

B S R & Associates LLP

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

18 January 2018

Sub: Recommendation of equity share entitlement ratio for the Proposed Demerger of the Gas Business Undertaking of Adani Enterprises Limited and transfer to Adani Gas Limited ("Transaction")

Dear Sirs,

We refer to the engagement letter dated 11 January 2018 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 Gas Sourcing & Distribution Business ("Gas Business Undertaking", or as defined herein) of Adani Enterprises Limited ("AEL", the "Client", "Company", or "You") and transfer to Adani Gas Limited ("AGL") ("Proposed Demerger" or "Transaction") (together referred to as "Companies").

SCOPE AND PURPOSE OF THE VALUATION REPORT

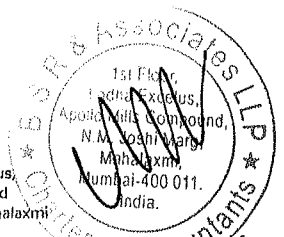
We understand that the Board of Directors of AEL propose to demerge Gas Business Undertaking and transfer to AGL. This is proposed to be achieved by way of a composite scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013 ("Proposed Scheme"). Under the Proposed Scheme, as consideration for the transfer of Gas Business Undertaking from AEL, the shareholders of AEL will be issued equity shares of AGL.

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 be 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.



B S R & Associates (a partnership firm with
Registration No. BA69226) converted into
B S R & Associates LLP (a Limited Liability,
Partnership with LLP Registration No. AAB-8182)
with effect from October 14, 2013

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The scope of our services is to arrive at the equity share entitlement ratio for the aforesaid Transaction 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"):

- Shareholding pattern of AEL, AGL and AGHL (defined hereinafter) as on 31 December 2017.
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Arrangement received by Us on 12 January 2018;
- Other information, explanations and representations that were required and provided by the Management
- Such other analysis, review and enquires, as we considered necessary.

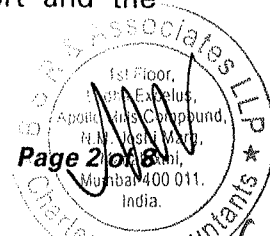
The Companies have been provided with the opportunity to review the draft report (excluding the recommended equity share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

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 and envisaged shareholding pattern of the Companies and other information provided by the Management or taken from public sources till the 17 January 2018.

A valuation of this nature is necessarily based on the information made available to us as of, the date hereof and the prevailing market conditions, if impacting the company. Events occurring after the date hereof may affect this Valuation Report and the

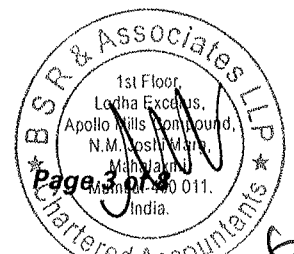


assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 17 January 2018 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 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 AGL and Gas Business 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. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness 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 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.

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, incompleteness or inaccuracies 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. 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.

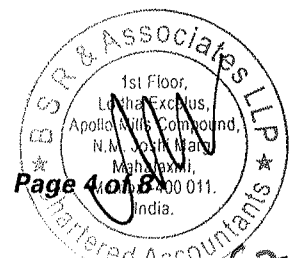
This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

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

Adani Enterprises Limited, together with its subsidiaries, primarily engages in the coal mining and trading; oil and gas exploration; gas sourcing and distribution; and edible oil and agro commodities businesses in India and internationally. The company was founded in 1988 and is based in Ahmedabad, India.

AEL also carries on business of sourcing and trading of natural gas and sourcing various spare parts required for city gas distribution related infrastructure through its division which is termed as Adani Gas Undertaking for the purpose of the Transaction.

The equity shareholding pattern of AEL as on 31 December 2017 is given below:

AEL equity shareholding as on 31 December 2017	No of Shares[^]	% Holding
Promoter and Promoter Group	823,963,481	74.92%
Public	275,846,602	25.08%
Total	1,099,810,083	100.00%

[^]Face value INR 1 each

Source: BSE and Management Information

The equity shares of the AEL are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The secured redeemable non-convertible debentures issued by AEL are listed on the wholesale debt market segment of BSE.

Adani Gas Holdings Limited

Adani Gas Holding Limited ("AGHL") is holding company of AGL and holds 100 per cent of the AGL along with its nominees. AGHL, in turn, is an indirect wholly owned subsidiary company of Adani Enterprises Limited.

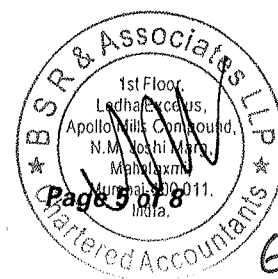
The equity shareholding pattern of AGHL as on 31 December 2017 is given below:

AGHL shareholding as on 31 December 2017	No of Shares[^]	% shareholding
Mahaguj Power LLP along with its nominees	25,500	51.00%
Adani Tradewing LLP	24,500	49.00%
Total	50,000	100.00%

[^]Face value INR 10 each

Source: Management

In addition to the above, AGHL has issued and allotted compulsorily convertible preference shares ("CCPS") to AEL. Details provided below:



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AGHL CCPS holders as on 31 December 2017	No of Shares[^]	% shareholding
Adani Enterprises Limited	233,600,000	100.00%
Total	233,600,000	100.00%

[^]Face value INR 10 each

Source: Management

AGL

Adani Gas Limited is engaged in the distribution of natural gas to domestic consumers, industries and commercial establishments. The company also distributes compressed natural gas for transportation purposes. It has gas distribution networks in Ahmedabad and Vadodara in Gujarat; Faridabad in Haryana; and Khurja in Uttar Pradesh. The company was founded in 2004 and is based in Ahmedabad, India. AGL operates as an indirect wholly owned subsidiary of AEL.

The equity shareholding pattern of AGL as at 31 December 2017 is as follows:

AGL equity shareholding as on 31 December 2017	No of Shares[^]	% shareholding
Adani Gas Holdings Limited along with its nominees	256,742,040	100.00%
Total	256,742,040	100.00%

[^]Face value INR 10 each

Source: Management

Gas Business Undertaking

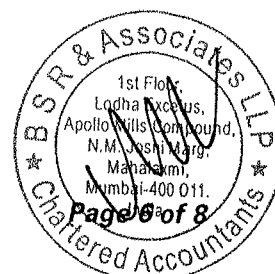
The aforesaid businesses of trading, sourcing and distribution of gas and sourcing of spares required for city gas distribution related infrastructure carried out by AEL, either itself or through its wholly owned subsidiary are together referred to as "Gas Sourcing and Distribution Business" or "Gas Business Undertaking". In other words, it includes Gas Trading Undertaking as defined above, and 100 per cent stake of AEL in AGL (on completion of Step 1 mentioned below).

BASIS OF TRANSACTION – PROPOSED SCHEME

The Transaction contemplates the demerger of Gas Business Undertaking from AEL and transfer to AGL pursuant to the Proposed Scheme. The Proposed Scheme will include the following steps:

Step 1: Amalgamation of AGHL with AGL

Under Step 1, AGHL which is parent company of AGL will be amalgamated with AGL. As consideration for the amalgamation of AGHL into AGL, AGL shall issue shares to shareholders of AGHL. As a result of this, the resultant shareholding of AGL will be as follows:



Resultant shareholding of AGL	No of Shares [^]	% shareholding
Equity share capital		
Adani Enterprises Limited along with its nominees	233,600,000	100.00%
Total	233,600,000	100.00%
Preference share capital		
Mahaguj Power LLP along with its nominees	25,500	51.00%
Adani Tradewing LLP	24,500	49.00%
Total	50,000	100.00%

[^]Face value INR 10 each

Source: Management

Step 2: Transfer and vesting of Gas Business Undertaking from AEL into AGL.

Under Step 2, Gas Business Undertaking, as defined above, will be demerged from AEL and will be transferred to AGL. As a part of the Proposed Scheme, the face value per equity share of AGL shall be sub-divided from INR 10 to INR 1.

As a consideration, equity shares of AGL will be issued and allotted to the equity shareholders of AEL.

BASIS OF EQUITY SHARE ENTITLEMENT RATIO

As set out above,

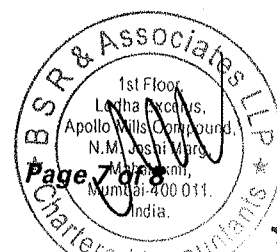
- As on 31 December 2017, the issued, subscribed and paid up capital of AEL consists of 1,099,810,083 fully paid up equity shares of face value INR 1 each.
- AGL is indirectly a wholly owned subsidiary of AEL.

We understand that in consideration of the demerger of the Gas Business Undertaking, AGL proposes to issue 1 equity share of face value INR 1 each of AGL for every 1 equity share of face value INR 1 each held in AEL, being the consideration of the transfer and vesting of the Gas Business Undertaking.

In case any shareholder's equity holding in AEL is such that such shareholder becomes entitled to a fraction of an equity share of AGL, the same will be treated as per relevant provisions of the Proposed Scheme.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for AGL is identical to that of AEL, the beneficial economic interest of the equity shareholders of AEL in AGL will remain same at the time of the Proposed Transaction.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of AEL are and will, upon demerger, be the ultimate economic beneficial owners of AGL and in the same ratio (inter se) as they hold shares in AEL, as on the record date to be decided by Management of AEL in the Proposed Scheme.



Our Report and share entitlement ratio is based on the envisaged equity share capital structure of AEL, AGHL and AGL as mentioned earlier in this Report. Any variation in the equity capital structures of AEL, AGHL and AGL apart from the above mentioned Proposed Scheme may have material impact on the share entitlement ratio.

Respectfully submitted.

For B S R & Associates LLP

Chartered Accountants

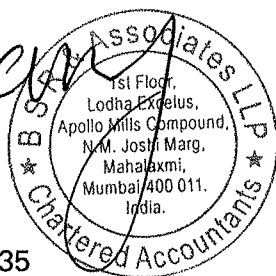
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Mahek Vikamsey

Partner

Membership No: 108235



Dated: 18 January 2018

