectively; (ii) AEL's subscription to the entire different series of the unsecured compulsory convertible debentures issued by PDPL from time to time; and (iii) the business related to trading and supply of solar and wind energy equipments carried out by AEL), including specifically the following:

- (a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Renewable Power Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (b) all assets, as are movable in nature pertaining to and in relation to the Renewable Power Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication

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facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Governmental Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

- (c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Renewable Power Business;
- (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Renewable Power Business;
- (e) all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered),

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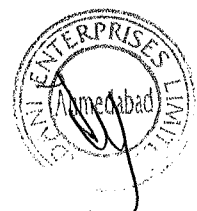


trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Renewable Power Business;

- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by AEL pertaining to or in connection with or relating to AEL in respect of the Renewable Power Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by AEL and pertaining to the Renewable Power Business;
- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Renewable Power Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of AEL pertaining to the Renewable Power Business and/or arising out of and/or relatable to the Renewable Power Business including:
 - i. the debts, liabilities, duties and obligations of AEL which arises out of the activities or operations of the Renewable Power Business;

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- ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Renewable Power Business;
 - iii. in cases other than those referred to in Sub-Clause i. or Sub-Clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of AEL, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of AEL immediately prior to the Effective Date;
- (i) all employees of AEL employed/engaged in the Renewable Power Business as on the Effective Date; and
 - (j) all legal or other proceedings of whatsoever nature that pertain to the Renewable Power Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Renewable Power Business or whether it arises out of the activities or operations of the Renewable Power Business, the same shall be decided by mutual agreement between Board of Directors of AEL and AGEL.

B. RATIONALE FOR THE SCHEME FOR BUSINESS AND FINANCIAL ASPECTS OF THE SCHEME

- (i) 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.

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- (ii) 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.
- (iii) It is believed that the proposed demerger will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
- (iv) The demerger will also provide scope for independent collaboration and expansion.

C. Share Entitlement Ratio

- Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Renewable Power Undertaking into AGEL pursuant to the provisions of this Scheme, AGEL shall, without any further act or deed, issue and allot to each shareholder of AEL, whose name is recorded in the register of members and records of the depositories as members of AEL, on the Record Date, 761 (Seven Hundred & Sixty One) equity shares of Rs. 10/- (Rupees Ten Only) each of AGEL credited as fully paid-up for every 1000 (One Thousand) equity shares of Re. 1/- (Rupee One Only) each held by such shareholder in AEL ("**New Equity Shares**"). The ratio in which equity shares of AGEL are to be issued and allotted to the shareholders of AEL is referred to as the "**Share Entitlement Ratio**". It is clarified that no cash consideration shall be paid by AGEL to AEL or its shareholders.
- Equity Shares of AGEL will be listed on BSE Limited and National Stock Exchange of India Limited subject to necessary approvals.



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D. Financial Aspect of the Scheme

Consolidated financial of AEL – Pre and Pro-forma post demerger of Renewable Power Business for FY2017

Particulars	AEL Consolidated Financial for FY2017		
	Pre demerger (Rs Crs)	Post demerger Pro-forma (Rs Crs)	% Change
Total Revenue	38,056	37,579	-1.3%
EBIDTA	3,090	2,764	-10.6%
PBT	905	1,133	25.2%
PAT	988	1,021	3.4%
Diluted EPS	8.98	9.28	3.4%
Attributable Equity	14,136	13,299	-5.9%
Total Debt	20,783	16,442	-20.9%
Cash and Investment	1,093	974	-10.9%

For **Adani Enterprises Limited**



Authorised Signatory



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