

**NOTICE - SECURED CREDITORS
(INCLUDING SECURED
DEBENTURE HOLDERS)**

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Registered Office : Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382 421, Gujarat, India
Tel No. : +91-79-2656 5555
CIN : L63090GJ1998PLC034182
Website : www.adaniports.com
E-mail : investor.apsezl@adani.com

**MEETING OF THE SECURED CREDITORS
(INCLUDING SECURED DEBENTURE HOLDERS)**

OF

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

*(convened pursuant to the order dated 2 February 2022
passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench)*

MEETING:

Day	Monday
Date	14 March 2022
Time	12:00 noon IST (1200 hours)
Mode	Through Video Conference/Other Audio-Visual Means

REMOTE E-VOTING:

Start Date and Time	Wednesday, 9 March 2022 at 9:00 a.m. IST (0900 hours)
End Date and Time	Sunday, 13 March 2022 at 5:00 p.m. IST (1700 hours)

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
C.A. (CAA)/ 5 (AHM) 2022**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Gangavaram Port Limited;

And

In the matter of Adani Ports and Special Economic Zone Limited;

And

In the matter of Adani Gangavaram Port Private Limited;

And

In the matter of Composite Scheme of Arrangement between Gangavaram Port Limited and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective shareholders and creditors;

Adani Ports and Special Economic Zone Limited, a }
company incorporated under the provisions of the }
Companies Act, 1956 and now deemed to be }
incorporated under the Companies Act, 2013 and }
having its registered office at Adani Corporate }
House, Shantigram, Near Vaishno Devi Circle, S. G. }
Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, }
India. }

...Applicant Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS (INCLUDING SECURED DEBENTURE HOLDERS) OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

To,

All the secured creditors (including secured debenture holders) of Adani Ports and Special Economic Zone Limited:

NOTICE is hereby given that by an order dated 2 February 2022 ("**Order**"), the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**") has directed a meeting to be held of the secured creditors (including secured debenture holders) of Adani Ports and Special Economic Zone Limited ("**APSEZ**") for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement between Gangavaram Port Limited ("**GPL**") and APSEZ and Adani Gangavaram Port Private Limited ("**AGPPL**") and their respective shareholders and creditors ("**Scheme**") pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and the other applicable provisions thereof and applicable rules thereunder.

In pursuance of the Order and as directed therein further, this Notice is hereby given that a meeting of the secured creditors (including secured debenture holders) of APSEZ will be held on Monday, 14 March 2022 at 12:00 noon (1200 hours) IST through Video Conference ("**VC**")/Other Audio-Visual Means ("**OAVM**") ("**Meeting**") in compliance with the applicable provisions of the Companies Act, 2013 ("**Companies Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). At the Meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, Sections 2(1B) and 2(42C) of the Income-tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/DIL/1/CIR/P/2020/249 dated 22 December 2020 and duly amended from time to time, the no adverse observations letter/No-objection letter issued by each of the BSE Limited and the National Stock Exchange of India Limited respectively, both dated 7 January 2022, and subject to the provisions of the memorandum of association and articles of association of Adani Ports and Special Economic Zone Limited ("**Company**") and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities or tribunals, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Arrangement between Gangavaram Port Limited and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective shareholders and creditors ("**Scheme**") the draft of which was circulated along with this Notice, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the above resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT or tribunals while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise or meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that since this Meeting is held, pursuant to the Order passed by the NCLT through VC/OAVM, physical attendance of the secured creditors (including secured debenture holders) has been dispensed with. Accordingly, the facility for appointment of proxies by the secured creditors (including secured debenture holders) will not be available for the present Meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, authorized representatives of institutional/corporate secured creditors (including secured debenture holders) may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting provided that such secured creditors (including secured debenture holders) sends a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization etc., authorizing its representative to attend the Meeting through VC/OAVM on its behalf, vote through e-voting during the Meeting and/or to vote through remote e-voting.

TAKE FURTHER NOTICE that

- a) in compliance with the provisions of 230 of the Companies Act read with any other applicable provisions of the Companies Act and the rules framed thereunder and following the operating procedure (with appropriate modifications, if required) of the General Circulars No. 14/2020 dated 8 April 2020; No. 17/2020 dated 13 April 2020; No. 20/2020 dated 5 May 2020; No. 22/2020 dated 15 June 2020; No. 33/2020 dated 28 September 2020; No. 39/2020 dated 31 December 2020; No. 10/2021 dated 23 June 2021 and No. 20/2021 dated 8 December 2021 issued by the Ministry of Corporate Affairs, Government

of India (collectively referred to as the "**MCA Circulars**"), APSEZ has provided the facility of voting by remote e-voting and e-voting at the Meeting so as to enable the secured creditors (including secured debenture holders) to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by secured creditors (including secured debenture holders) of APSEZ to the Scheme shall be carried out only through remote e-voting and e-voting at the Meeting;

- b) in compliance with the aforesaid Order passed by NCLT, (a) the aforesaid Notice; (b) the Scheme; (c) the explanatory statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of Companies Act and the rules made thereunder, and (d) the enclosures as indicated in the Index (collectively referred to as "**Particulars**"), are being sent (i) through electronic mode to those secured creditors (including secured debenture holders) whose e-mail IDs are registered APSEZ; and (ii) through registered post or speed post or courier, physically, to those secured creditors (including secured debenture holders) who have not registered their e-mail IDs with APSEZ. The aforesaid Particulars are being sent to all the secured creditors (including secured debenture holders) whose names appear in the record of APSEZ as on Friday, 31 December 2021;
- c) the secured creditors (including secured debenture holders) may note that the aforesaid Particulars will be available on APSEZ's website www.adaniports.com, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of Central Depository Services (India) Limited ("**CDSL**") at www.evotingindia.com;
- d) copies of the aforesaid Particulars can be obtained free of charge, between 10:30 a.m. to 12:30 p.m. on all working days, at the registered office of APSEZ, up to the date of the Meeting, at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India, or from the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Off Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India;
- e) APSEZ has extended the remote e-voting facility for its secured creditors (including secured debenture holders) to enable them to cast their votes electronically. The instructions for remote e-voting and e-voting at the Meeting are appended to the Notice. The secured creditors (including secured debenture holders), opting to cast their votes by remote e-voting and voting during the Meeting through VC/ OAVM are requested to read the instructions in the Notes below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions from Wednesday, 9 March 2022 (9:00 a.m. IST) to Sunday, 13 March 2022 (5:00 p.m. IST);
- f) the NCLT has appointed Prof. Ganesan Raghuram, Independent Director of APSEZ to be the Chairman of the Meeting including for any adjournment or adjournments thereof;
- g) one independent director of APSEZ and the auditor (or his authorized representative who is qualified to be an auditor) of APSEZ shall be attending the Meeting through VC/OAVM;
- h) Mr. Chirag Shah, Practicing Company Secretary (Membership No. 5545 & C.P. No. 3498) has been appointed as the scrutinizer to scrutinize the e-voting during the Meeting and remote e-voting process in a fair and transparent manner;
- i) the scrutinizer shall after the conclusion of e-voting at the Meeting, first download the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and submit his combined report to the Chairman of the Meeting. The scrutinizer's decision on the validity of the votes shall be final. The results of the votes cast through remote e-voting and e-voting during the Meeting will be announced on or before close of business hours on Wednesday, 16 March 2022. The results, together with the scrutinizer's report, will be displayed at the registered office of APSEZ, on the website of APSEZ, www.adaniports.com and on the website of CDSL at www.evotingindia.com, besides being communicated to BSE Limited and the National Stock Exchange of India Limited;
- j) the Scheme, if approved at the Meeting, will be subject to the subsequent approval of NCLT; and
- k) a copy of the explanatory statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and

any other applicable provisions of Companies Act and the rules made thereunder, the Scheme and the other enclosures as indicated in the Index are enclosed.

Prof. Ganesan Raghuram
Chairman appointed for the Meeting

Dated this 5 February 2022

Registered office: Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad – 382 421,
Gujarat, India.

Notes:

1. General instructions for accessing and participating in the Meeting through VC/OAVM Facility and voting through electronic means including remote e-voting

- (a) Pursuant to the Order passed by the NCLT, Meeting of the secured creditors (including secured debenture holders) of APSEZ will be held through VC/OAVM following the operating procedures (with appropriate modifications, if required) set out in the MCA Circulars.
- (b) Since, the Meeting is being held pursuant to Order passed by the NCLT, through VC/OAVM, physical attendance of the secured creditors (including secured debenture holders) has been dispensed with. Accordingly, the facility for appointment of proxies by the secured creditors (including secured debenture holders) will not be available for the Meeting. However, in pursuance of Section 113 of the Companies Act, authorized representatives of institutional/corporate secured creditors may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting provided that such secured creditor sends a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization etc., authorizing its representative to attend the Meeting through VC/OAVM on its behalf, vote through e-voting during the Meeting and/or to vote through remote e-voting, on its behalf. The scanned image of the abovementioned documents should be in the name format 'APSEZ'. The said resolution/authorization shall be sent to the scrutinizer by email through his registered email id address to pcschirag@gmail.com and to APSEZ at investor.apsezl@adani.com, before the VC/OAVM Meeting or before the remote e-voting, as the case may be.
- (c) The proceedings of this Meeting would be deemed to have been conducted at the registered office of APSEZ located at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India.
- (d) The quorum of the Meeting of the secured creditors (including secured debenture holders) of APSEZ shall be 5 (five) secured creditors of APSEZ. The secured creditors (including secured debenture holders) attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
- (e) The aforesaid Particulars are being sent (i) through electronic mode to those secured creditors (including secured debenture holders) whose e-mail IDs are registered with APSEZ; and (ii) through registered post or speed post or courier, physically, to those secured creditors (including secured debenture holders) who have not registered their e-mail IDs with APSEZ. The aforesaid Particulars are being sent to all the secured creditors (including secured debenture holders) whose name appear in the record of APSEZ as on Friday, 31 December 2021.
- (f) CDSL, APSEZ's e-voting agency, will provide the facility for voting by the secured creditors (including secured debenture holders) through remote e-voting, for participation in the Meeting through VC/OAVM and e-voting during the Meeting.
- (g) All the documents referred to in the accompanying explanatory statement, shall be available for inspection through electronic mode during the proceedings of the Meeting. The secured creditors

(including secured debenture holders) seeking to inspect copies of the said documents may send an email at investor.apsezl@adani.com. Further, all the documents referred to in the accompanying explanatory statement shall also be open for inspection by the secured creditors (including secured debenture holders) at the registered office of APSEZ between 10.30 a.m. to 12.30 p.m. on all working days up to the date of the Meeting. A recorded transcript of the Meeting shall also be made available on the website of APSEZ.

- (h) The Notice convening the Meeting will be published through advertisement in (i) Indian Express (All editions) in English language; and (ii) translation thereof in Gujarat Samachar (Ahmedabad edition), Divya Bhaskar (Ahmedabad edition) and Sandesh (Ahmedabad edition) in Gujarati language.
- (i) The Scheme shall be considered approved by the secured creditors (including secured debenture holders) of APSEZ if the resolution mentioned in the Notice has been approved by majority of persons representing three-fourth in value of the secured creditors (including secured debenture holders) voting at the Meeting through VC/OAVM or by remote e-voting, in terms of the provisions of Sections 230 – 232 of the Companies Act.
- (j) Since the Meeting will be held through VC/OAVM in accordance with the Order passed by NCLT and the operating procedures (with appropriate modifications, if required) set out in the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- (k) The voting rights of the secured creditors (including secured debenture holders) shall be in proportion to the value of their debts as per the records of APSEZ as on Friday, 31 December 2021, i.e., Cut-Off Date.
- (l) A person, whose name is recorded in the list of the secured creditors (including secured debenture holders) of APSEZ as on Friday, 31 December 2021, i.e., Cut-Off Date, only shall be entitled to avail the facility of remote e-voting or for participation and e-voting at the Meeting.
- (m) All grievances connected with the facility for voting by electronic means may be addressed to helpdesk.evoting@cdslindia.com or call on 022-23058542/43 or 022-23058738.

2. Procedure for joining the Meeting through VC/OAVM

- (a) APSEZ will provide VC/OAVM facility to its secured creditors (including secured debenture holders) for participating in the Meeting. The secured creditors (including secured debenture holders) will be able to attend the Meeting through VC/OAVM or view the live webcast of the Meeting at www.evotingindia.com by using their remote e-voting login credentials and selecting the 'EVSN' for the Meeting as per the instructions mentioned below.
- (b) The secured creditors (including secured debenture holders) may join the Meeting through laptops, smartphones, tablets or iPads for better experience. Further, the secured creditors (including secured debenture holders) will be required to use internet with a good speed to avoid any disturbance during the Meeting. The secured Creditors (including secured debenture holders) will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

Please note that the participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. The secured creditors (including secured debenture holders) will be required to grant access to the web-cam to enable two-way video conferencing.

- (c) Facility to join the Meeting will be opened fifteen minutes before the scheduled time of the Meeting and will be kept open throughout the proceedings of the Meeting.
- (d) The facility of participation at the Meeting through VC/OAVM will be made available on first-come-first-served basis.
- (e) The secured creditors (including secured debenture holders) who would like to express their views or ask questions during the Meeting may register themselves as speakers by mentioning their name, email id and mobile number, at investor.apsezl@adani.com. The speaker registration will be open during Thursday, 10 March 2022 (9:00 am IST) to Saturday, 12 March 2022 (5:00 pm IST). Only those secured creditors (including secured debenture holders) who are registered as speakers will be allowed to express their views or ask questions.

Secured creditors (including secured debenture holders) seeking any information with regard to the matter to be considered at the Meeting, are requested to write to APSEZ on or before Saturday, 12 March 2022 (5:00 pm IST) through email on investor.apsezl@adani.com. The same will be replied by APSEZ suitably.

Alternatively, the secured creditors (including secured debenture holders) may also post their queries/ views/questions by mentioning their name, email id and mobile number, at investor.apsezl@adani.com, on or before Saturday, 12 March 2022 (5:00 pm IST).

The Chairman, at its discretion reserves the right to restrict the number of questions and number of Speakers, depending upon availability of time as appropriate for smooth conduct of the Meeting.

3. Instructions for remote e-voting and e-voting at the Meeting

- (a) In compliance with the operating procedures (with appropriate modification, if required) set out in the applicable provisions of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars, as amended, APSEZ is pleased to provide to its secured creditors (including secured debenture holders) facility to exercise their right to vote on the resolution proposed to be considered at the Meeting by electronic means and the business would be transacted through e-voting services arranged by CDSL. The secured creditors (including secured debenture holders) may cast their votes remotely, using an electronic voting system ("remote e-voting") on the dates mentioned herein below.
- (b) Those secured creditors (including secured debenture holders), who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the Meeting.
- (c) The secured creditors (including secured debenture holders), who have cast their vote by remote e-voting prior to the Meeting may also join the Meeting through VC/OAVM, but shall not be entitled to cast their vote again. A secured creditor (including a secured debenture holder) can opt for only single mode of voting per EVSN, i.e., through remote e-voting or e-voting at the Meeting. If a secured creditor (including a secured debenture holder) casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as 'INVALID'.
- (d) The remote e-voting period commences on Wednesday, 9 March 2022 (9:00 am IST) and ends on Sunday, 13 March 2022 (5:00 pm IST). The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the secured creditor (including secured debenture holders), he/she/it will not be allowed to change it subsequently. During this period, the secured creditors (including secured debenture holders) of APSEZ, as on Friday, 31 December 2021, i.e., Cut-Off Date, may cast their vote by remote e-voting. A person who is not a secured creditor as on the Cut-Off Date should treat this Notice for information purpose only.

4. The process and manner for remote e-voting is as under:

Section A: Remote e-voting process

The secured creditors (including secured debenture holders) should follow the following steps to cast their votes electronically.

- 1. Open the web browser during the voting period and log on to the e-voting website: www.evotingindia.com.
- 2. Click on 'Shareholders/ Members' to cast your vote(s).
- 3. Please enter USER ID as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.
- 4. Enter the Image Verification as displayed and Click on 'LOGIN'.
- 5. Please enter PASSWORD as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.
- 6. After entering these details appropriately, click on 'SUBMIT' tab.
- 7. Click on the EVSN of 'ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED' to vote.

8. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution. Select the option 'YES' or 'NO' as desired for casting your vote.
9. Click on 'RESOLUTION FILE LINK' if you wish to view the Notice.
10. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
11. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
12. You can also take print-out of the voting done by you by clicking on 'CLICK HERE TO PRINT' option on the voting page.

Section B: Process of e-voting during Meeting

1. The procedure for e-voting on the day of Meeting is same as the instructions mentioned above for remote e-voting.
2. Facility to cast vote through e-voting at the Meeting will be made available on the video conference screen during the Meeting.
3. If any votes are cast by the secured creditors (including secured debenture holders) through e-voting available during the Meeting and if the same secured creditor (including a secured debenture holder) has not participated in the Meeting through VC/OAVM facility, then the votes cast by such secured creditor (including secured debenture holders) shall be considered invalid as the facility of e-voting during the Meeting is available only to the secured creditors participating in the Meeting.

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
C.A. (CAA)/ 5 (AHM) 2022**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Gangavaram Port Limited;

And

In the matter of Adani Ports and Special Economic Zone Limited;

And

In the matter of Adani Gangavaram Port Private Limited;

And

In the matter of Composite Scheme of Arrangement between Gangavaram Port Limited and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective shareholders and creditors;

Adani Ports and Special Economic Zone Limited, a
company incorporated under the provisions of the
Companies Act, 1956 and now deemed to be
incorporated under the Companies Act, 2013 and
having its registered office at Adani Corporate
House, Shantigram, Near Vaishno Devi Circle, S. G.
Highway, Khodiyar, Ahmedabad - 382 421, Gujarat,
India.

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...Applicant Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE
COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES,
ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the Order dated 2 February 2022 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**"), in C.A. (CAA)/ 5 (AHM) 2022 ("**Order**"), a meeting of the secured creditors (including secured debenture holders) of Adani Ports and Special Economic Zone Limited ("**APSEZ**") is being convened through Video Conference ("**VC**")/Other Audio-Visual Means ("**OAVM**"), on Monday, 14 March 2022 at 12:00 noon (1200 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement between Gangavaram Port Limited ("**GPL**") and APSEZ and Adani Gangavaram Port Private Limited ("**AGPPL**") and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the "**Act**"),

and other applicable provisions of the Act, read with the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016 ("**Scheme**"). GPL, APSEZ and AGPPL are together referred to as the "**Companies**" or "**Parties**", as the context may admit. A copy of the Scheme, which has been, *inter alios*, approved by the Committee of Independent Directors, Audit Committee and the Board of Directors of APSEZ at their respective meetings, all held on 22 September 2021 is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

2. The Scheme, *inter alia*, provides for:
 - (a) amalgamation of GPL with APSEZ, with effect from the Appointed Date 1 (*as defined in the Scheme*), pursuant to the provisions of Sections 230 – 232 and/or other applicable provisions of the Act and in compliance with Section 2(1B) of the IT Act (*as defined in the Scheme*); and
 - (b) transfer of the Divestment Business Undertaking (*as defined in the Scheme*) as a going concern on a Slump Sale (*as defined in the Scheme*) basis, with effect from the Appointed Date 2, by APSEZ to AGPPL for a lump sum consideration under Sections 230 – 232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the IT Act (*as defined in the Scheme*).
3. In terms of the Order, the quorum for the said meeting shall be 5 (five). Secured creditors (including secured debenture holders) attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Further in terms of the Order, NCLT, has appointed Prof. Ganesan Raghuram, Independent Director of APSEZ to be the Chairman of the meeting including for any adjournment or adjournments thereof.
5. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**").
6. As stated earlier, NCLT by its Order has, *inter alia*, directed that a meeting of the secured creditors (including secured debenture holders) of APSEZ shall be convened through VC/OAVM, on Monday, 14 March 2022 at 12:00 noon (1200 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme ("**Meeting**"). Secured creditors (including secured debenture holders) would be entitled to vote either through remote e-voting or e-voting at the Meeting.
7. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the secured creditors (including secured debenture holders), of APSEZ, voting through remote e-voting and e-voting at the Meeting, agree to the Scheme.
8. If the entries in the records/registers of APSEZ in relation to the number or value, as the case may be, of the secured creditors (including secured debenture holders) are disputed, the Chairman of the Meeting shall determine the number or value, as the case may be, for the purposes of the said Meeting.

Particulars of APSEZ

9. APSEZ was incorporated on 26 May 1998 as Gujarat Adani Port Limited, a public limited company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. Its name was changed to (a) Mundra Port and Special Economic Zone Limited on 7 July 2006; and (b) Adani Ports and Special Economic Zone Limited on 6 January 2012. The Corporate Identification Number of APSEZ is L63090GJ1998PLC034182. The Permanent Account Number of APSEZ is AAACG7917K. The equity shares of APSEZ are listed on the Stock Exchanges (*as defined in the Scheme*). The secured non-convertible debentures issued by APSEZ from time to time are listed on the Wholesale Debt Market segment of BSE Limited ("**BSE**"). Further, the commercial papers issued by APSEZ from time to time are also listed on BSE. The unsecured senior notes issued by APSEZ from time to time are listed on Singapore Exchange Securities Trading Limited. Some of the unsecured senior notes issued by APSEZ are also listed on India International Exchange (IFSC) Limited. APSEZ is the holding company of AGPPL. Further, APSEZ holds 41.98% of the paid-up share capital of GPL, pursuant to acquisition of equity shares of GPL from Windy Lakeside Investment Limited and Government of Andhra Pradesh.

10. The Registered Office of APSEZ was situated at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380009, Gujarat, India. Later, with effect from 26 June 2020, the registered office of APSEZ was shifted to Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat – 382 421, India. Except as stated, there has been no change in the registered office address of APSEZ in last five (5) years. The e-mail address of APSEZ is kamlesh.bhagia@adani.com.
11. The objects for which APSEZ has been established are set out in its Memorandum of Association. The main objects of APSEZ are as follows:

“III.

[A]

1. *To construct, develop, maintain, build, equip, hire or otherwise deal with ports, shipyard, jetties, harbours, docks, ship breaking, ship repair, ship building at any port in India or elsewhere.*
2. *To carry on business of inland and sea transport including goods, passengers and mail, shippers, ship agents, ship underwriters, ship managers, tug owners, barge owners, loading brokers, freight brokers, freight contractors, stevedores, warehouseman, Wharfingers and building, assembling, fitting, constructing, repairing, servicing and managing ships, seagoing vessels for inland waterways.*
3. *To carry on in India and in any part of the world the business to construct, erect, build, buy, sell, give or take on lease or license, repair, remodel, demolish, develop, improve, own, equip, operate and maintain, ports and port approaches, breakwaters for protection of port or on the fore shore of the port or port approaches with all such convenient arches, drains, landing places, hard jetties, floating barges or pontoons, stairs, fences, roads, railways, sidings, bridges, tunnels and approaches and widening, deepening and improving any portion of the port or port approaches, light houses, light ships, beacons, pilot boats or other appliances necessary for the safe navigation of the ports and the port approaches and to build highways, roads, parks, streets, sideways, building structure, building and ware houses and to consturct and establish, dry docks, shipways and boat basins and workshops to carry out repairs or overwhelming of vessels, tugs, boats, machinery or appliances.*
4. *To establish and develop Special Economic Zones and Industrial Estates/Parks and to carry on the business of properties developers, builders, creators, operators, owners, contractors of all and any kind of Infrastructure facilities and services including cities, towns, roads, seaports, airports, airways, railways, tramways, mass rapid transport system, cargo movement and cargo handling including mechanized handling system and equipment, shipyard, land development, water desalination plant, water treatment & recycling facilities, water supply & distribution system, solid waste management, effluent treatment facilities, power generation, transmission, distribution, power trading, generation and supply of gas or any other form of energy, environmental protection and pollution control, public utilities, security services, municipal services, clearing house agency and stevedoring services and of like infrastructure facilities and services viz., telecommunication, cell services, cable and satellite communication networking, data transmission network, information technology network, agri & food processing zone, textile & apparel park, automobile & auto ancillaries park, chemical park, drugs & pharmaceuticals parks, light & heavy engineering park, trading & warehousing zone, gem and jewellery and other industrial parks, factory buildings, warehouses, internal container depots, container freight station, clearing houses, research centre, trading centers, school and educational institutions, hospitals, community centre, training centres, hostels, places of worship, courts, markets, canteen, restaurants, residential complexes, commercial complexes and other social infrastructures and equip the same with all or any amenities, other facilities and infrastructure required by the various industries and people, entertainment centers, amusement park, green park, recreational zone, import & export house, to purchase, acquire, take on lease or in exchange or in any other lawful manner land, building, structures to promote industrial, commercial activity for inland and foreign trade, to carry on the business of international financial services centers, banks, insurance, postal services, courier services and to purchase plant & machineries, tools and equipment and to carry on business of import and export, buying, selling, marketing and to do government liaison work and other work.”*

"[B]

13. *To amalgamate, enter into partnerships or into any arrangements for sharing profits or losses, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid or properties acquired, any shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received."*

There has been no change in the main object clause of APSEZ in the last five (5) years.

12. APSEZ is India's largest multi-port operator and developer with presence in various parts of India. It is a developer of multi product Special Economic Zone at Mundra, Gujarat.
13. The Authorised, Issued, Subscribed and Paid up Share Capital of APSEZ as on 31 January 2022 was as follows:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
497,50,00,000 Equity Shares of Rs. 2/- each	995,00,00,000
50,00,000 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	5,00,00,000
Total	1000,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
204,17,51,761 Equity Shares of Rs. 2/- each	408,35,03,522
25,01,824 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	2,50,18,240
Total	410,85,21,762

** A separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("composite scheme") has been approved by the NCLT by its order dated 27 January 2022. Clause 4 of Part II of the composite scheme provides for increase in the authorised share capital of APSEZ to INR 1,100,00,00,000/-. Further, Clause 6 of Part II of the said composite scheme provides for issuance of 7,06,21,469 fully paid-up equity shares of INR 2/- each by APSEZ to the equity shareholders of Brahmi Tracks Management Services Private Limited. Upon the effectiveness of the composite scheme, the authorised, issued, subscribed and paid-up share capital of APSEZ would stand increased in the manner as stated hereinabove.*

Particulars of AGPPL

14. AGPPL was incorporated on 14 July 2021 as Adani Gangavaram Port Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Act. The Corporate Identification Number of AGPPL is U61100GJ2021PTC124091. The Permanent Account Number of AGPPL is AAVCA4772D. The entire paid-up share capital of AGPPL is held by APSEZ. Thus, AGPPL is a wholly owned subsidiary of APSEZ.
15. The registered office of AGPPL is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat – 382 421, India. There has been no change in the registered office address of AGPPL since incorporation. The e-mail address of AGPPL is kamlesh.bhagia@adani.com.
16. The objects for which AGPPL has been established are set out in its Memorandum of Association. The main object of AGPPL is as follows:

"III.

[A]

1. *To construct, develop, maintain, build, equip, hire or otherwise deal with ports, shipyard, jetties, harbours, docks, ship breaking, ship repair, ship building at any port in India or elsewhere; and to carry on business of inland and sea transport including goods, passengers and mail, shippers, ship agents, ship underwriters, ship managers, tug owners, barge owners, loading brokers, freight brokers, freight contractors, stevedores, warehouseman, Wharfingers and building, assembling, fitting, constructing, repairing, servicing and managing ships, seagoing vessels for inland waterways; and to carry on in India and in any part of the world the business to construct, erect, build, buy, sell, give or take on lease or license, repair, remodel, demolish, develop, improve, own, equip, operate and maintain, ports and port approaches, breakwaters for protection of port or on the fore shore of the port or port approaches with all such convenient arches, drains, landing places, hard jetties, floating barges or pontoons, stairs, fences, roads, railways, sidings, bridges, tunnels and approaches and widening, deepening and improving any portion of the port or port approaches, light houses, light ships, beacons, pilot boats or any other appliances necessary for the safe navigation of the ports and the port approaches; and to build highways, roads, parks, streets, sideways, building structure, building and ware houses and to construct and establish, dry docks, shipways and boat basins and workshops to carry out repairs or overwhelming of vessels, tugs, boats, machinery or appliances."*

[B]

12. *To amalgamate, enter into partnerships or into any arrangements for sharing profits or losses, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid or properties acquired, any shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received."*

There has been no change in the main object clause of AGPPL since incorporation.

17. AGPPL has been incorporated with an object to carry on the business of port and port related activities.
18. The Authorised, Issued, Subscribed and Paid up Share Capital of AGPPL as on 31 January 2022 was as follows:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
Total	5,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
Total	5,00,000

Particulars of GPL

19. GPL was incorporated on 27 September 2001 as Visual Infrastructure Projects Limited, a public limited company, with the Registrar of Companies, Andhra Pradesh, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. Its name was changed to Gangavaram Port Limited on 25 March 2003. GPL is an unlisted public limited company. The Corporate Identification Number of GPL is U63032TG2001PLC037861. The Permanent Account Number of GPL is AABCV3417E. Gangavaram Port Services (India) Private Limited is the wholly owned subsidiary of GPL. As on 22 September 2021, APSEZ holds 41.89% of the paid-up share capital of GPL.

20. The registered office of GPL is situated at Hansa Plaza, 2nd to 4th Floor, Plot No. 798, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India. There has been no change in the registered office address of GPL in last five (5) years. The e-mail address of GPL is port@gangavaram.com.
21. The objects for which GPL has been established are set out in its Memorandum of Association. The main object of GPL is as follows:

"III.

A

1. *To carry on in India or elsewhere either alone or jointly with one or more person, Government, local or other Bodies the business of designing, developing, building, maintaining and operating seaport terminals for bulk, break bulk, liquids, chemicals, gas, petroleum products and containerized cargo and works of all descriptions, including sea ports, wharves, docks, piers, railways, tramways, waterways, roads, bridges, construction of submarine pipeline, warehouses, ships vessels of every description, gas work, electric works, water works, drainage and sewerage works and buildings of every description.*
2. *To construct and maintain for the Company or for letting out on hire, graving and other docks and other conveniences for the building, repairing or docking of ships or other vessels and to aid in or contribute to the construction of any such works and to build fit'out and repair vessels of every description and to construct, repair engines, boilers and machinery.*
3. *To manufacture, produce, assemble, alter, build, break, construct, convert, commercialise, control, design, develop, dismantle, distribute, display, establish, exchange, erect, equip, fitting up, fabricate, hire, handle, let on hire, release, install, maintain, operate, organise, prepare, promote, supply, import, export, buy, sell and to act as agent, broker, consultant, collaborator, job worker, transporter or otherwise to deal in all size varieties, capacities, specifications descriptions, characteristics, applications and uses of cranes, floating cranes, container cranes, floating articles, or things, their part, fittings, accessories components, systems, devices, implements, structures materials & substances.*
4. *To carry on the business of establishment, development, construction, operation, maintenance of infrastructure projects in India and abroad in the fields of road, highways, power generation and for power distribution and for power transmission, or any other form of power, telecommunication services, oil exploration, export processing zones, industrial estates, special economic zones, townships, bridges, Airports, Rail systems, Ports, water supply, irrigation, sanitation and sewerage system or any other public facility.*
5. *To carry on the business of consultants and contractors in setting up of all the above referred infrastructure projects and to undertake logistic services and also to undertake research and development programmes in above fields."*

"III

B.

37. *To amalgamate with any other Company having objects altogether or in part similar to those of this Company."*

There has been no change in the main object clause of GPL in the last five (5) years.

22. Presently, GPL is engaged in the business to develop, build, own, operate and maintain the Port (*as defined in the Scheme*), including but not limited to construction, provisions of facilities such as navigation channels, harbor basins, breakwaters, aids to navigation, docks, berths, storage (both covered and open), tank farms, internal roads, rails, conveyor system, cargo handling facilities and system, utilities such as water supply, power supply, bunkering facilities, sewage system, etc., communication facilities, ship repair facilities and all other engineering structural facilities etc. and its associated infrastructure facilities for the development of the Port.

23. The Authorised, Issued, Subscribed and Paid up Share Capital of GPL as on 31 January 2022 was as follows:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
100,00,00,000 Equity Shares of Rs. 10/- each	1,000,00,00,000
Total	1,000,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
51,70,00,000 Equity Shares of Rs. 10/- each	517,00,00,000
Total	517,00,00,000

Rationale for the Scheme

24. The rationale for the Scheme is as under:

- GPL is operating an all-weather, deep-water, multi-purpose port located at Gangavaram, Andhra Pradesh, under a 30 year (extendable for a period of another 20 years in 2 blocks of 10 years each) Build-Own-Operate-Transfer concession from GoAP (*as defined in the Scheme*).
- The Scheme will result in catering to a large hinterland forming part of Visakhapatnam and Gangavaram Ports in the State of Andhra Pradesh. The State of Andhra Pradesh is progressive, and growth focused with investor friendly policies. It has great potential of industrial development which in turn would require new ports and facilities. With this Scheme, APSEZ would be able to expand its presence in the State of Andhra Pradesh and contribute to the progress of the state's economy by upgrading and further developing the state's marine infrastructure through its wholly owned subsidiary company, viz. AGPPL.
- The Scheme will help in creating synergies and would benefit from the combined resources, experience and expertise in developing and operating ports in India. This would lead to reduction in logistic costs for the customers and trade as a whole as a part of the same APSEZ group. Additionally, development of Gangavaram port would also create value for APSEZ and its shareholders.
- The Scheme will result increase in strength of APSEZ group. The Scheme will help in garnering new clients and extended geography in the State of Andhra Pradesh.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes as both APSEZ and AGPPL are part of the same group.
- APSEZ will use its enhanced information technology management system and infrastructural facilities to improve the efficiencies which will lead to business process transformation of Gangavaram port. This will eventually lead to reduction in time and consequently costs for the consumers.
- The Scheme, is in compliance with the GoAP, Infrastructure & Investment Department, order dated 25 May 2021 ('approval order') issued, *inter alios*, to APSEZ providing, *inter alia*, approval to the Scheme subject to fulfilment of the conditions prescribed therein. The Scheme is undertaken in strict compliance of these conditions as laid down in the approval order especially in terms of manner of carrying out the operation of the Divestment Business Undertaking.

Relationship among Companies who are parties to the Scheme

- APSEZ is part of the Adani Group. The entire paid-up share capital of AGPPL is held by APSEZ. Thus, APSEZ is the holding company of AGPPL. Further, APSEZ holds 41.98 % of the paid-up share capital of GPL.
- AGPPL is part of the Adani Group. The entire paid-up share capital of AGPPL is held by APSEZ. Thus, AGPPL is a wholly owned subsidiary of APSEZ.
- GPL is an associate company of APSEZ within the meaning of Section 2(6) of the Act. APSEZ holds 41.98% of the paid-up share capital of GPL.

Corporate Approvals

28. The Scheme alongwith:

- (a) valuation report dated 22 September 2021 issued by BDO Valuation Advisory LLP, Registered Valuer (Registration No. IBBI/RV-E/02/2019/103) ("**First Valuation Report**"), in respect of the proposed amalgamation of GPL with APSEZ under the Scheme;
- (b) two fairness Opinions, both dated 22 September 2021, on the First Valuation Report, by JM Financial Limited and Barclays Bank PLC, both SEBI registered Merchant Bankers ("**First Fairness Opinions**");
- (c) valuation report dated 22 September 2021 issued by BDO Valuation Advisory LLP, Registered Valuer (Registration No. IBBI/RV-E/02/2019/103) ("**Second Valuation Report**") in respect of transfer of the Divestment Business Undertaking as a going concern on a Slump Sale by APSEZ to AGPPL for a lump sum consideration under the Scheme;
- (d) a fairness opinion dated 22 September 2021 on the Second Valuation Report by Vivro Financial Services Private Limited, a SEBI registered Merchant Banker ("**Second Fairness Opinion**");

were placed before the Committee of Independent Directors of APSEZ at its meeting held on 22 September 2021. Copies of the (i) First Valuation Report dated 22 September 2021, (ii) First Fairness Opinions, both dated 22 September 2021, (iii) Second Valuation Report dated 22 September 2021, and (iv) Second Fairness Opinion dated 22 September 2021 are enclosed as **Annexure 2, Annexure 4, Annexure 5** and **Annexure 6**, respectively.

The Committee of Independent Directors of APSEZ, based on the aforesaid, amongst others, recommended the Scheme for favourable consideration and approval by the Board of Directors of APSEZ, Stock Exchanges, SEBI and other appropriate authorities, by its report dated 22 September 2021.

29. The aforesaid Scheme, the First Valuation Report, the Second Valuation Report, the First Fairness Opinions, the Second Fairness Opinion, the report of the Committee of Independent Directors of APSEZ, amongst others, were also placed before the Audit Committee of APSEZ at its meeting held on 22 September 2021. The Audit Committee based on the aforesaid, amongst others, recommended the Scheme to the Board of Directors of APSEZ, Stock Exchanges, SEBI and other appropriate authorities for their favourable consideration and approval, by its report dated 22 September 2021.
30. The Scheme alongwith the aforesaid First Valuation Report and the Second Valuation Report were placed before the Board of Directors of APSEZ at its meeting held on 22 September 2021. The aforesaid First Fairness Opinions and Second Fairness Opinion were also submitted to the Board of Directors of APSEZ. Based on the reports submitted by the Audit Committee and the Committee of Independent Directors recommending the Scheme, the Board of Directors of APSEZ approved the Scheme at its meeting held on 22 September 2021. The meeting of the Board of Directors of APSEZ, held on 22 September 2021, was attended by 7 (seven) directors through audio visual means (namely, Dr. Malay Mahadevia, Mr. Karan Adani, Prof. G. Raghuram, Mr. G. K. Pillai, Mr. Bharat Sheth, Mr. P. S. Jayakumar and Mrs. Nirupama Rao). None of the directors of APSEZ who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
31. The Scheme alongwith the Second Valuation Report, in respect of the transfer of the Divestment Business Undertaking as a going concern on Slump Sale by APSEZ to AGPPL, were placed before the Board of Directors of AGPPL at its meeting held on 22 September 2021. The Second Fairness Opinion was also submitted to AGPPL's Board of Directors. Based on the Second Valuation Report and Second Fairness Opinion, the Board of Directors of AGPPL approved the Scheme at its meeting held on 22 September 2021. The meeting of the Board of Directors of AGPPL, held on 22 September 2021, was attended by 2 (two) directors (namely, Mr. Karan Adani and Mr. Subrat Tripathy), in person. None of the directors of AGPPL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
32. The Scheme alongwith the First Valuation Report, in respect of the proposed amalgamation of GPL with APSEZ under the Scheme, were placed before the Board of Directors of GPL at its meeting held on 22

September 2021. Further, the First Fairness Opinions were also submitted to the Board of Directors of GPL. Based on the aforesaid, the Board of Directors of GPL approved the Scheme at its meeting held on 22 September 2021. The meeting of the Board of Directors of GPL, held on 22 September 2021, was attended by 6 (six) directors (namely, Mr. D.V.S. Raju, Mr. D. Rajgopala Raju, Mrs. D. Padma, Dr. S. Vinaya Kumar, Mr. V.S. Raju and Mr. G.J. Rao), through audio-visual means. None of the directors of GPL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

33. NSE was appointed as the Designated Stock Exchange by APSEZ for the purpose of co-ordinating with the SEBI for obtaining approval of SEBI in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
34. APSEZ had by its two separate letters, both dated 27 September 2021, applied to the said stock exchanges for their no-objection to the Scheme. Thereafter, certain information/details/queries were sought/raised by BSE/NSE and the same were submitted by APSEZ, including the clarifications dated 19 October 2021, 22 December 2021 and 4 January 2022 issued by BDO Valuation Advisory LLP. Copy of the clarifications dated 19 October 2021, 22 December 2021 and 4 January 2022 issued by BDO Valuation Advisory LLP, is enclosed as **Annexure 3 (Collectively)**.
35. As required by the SEBI Circular, APSEZ had filed its no complaints report with BSE and NSE, dated 15 November 2021. This report indicates that APSEZ received no complaints from the equity shareholders with respect to the Scheme. A copy of the no complaints report submitted by APSEZ, dated 15 November 2021, to BSE and NSE is enclosed as **Annexure 7**.
36. APSEZ received no-objection letter regarding the Scheme from NSE dated 7 January 2022, conveying its no-objection for filing the Scheme with NCLT pursuant to the letter addressed by SEBI to NSE, which, inter alia, stated the following:
 - "a. *It has been observed that a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("earlier scheme") is awaiting approval of the Hon'ble NCLT.*
 - b. *In respect of above, it may be noted SEBI's comments are applicable as long as there is no change in the earlier scheme. In cases of any change in earlier scheme, the Company may take necessary steps to ensure compliance with extant regulatory provisions.*
 - c. *The Company is advised to separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information/facts:*
 - i. *the rationale for not using cost and income approach for valuing APSEZ and not using cost and market approach for valuing GPL shall be disclosed in the notice to shareholder in its draft scheme to be filed before NCLT.*
 - ii. *assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL. Also, rationale/calculation for arriving at weightage average cost of capital (WACC) for discounting future cash flows for GPL in case of discounted cash flow method*
 - d. *The Company shall comply with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the proposed issuance of perpetual debt or any other instrument to AGPPL towards payment of lump sum consideration of Rs. 5826.887 crores.*
 - e. *The Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.*
 - f. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*

- g. The Companies involved in the scheme shall duly comply with various provisions of the Circular*
- h. The Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- i. The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- j. The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*
- k. The Company is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*
- l. No changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*
- m. The Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*
- n. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations"*

APSEZ, also received no adverse observation letter regarding the Scheme from BSE dated 7 January 2022, conveying its no adverse observation for filing the Scheme with NCLT pursuant to the letter dated 7 January 2022 addressed by SEBI to BSE, which, inter alia, stated the following:

- "It has been observed that a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("earlier scheme") is awaiting approval of the Hon'ble NCLT. In respect of above, it may be noted SEBI's comments are applicable as long as there is no change in the earlier scheme. In cases of any change in earlier scheme, the Company shall ensure compliance with extant regulatory provisions."*
- "The Company shall separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement following information/facts:*
 - a) the rationale for not using cost and income approach for valuing APSEZ and not using cost and market approach for valuing GPL shall be disclosed in the notice to shareholder in its draft scheme to be filed before NCLT.*
 - b) assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL. Also, rationale/calculation for arriving at weightage average cost of capital (WACC) for discounting future cash flows for GPL in case of discounted cash flow method."*
- "The Company shall comply with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the proposed issuance of perpetual debt or any other instrument to AGPPL towards payment of lump sum consideration of Rs. 5,826.887 crores."*
- "The Company discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."*

- *"The Company shall ensure that if any additional information submitted after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."*
- *"The Company shall ensure that the entities involved in the Scheme shall duly comply with various provisions of the Circular."*
- *"The Company shall ensure that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."*
- *"The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."*
- *"The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."*
- *"The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."*
- *"The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."*
- *"The Company shall ensure that the observations of SEBI/Stock exchange(s) shall be incorporated in the petition to be filed before Hon'ble National Company Law Tribunal ('NCLT') and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."*
- *"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."*

Copies of the no-objection/ no adverse observations letters, both dated 7 January 2022, received from NSE and BSE, respectively, are enclosed as **Annexure 8** and **Annexure 9**.

37. Pursuant to the aforesaid advice of SEBI, separate note in respect of (i) Valuation Approach on First Valuation Report; and (ii) Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against APSEZ, its promoters and directors are enclosed as **Annexure 10** and **Annexure 11**, respectively.
38. The Companies would obtain the respective necessary approvals/sanctions/no objection(s) from the regulatory or other Governmental Authorities in respect of the Scheme in accordance with law, if so required.
39. C.A. (CAA)/ 5 (AHM) 2022 along with annexures thereto (which includes the Scheme) was jointly e-filed by APSEZ and AGPPL with the NCLT, on 9 January 2022. The hard copy whereof was filed with the NCLT on 10 January 2022. Similarly, GPL e-filed C.A. (CAA)/ 2 (HYD) 2022 with the Hon'ble National Company Law Tribunal, Hyderabad Bench on 19 January 2022. The hard copy whereof was filed with the Hon'ble National Company Law Tribunal, Hyderabad Bench on 19 January 2022.

Salient extracts of the Scheme

40. Certain clauses of the Scheme are extracted below:

"PART – I

DEFINITIONS, INTERPRETATION, DATE OF TAKING EFFECT AND SHARE CAPITAL

- 1.4 **"Appointed Date 1"** shall mean April 1, 2021;
- 1.5 **"Appointed Date 2"** shall mean April 2, 2021;

- 1.9 **"Business"** means to develop, build, own, operate and maintain the Port, including but not limited to construction, provisions of facilities such as navigation channels, harbor basins, breakwaters, aids to navigation, docks, berths, storage (both covered and open), tank farms, internal roads, rails, conveyor system, cargo handling facilities and system, utilities such as water supply, power supply, bunkering facilities, sewage system, etc., communication facilities, ship repair facilities and all other engineering structural facilities etc. and its associated infrastructure facilities for the development of the Port;
- 1.11 **"Concession Agreement"** means the concession agreement dated August 7, 2003 executed between GPL and the GoAP;
- 1.12 **"Divestment Business Undertaking"** means GPL, together with its assets and liabilities, transferred to and vested in APSEZ, upon Part II and Part III of the Scheme becoming effective and with effect from the Appointed Date 1, but shall not include the following assets/litigations/liabilities/credits of GPL which is transferred to and vested in APSEZ on the Appointed Date 1, viz.: (a) the shares held by GPL in the paid-up share capital of Gangavaram Port Services (India) Private Limited; (b) income tax litigation proceedings initiated by or pending against GPL, as the case may be, before the Appointed Date 1; (c) liabilities/credits/refunds in respect of income tax assessments of GPL for the period before the Appointed Date 1; and (d) minimum alternate tax credits available to GPL as on the Appointed Date 1.

Explanation:

In case of any question that may arise as to whether any particular asset or liability pertains or does not pertain to the Divestment Business Undertaking or whether it arises out of the activities or operations of the Divestment Business Undertaking or whether any particular asset or liability is exclusively dedicated to or used for the Divestment Business Undertaking or not, the same shall be decided by mutual agreement between the Board of APSEZ and AGPPL;

- 1.20 **"GoAP"** shall mean the Government of Andhra Pradesh, India;
- 1.22 **"GPL"** means Gangavaram Port Limited, a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Hansa Plaza, 2nd to 4th Floor, Plot No. 798, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India, with all its undertakings and Business, as a going concern, and shall include (without limitation):
- (i) *the exclusive right and authority granted by GoAP to GPL to design, finance, build, own, maintain, operate and transfer the Port and right to levy, collect and retain appropriate charges for Port Services rendered to Port users;*
 - (ii) *any and all of its assets, properties, rights, titles and benefits, whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to berth including coal berth, other dry bulk berth and other general cargo berth, breakwater, fenders, buoys, effluent treatment facilities, water treatment plant, diesel loco shed, stack yard, weigh bridges, railway sidings, ship unloader, conveyer system, coal stacker cum reclaimer, mobile harbor cranes, navigational aids and equipment, locomotives, duplex mobile bagging system, mobile hoppers and reclaim system, sweeping machines, generators, material handling system, projectors, dredged channels, roads and drainage system, compound wall with fencing, registrations and memberships, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, work in progress, current assets, sundry debtors, all rights, title, interests, covenants, undertakings, and society memberships and rights appurtenant to the immovable property, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon including office building, administrative building, port operation building with control tower, workshop buildings/sheds and fire station building), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether*

leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

- (iii) any and all of its investments (including shares whether in dematerialised or physical form), scrips, stocks, mutual funds, bonds including government guaranteed bonds, treasury bills, debentures, debenture stock, units, and other securities, if any, including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, premiums, receivables, including dividends declared or interest accrued thereon, reserves, surplus, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock or units;*
- (iv) any and all of its licenses (including license to operate Port, stevedoring license, license granted by pollution control board, and other licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the Business or in connection therewith), permissions, allotments, approvals including approvals granted by the Government of India, GoAP and other Governmental Authority, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, advance tax, taxes deducted at source, taxes collected at source, minimum alternate tax, equalisation levy, value added tax ('VAT'), benefits under the sales tax laws of the respective states, sales tax set off, benefits of any unutilised MODVAT/CENVAT/Service tax credits, unutilised input tax credit of Central Goods and Services Tax ('CGST'), Integrated Goods and Services Tax ('IGST'), State Goods and Services Tax ('SGST'), Goods and Services Tax Compensation Cess ('GST Compensation Cess') etc., the unabsorbed business brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of IT Act, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;*
- (v) any and all of its debts, borrowings and liabilities, present or future (including contingent liabilities), whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);*
- (vi) all contracts, agreements, licenses, leases, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of agreed points, bids, tenders, expression of interest, letters of intent, hire-purchase arrangements, lease/license agreements, equipment purchase agreements, agreement with customers, Concession Agreement, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase and other agreements with the suppliers/manufacturer of goods/service providers or other instruments of whatsoever nature to which GPL is a party, and other assurances in favour of GPL or powers or authorisations granted by or to it;*
- (vii) all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against GPL;*

- (viii) *all insurance policies;*
- (ix) *rights of any claim not made by GPL in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by GPL and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the IT Act, sales tax, VAT, custom duties and good and service tax or any other or like benefits under Applicable Law;*
- (x) *any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund, if any;*
- (xi) *all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by GPL, directly or indirectly;*
- (xii) *all books, records, files, papers, engineering and process information, application software, 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, 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;*
- (xiii) *amounts claimed by GPL whether or not so recorded in the books of account of GPL from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;*
- (xiv) *GPL Employees and the Employee Benefit Funds of GPL;*
- (xv) *all registrations, trademarks, trade names, websites, manuals, data, service marks, copyrights, patents, designs, domain names, trademarks, trade names, service marks, and domain names including applications for copyrights, patents, trademarks, exclusively used by or held for use by GPL in the business, activities and operations carried on by GPL; and*
- (xvi) *all rights to use and avail telephones, telexes, EPABX, 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 GPL and all other rights and 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 GPL;*

1.28 **"Port"** shall have the meaning as ascribed to it in the Concession Agreement to mean the greenfield, modern, all-weather, deep water, multipurpose port developed at Gangavaram in the State of Andhra Pradesh;

1.29 **"Port Services"** shall have the meaning as ascribed to it in the Concession Agreement which means to include the following activities to be performed by GPL within the Port:

- (a) *landing, shipping or transshipping of goods and passengers between vessels in the Port and the wharves, piers, quays or docks;*
- (b) *unloading, loading, removing, shifting, transporting, storing, or delivering goods brought into the Port;*

- (c) *carrying of cargo landed into or shipped from the Port by rail, road, conveyors, barges, pipelines or any other mode within the limits of Port;*
- (d) *services to ships of all kinds, including but not limited to piloting, tug assistance, hauling, mooring, unmooring, supply of oil and water, discharge of sludge and residues, provisioning, minor ship repair; and*
- (e) *any other services as may be required from time to time including services during emergencies to ships and cargoes within Port boundaries;*

PART – II

AMALGAMATION OF GPL INTO AND WITH APSEZ

1. TRANSFER AND VESTING

- 1.1. *With effect from the Appointed Date 1 and upon this Scheme becoming effective, GPL along with all its assets, liabilities, contracts, employees, licenses, records, approvals, etc. being integral parts of GPL shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in APSEZ, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.*

The provisions of Part II of the Scheme has been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections of the IT Act. If any terms or provisions of Part II of the Scheme are found to be or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and Part II of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme.

- 1.2. *Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date 1:*
- (i) *all assets of GPL, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in APSEZ, wherever located and shall become the property and an integral part of APSEZ, without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.*
 - (ii) *all other movable properties of GPL, including investments in shares and any other securities, treasury bills, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of APSEZ, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments made by GPL and all the rights, title and interest of GPL in any leasehold properties, shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in APSEZ;*

- (iii) *all immovable properties of GPL, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of GPL, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in APSEZ, without any further act or deed done or being required to be done by GPL and/or APSEZ. APSEZ shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions required for enabling APSEZ to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of APSEZ by the Governmental Authority pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof;*
- (v) *all Encumbrances, if any, existing prior to the Effective Date over the assets of GPL which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to APSEZ. Provided that if any assets of GPL have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of APSEZ. The secured creditors of APSEZ and/or other holders of security over the properties of APSEZ, shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of GPL and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of APSEZ. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;*
- (vi) *all estate, assets, rights, title, claims, interest, investments and properties of GPL as on the Appointed Date 1, whether or not included in the books of GPL, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which are acquired by GPL on or after the Appointed Date 1 but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of APSEZ;*
- (vii) *all rights under the Concession Agreement, contracts, agreements, licences, leases, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of agreed points, bids, tenders, expression of interest, letters of intent, hire-purchase agreements, lease/license agreements, equipment purchase agreements, agreement with customers, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes and other instruments to which GPL is a party, or to the benefit of which, GPL may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligor thereto. If APSEZ enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, GPL will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by GPL (and not by any of its successors), shall be fulfilled by APSEZ as if it is the duly constituted attorney of GPL;*
- (viii) *any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority, court or tribunal or other proceedings of whatsoever nature relating to GPL, whether by or against GPL, whether pending on the Appointed Date 1 or which may be instituted any time in the future, shall not abate, be discontinued or in any*

way prejudicially affected by reason of the amalgamation of GPL or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against GPL, as if this Scheme had not been implemented;

- (ix) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of GPL shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of APSEZ, and APSEZ shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by GPL after the Appointed Date 1 and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of APSEZ and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in APSEZ and shall become the debt, duties, undertakings, liabilities and obligations of APSEZ which shall meet, discharge and satisfy the same;*
- (xii) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which GPL is a party to or to the benefit of which GPL may be eligible, shall remain in full force and effect against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of GPL shall be deemed to be the track record of APSEZ for all commercial and regulatory purposes;*
- (xiii) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in APSEZ;*
- (xiv) all GPL Employees, who are in such employment as on the Effective Date, shall become the employees of APSEZ, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favorable than those on which they are engaged by GPL and without any interruption of service as a result of the amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such GPL Employees with GPL, shall also be taken into account and paid (as and when payable) by APSEZ.*
- (xx) all Taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, tax deducted at source, tax collected at source, self-assessment tax, advance tax, regular assessment taxes, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, equalisation levy, dividend distribution tax, buy-back tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), if any, payable by or refundable to GPL, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of APSEZ, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc.,*

as would have been available to GPL, shall pursuant to this Scheme becoming effective, be available to APSEZ;

- (xxi) all approvals including approvals granted by the Government of India, GoAP and other Governmental Authority, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including license to operate Port, stevedoring license, license granted by pollution control board, and other licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the Business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to GPL, or to the benefit of which GPL may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of APSEZ and may be enforced as fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of APSEZ pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, APSEZ shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;*
- (xxvii) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which GPL is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against APSEZ and may be enforced fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of GPL in any properties including leasehold/ licensed properties of GPL including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in APSEZ automatically without requirement of any further act or deed. APSEZ shall continue to pay rent or lease or license fee as provided for under such agreements, and APSEZ shall continue to comply with the terms, conditions and covenants thereunder;*
- (xxix) for the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date 1, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of GPL shall stand transferred to APSEZ, and APSEZ shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to APSEZ.*

2. TREATMENT OF TAXES

- 2.1.** *Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Equalisation levy, Chapter VIII of Finance Act, 2016, Customs Act, 1962, Central Excise Act, 1944, Gujarat Value Added Tax Act, 2002, Andhra Pradesh Value Added Tax Act, 2005, Central Sales Tax Act, 1956, any other state Sales Tax / VAT laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Gujarat Goods and Services Tax Act, 2017, Andhra Pradesh Goods and Services Tax Act, 2017, and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, stamp laws or other Applicable Laws/regulations, as amended from time to time (hereinafter in this Clause referred to as "Tax Laws") upon the Scheme becoming effective and from the Appointed Date 1, become payable by or on behalf of GPL, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by APSEZ.*

- 2.2. *All Taxes [including income tax, minimum alternate tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), equalisation levy, wealth tax, sales tax, excise duty, customs duty, service tax, GST (state and central), Compensation Cess, VAT, etc.] paid or payable by GPL under any Tax Laws for the time being in force in respect of the operations and/or the profits of the business on and from the Appointed Date 1, shall be on account of APSEZ and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, all GST (state or central), Compensation Cess, VAT, etc.), whether by way of deduction at source, tax collection at source, advance tax, or otherwise howsoever, by GPL in respect of the profits or activities or operation of the business on and from the Appointed Date 1, the same shall be deemed to be the corresponding item paid by APSEZ, and, shall, in all proceedings, be dealt with accordingly.*
- 2.3. *Upon the Scheme becoming effective:*
- a) *To the extent required, GPL and APSEZ shall be permitted to revise their financial statements as also revise and file their respective income tax returns (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), withholding tax returns (including Tax deducted at source certificates), returns for tax collected at source, sales tax, VAT, service tax, central sales tax, entry tax, goods and services tax returns and any other tax returns and to claim refunds and/or credits for taxes paid (including tax on book profits, minimum alternative tax credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing/revising such returns/forms may have lapsed and period to claim refund/credit also elapsed upon this Scheme becoming effective: and*
 - b) *APSEZ shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of GPL, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date 1: and (ii) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by GPL prior to the Appointed Date 1.*
- 2.4. *Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, carry forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of GPL as on the Appointed Date 1, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of APSEZ. It is further clarified that any book losses and/or unabsorbed depreciation of GPL as specified in their respective books of accounts shall be included as book losses and/or unabsorbed depreciation of APSEZ for the purposes of computation of minimum alternate tax.*
- 2.5. *Upon the Scheme becoming effective, APSEZ shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, GPL under Applicable Law (including Tax laws). Any refund under the IT Act or any other Tax laws related to or due to GPL, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by APSEZ.*
- 2.6. *Upon the Scheme becoming effective and from the Appointed Date 1, all un-availed credits, exemptions, tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by GPL shall stand transferred to and vested in or deemed to be transferred to and vested in APSEZ and be entitled to/enjoyed/availed/utilized by APSEZ on and from the Appointed Date 1 in the same manner as would have been entitled to/enjoyed/availed/utilized by APSEZ before implementation of this Scheme.*
- 2.7. *All Tax assessment proceedings and appeals of whatsoever nature by or against GPL, pending or arising as at the Effective Date, shall be continued and/or enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued and enforced by or against GPL. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any*

way prejudicially affected by reason of the amalgamation of GPL with APSEZ or anything contained in this Scheme.

- 2.8 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state VAT) to which GPL is entitled to in terms of applicable Tax laws, shall be available to and vest in APSEZ from the Effective Date.
- 2.9 All the expenses incurred by GPL and APSEZ in relation to the amalgamation of GPL with APSEZ in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to APSEZ in accordance with section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective or as may be amended from time to time.

5. ISSUANCE OF APSEZ SHARES

- 5.1 Upon effectiveness of this Scheme and in consideration of the amalgamation of GPL in APSEZ pursuant to this Scheme, APSEZ shall, without any further application, act or deed, issue and allot to the Eligible Member on the Record Date, except where the shares are held by APSEZ in GPL, 159 (one hundred and fifty nine) APSEZ Shares, credited as fully paid-up, for every 1,000 (one thousand) GPL Shares each fully paid-up held by such Eligible Member ("Share Exchange Ratio").

The shareholding of APSEZ in the paid-up share capital of GPL shall stand cancelled and no consideration in respect of such shares shall be issued.

6. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

The amalgamation will be accounted in accordance with the "acquisition method" prescribed under the Indian Accounting Standard 103 (Business Combinations) as notified under Section 133 of the Act, read together with Paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.

7. DISSOLUTION

Upon the coming into effect of the Scheme, GPL shall stand dissolved without being wound up, without any further act, instrument or deed.

PART – III

CHANGES TO THE SHARE CAPITAL OF GPL AND APSEZ

1. REORGANIZATION OF THE AUTHORISED SHARE CAPITAL OF GPL

- 1.1 Upon Part II of the Scheme becoming effective, and as an integral part of the Scheme, the resultant authorised share capital of GPL shall be reclassified/reorganised such that each equity share of INR 10/- each of GPL shall stand reclassified/reorganised as 5 (five) equity shares of INR 2/- each.

2. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF GPL WITH THE AUTHORISED CAPITAL OF APSEZ

- 2.1 Upon Part II of this Scheme becoming effective and pursuant to the reclassification/ reorganization of the resultant authorized share capital of GPL as set out in Part III of this Scheme but prior to the issuance of and allotment of APSEZ Shares under Clause 5 of Part II above, the resultant authorized share capital of GPL, shall be deemed to be added to the authorized share capital of APSEZ without any requirement of a further act or deed on the part of APSEZ (including payment of stamp duty and/ or fees payable to the relevant RoC), such that upon the effectiveness of Part II of the Scheme, the authorised share capital of APSEZ shall be INR 2,000,00,00,000/- (Rupees two thousand crores only) comprising of 997,50,00,000 (nine hundred ninety seven crores and fifty lacs) equity shares of INR 2/- each and 50,00,000 (fifty lacs) Non-Cumulative Redeemable Preference Shares of INR 10/- (Rupees ten only) without any further act, deed, resolution or writing.

3. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION OF APSEZ

- 3.1. Pursuant to the consolidation and increase of authorised capital as stated above, the memorandum of association of APSEZ (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, such that Clause V. of the memorandum of association shall be replaced by the following:

"V. The Authorised Share Capital of the Company is Rs. 2,000,00,00,000/- (Rupees Two Thousand Crores Only) divided into 997,50,00,000 (nine hundred ninety seven crores and fifty lacs only) Equity Shares of Rs. 2/- (Rupees Two only) each and 50,00,000 (Fifty Lacs only) Non- Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each with such rights, privileges and conditions attached thereto as may be determined by the Company from time to time in accordance with the Articles of Association of the Company. The Company has and shall always have the power to divide, sub-divide or consolidate the shares for time being of the Company into several classes and to attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by the Company or in accordance with Articles of Association of the Company and to fix, vary, modify or abrogate any such rights, privileges or conditions attached to the shares in such manner as may from time to time being provided in the regulations of the company."

- 3.2 For the avoidance of doubt, it is hereby clarified that if the authorised share capital of APSEZ undergoes any change, either as a consequence of any corporate action or upon the approval of a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors by the jurisdictional National Company Law Tribunal pursuant to which the authorised share capital of APSEZ would stand increased, then in such a case, Clause 3.1 of Part III above and Clause V. of the memorandum of association of APSEZ shall automatically stand modified to take into account the effect of such change.

PART – IV

TRANSFER AND VESTING OF THE DIVESTMENT BUSINESS UNDERTAKING OF APSEZ IN AGPPL

1. TRANSFER AND VESTING OF THE DIVESTMENT BUSINESS UNDERTAKING

- 1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, pursuant to Sections 230 to 232 read with other relevant provisions of the Act and Section 2(42C) of the IT Act and without any further act, instrument, deed, matter or thing be transferred to and vested in and/or be deemed to be and stand transferred to and vested in AGPPL as a 'going concern' on a Slump Sale basis, in accordance with Section 2(42C) of the IT Act (as amended) for a lump sum consideration as set out hereinafter, subject to the provisions of this Scheme.
- 1.2. Upon the Scheme becoming effective and with effect from the Appointed Date 2, AGPPL shall carry out or perform all such formalities and compliances under various Applicable Laws or to be carried out or performed in relation to or as a consequence of the vesting of the Divestment Business Undertaking of APSEZ into AGPPL.

2. TRANSFER OF ASSETS

- 2.1 Without prejudice to the generality of Clause 1 of Part IV (Transfer and Vesting of Divestment Business Undertaking) above, upon the coming into effect of this Scheme and with effect from the Appointed Date 2, all the assets of the Divestment Business Undertaking of APSEZ shall, in accordance with the provisions of this Clause 2 in relation to the mode of transfer and vesting and pursuant to Sections 230-232 and/or other applicable provisions of the Act, stand transferred to and vested in AGPPL as a going concern and without any further act or deed in the following manner, unless specifically otherwise provided under the Scheme:

- 2.1.1. *In relation to the assets of the Divestment Business Undertaking, which are movable in nature, and/or otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, including cash and bank balances, the same may, upon coming into effect of this Scheme, be so transferred or deemed to be so transferred to AGPPL, and shall become the assets of AGPPL and title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act and shall upon such transfer become the property of AGPPL. It is clarified that the assets of Other Business of APSEZ shall continue to remain the assets, properties, benefits, rights, title, interests, etc., of APSEZ and shall not be transferred to AGPPL as part of the Divestment Business Undertaking.*
- 2.1.2. *Without prejudice to the generality of Clause 2.1.1. of Part IV above, and in respect of such movable assets other than those dealt with in Clause 2.1.1. of Part IV above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Governmental Authority or any other bodies or any other person, forming part of the Divestment Business Undertaking, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in AGPPL without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and all other applicable provisions of the Applicable Law, and that appropriate entries should be passed in its books to record the aforesaid change. AGPPL may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits stand transferred to and vested in AGPPL and be paid or made good or held on account of AGPPL as the person entitled thereto.*
- 2.1.3. *The immovable assets belonging to or pertaining to the Divestment Business Undertaking of APSEZ (including land together with the buildings and structures standing thereon), whether freehold or leasehold or licenced for use, along with rights, title, interests, authorities, and all documents of title, rights and easements in relation thereto including any right to use, will stand transferred to and be vested in AGPPL, without any further act, instrument or deed and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act. With effect from the Appointed Date 2, AGPPL shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties. Furthermore, AGPPL shall, on and from the Effective Date, file applications with the Governmental Authority for implementation of the transfer of the immovable properties belonging to the Divestment Business Undertaking to AGPPL; and APSEZ agrees to undertake all steps requested by AGPPL, to provide assistance to AGPPL in relation to the aforesaid actions.*
- 2.1.4. *Without prejudice to the generality of Clause 2.1 of Part IV above, the intellectual property rights used in relation to Divestment Business Undertaking will stand transferred to and be vested in AGPPL, without any further act, instrument or deed and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.*
- 2.1.5. *For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon coming into effect of this Scheme and with effect from the Appointed Date 2, all permits, licenses (including license to operate the business of Divestment Business Undertaking, stevedoring license, license granted by pollution control board, and other licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the business of Divestment Business Undertaking or in connection therewith), permissions, right of way, approvals including approvals granted by the Government of India, GoAP, Governmental Authority, clearances, consents, benefits, tax incentives/concessions, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, tenders, bid acceptances, concessions, issued to or granted to or vested or executed in favour of APSEZ, and the rights and benefits under the same, in so far as they form*

part of the Divestment Business Undertaking, and all intellectual property and rights thereto of APSEZ, forming part of the Divestment Business Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents vested or acquired by APSEZ, forming part of the Divestment Business Undertaking, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Applicable Law, be transferred to and vested in or deemed to have transferred to or vested in AGPPL and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the name of AGPPL on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Divestment Business Undertaking in AGPPL and continuation of operations forming part of the Divestment Business Undertaking in AGPPL without hindrance, and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against AGPPL, as the case may be, and may be enforced as fully and effectually as if, instead of APSEZ, AGPPL had been a party or beneficiary or obligee thereto.

3. TRANSFER OF LIABILITIES

3.1. Without prejudice to the generality of Clause 1 of Part IV of the Scheme (Transfer and Vesting of Divestment Business Undertaking) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all the debts, loans, duties, liabilities and obligations of any nature whatsoever which arise out of the activities or operations of the Divestment Business Undertaking, whether or not provided for in the books of APSEZ, shall without any further act, instrument or deed be and stand transferred to and vested in AGPPL in the following manner, unless specifically otherwise provided under the Scheme:

3.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2, all the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking shall, whether or not provided for in the books of APSEZ, to the extent they are outstanding on the Effective Date, without any further act or deed become the debts, loans, duties, liabilities and obligations of AGPPL and all rights, powers, duties, and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against AGPPL, as if it has incurred such liabilities, debts, duties, obligations, on the same terms and conditions as were applicable to APSEZ and AGPPL shall undertake to meet, discharge and satisfy the same to the exclusion of APSEZ such that APSEZ shall in no event be responsible or liable in relation to any such liabilities arising out of the activities or operations of the Divestment Business Undertaking, except as agreed otherwise with AGPPL in writing.

3.1.5. In so far as the existing Encumbrances in respect of the liabilities arising out of the activities or operations of the Divestment Business Undertaking are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Divestment Business Undertaking which have been Encumbered in respect to the said liabilities and are transferred to AGPPL pursuant to this Scheme and such Encumbrances shall not relate or attach to any other assets of AGPPL. Provided that if any of the assets comprised in the Divestment Business Undertaking which are being transferred to AGPPL pursuant to this Scheme have not been Encumbered in respect of the liabilities arising out of the activities or operations of the Divestment Business Undertaking, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall AGPPL be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

3.1.6. In so far as the assets of the Other Business are concerned, any Encumbrance over them, if any, to the extent they relate to the liabilities arising out of the activities or operations of the Divestment Business Undertaking shall, without any further act, instrument, or deed be released and discharged from such security. The absence of any formal amendment which may be required

by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.

3.1.7. In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Other Business are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with APSEZ, only on the assets relating to the Other Business and the assets of the Divestment Business Undertaking shall stand released therefrom.

3.1.8. If any Encumbrance of APSEZ for the operations of the Divestment Business Undertaking exists as on the Appointed Date 2, but has been partially or fully released thereafter by APSEZ on or after the Appointed Date 2 but prior to the Effective Date, such release shall be deemed to be for and on account of AGPPL upon the coming into effect of the Scheme and all Encumbrances incurred by APSEZ for the operations of the Divestment Business Undertaking on or after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been incurred for and on behalf of AGPPL, and such Encumbrances shall not attach to any property of APSEZ.

4. **TRANSFER OF CONTRACTS**

4.1. Without prejudice to the generality of Clause 1 of Part IV (Transfer and Vesting of Divestment Business Undertaking) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all the concessions, contracts, agreements with GoAP, Governmental Authority, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/undertakings/ agreements, memoranda of agreed points, letter of agreed points, minutes of meetings, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, lease/license agreements, power purchase agreements, 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 vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder in relation to the Divestment Business Undertaking ("**Divestment Contracts**") shall stand transferred to and vested in AGPPL in the following manner, unless otherwise specifically provided under the Scheme:

4.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2 and subject to the other provisions contained in this Scheme, all Divestment Contracts entered into, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of AGPPL and may be enforced as fully and effectively as if AGPPL instead of APSEZ, had been a party thereto. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence.

5. **DIVESTMENT LITIGATION**

5.1. Without prejudice to the generality of Clause 1 of Part IV (Transfer and Vesting of Divestment Business Undertaking) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against APSEZ in relation to or pertaining exclusively to the Divestment Business Undertaking (or a part thereof) or arising from the operations thereof ("**Divestment Litigations**") shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall stand transferred to and shall be continued, prosecuted and enforced by or against AGPPL in the following manner:

5.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2 and subject to the other provisions contained in this Scheme, except as agreed otherwise with APSEZ in writing, AGPPL shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of APSEZ, related to or arising out of in any manner, the Divestment Litigations

and such Divestment Litigations may be continued, prosecuted and enforced by or against AGPPL, as the case may be. For avoidance of any doubt, it is clarified that, except as agreed otherwise with APSEZ in writing, APSEZ shall not be liable to pay any amounts arising out of such Divestment Litigations including interest, penalties, damages, costs etc. and the same shall be borne / paid only by AGPPL unless otherwise mutually agreed to in writing between them.

6. DIVESTMENT EMPLOYEES

6.1. Without prejudice to the generality of Clause 1 of Part IV (Transfer and Vesting of Divestment Business Undertaking) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, the Divestment Employees shall be deemed to have become the employees of AGPPL in the following manner:

6.1.1. The Divestment Employees as on the Effective Date shall become employees of AGPPL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking and in accordance with the Applicable Laws and the terms of their employment and in accordance with Section 25FF of the Industrial Disputes Act, 1947. Services of the Divestment Employees shall be taken into account from the date of their respective appointment with APSEZ for the purposes of all retirement benefits and all other entitlement for which they may be eligible. AGPPL further agrees that for the purpose of payment of any other form of separation compensation, if any, such past services with APSEZ shall also be taken into account.

7. TAXATION

7.1. Upon effectiveness of Part IV of the Scheme, all Taxes paid or payable under the IT Act (TDS, TCS, foreign tax credit, income tax, minimum alternate tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), equalisation levy, Wealth Tax Act, 1957, Chapter VIII of Finance Act, 2016, Customs Act, 1962, Central Excise Act, 1944, Gujarat Value Added Tax Act, 2002, Andhra Pradesh Value Added Tax Act, 2005, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Gujarat Value Added Tax Act, 2002, Andhra Pradesh Value Added Tax Act, 2005 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, stamp laws or other Applicable Laws/regulations, as amended from time to time (hereinafter in this Clause referred to as "Tax Laws") by APSEZ in respect of the activities or operations and/or the profits of the Divestment Business Undertaking on and from the Appointed Date 2, shall be on account of AGPPL.

7.2. Any liabilities on account of income-tax in relation to APSEZ in relation to the Divestment Business Undertaking and pertaining to the period prior to the Appointed Date 2, including all or any liability/ refunds/credits/claims pertaining to the period before the Appointed Date 2 shall be treated as liability/ refunds/credits/claims of APSEZ.

7.3. Further, any tax holiday/deduction/exemption/entitled to/enjoyed/availed by APSEZ with respect to Divestment Business Undertaking under the provisions of IT Act shall stand transferred to and vested in or deemed to be transferred to and vested in AGPPL and be entitled to/enjoyed/availed/utilized by AGPPL on and from the Appointed Date 2 in the same manner as would have been entitled to/enjoyed/availed/utilized by AGPPL before implementation of this Scheme.

7.4. Without prejudice to the generality of the above, all benefits including under the IT Act, sales tax, excise duty, customs duty, service tax, GST (state and central), Compensation Cess, VAT, etc., to which Divestment Business Undertaking of APSEZ are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in AGPPL.

- 7.5. *Any Taxes (direct or indirect) paid by GPL/APSEZ post Appointed Date 2 in respect of the Divestment Business Undertaking/profits of the Divestment Business Undertaking shall be deemed to be paid on behalf of AGPPL.*
- 7.6. *Upon the Scheme coming into effect and with effect from the Appointed Date 2, AGPPL shall be permitted to revise its income-tax returns, tax deducted at source returns and tax collected at source returns and other direct and indirect tax returns and claim refunds/credits pertaining to the Divestment Business Undertaking pursuant to the provisions of the Scheme and in accordance with Applicable Laws.*

9. CONSIDERATION BY AGPPL

- 9.1. *Upon the coming into effect of Part IV of this Scheme and in consideration of the transfer and vesting of the Divestment Business Undertaking of APSEZ in AGPPL by way of Slump Sale basis, as a going concern, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act, AGPPL shall pay a lump sum consideration of Rs. 5,826.887 Crores (Rupees five thousand eight hundred twenty six crores and eighty eight lacs seventy thousand only) to APSEZ within 30 days of receipt of the order of NCLT sanctioning the Scheme and in the manner provided in Clause 9.2.*
- 9.2. *The consideration for the transfer of the Divestment Business Undertaking, as mentioned in Clause 9.1 above, shall be payable by AGPPL to APSEZ, in one or more tranches, with or without interest, as may be mutually agreed between AGPPL and APSEZ. Further, AGPPL and APSEZ may agree that for the whole or part of the consideration, AGPPL may issue to APSEZ one or more securities on such terms and conditions to be mutually agreed between them.*

10. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, APSEZ shall account for the Divestment Business Undertaking in its books as per the applicable accounting principles prescribed under the applicable Indian Accounting Standards ("Ind AS"), inter alia, including but not limited to the following:

- 10.1. *APSEZ shall account for the transfer and vesting of the Divestment Business Undertaking by de-recognizing the carrying values of the assets and liabilities of the Divestment Business Undertaking, which will cease to be the assets and liabilities of APSEZ, in accordance with applicable accounting standards and recognize the equivalent consideration as defined in Clause 9 of Part IV above.*

11. ACCOUNTING TREATMENT IN THE BOOKS OF AGPPL

- 11.1. *Since the transaction involves entities which are under common control before and after Slump Sale, AGPPL shall account for the transfer and vesting of Divestment Business Undertaking (which qualifies as 'Business' as per the definition mentioned in Ind AS 103) as per the 'Pooling of interest method' in its books of accounts in accordance with Appendix C 'Business combinations of entities under common control' of the Ind AS 103 'Business Combinations' prescribed under Section 133 of the Act as enumerated below:*

- (a) *All identifiable assets and the liabilities acquired, including reserves, related to the Divestment Business Undertaking, shall be recorded at their respective carrying values as appearing in the books of accounts of APSEZ as on Appointed Date 2;*
- (b) *The identity of the reserves transferred by APSEZ relating to the Divestment Business Undertaking, as mentioned in (a) above, shall be preserved and shall appear in the books of accounts of AGPPL in the same manner and form, in which they appeared in the books of accounts of the APSEZ;*
- (c) *The balance, if any, between the consideration provided under Clause 9 of Part IV above and aggregate effect of clause (a) and (b) above shall be adjusted to the capital reserve.*

13. OTHER BUSINESS

- 13.1. The Other Business and all the assets, rights, title, interest, properties, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by APSEZ.*
- 13.2. All legal, taxation or other proceedings (whether civil or criminal including before any Governmental Authority) by or against APSEZ under any Applicable Laws whether pending on the Appointed Date 2 or which may be instituted at any time thereafter, and in each case relating to the liability, obligation or duties of APSEZ in respect of the Other Business shall be continued and enforced, after the Effective Date, by or against APSEZ only.*
- 13.3. Up to and including and beyond the Effective Date;*
- (a) APSEZ shall carry on and shall be deemed to have been carrying on all business and activities relating to the Other Business for and on its own behalf;*
 - (b) all profits accruing to APSEZ or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Other Business shall, for all purposes, be treated as the profits or losses, as the case may be, of APSEZ; and*
 - (c) all assets and properties acquired by APSEZ in relation to the Other Business shall belong to and continue to remain vested with APSEZ.*

PART V

GENERAL TERMS AND CONDITIONS

5. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

5.1. The Scheme is conditional upon and subject to:

- 5.1.1. the Stock Exchanges having issued their observation/no-objection letters as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;*
- 5.1.2. this Scheme being approved by the requisite majorities of the various classes of members and/or creditors (where applicable) of the respective Companies, in accordance with the Act and the SEBI Scheme Circular or dispensation having received from the NCLT in relation to obtaining such approval from the members and/or creditors or any Applicable Law permitting the respective Companies not to convene the meetings of its members and/or its creditors;*
- 5.1.3. sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT;*
- 5.1.4. the certified copies of the orders of the NCLT approving this Scheme having been filed with the RoC;*
- 5.1.5. approval from GoAP under the Concession Agreement or any other agreements as may be required, for carrying out the transactions as contemplated in this Scheme; and*
- 5.1.6. the receipt or waiver (where permissible) of any approvals of the Governmental Authority as may be required under Applicable Law."*

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Valuation and accounting treatment

41. The summary of the aforesaid Valuation Reports including the basis of such valuation reports and fairness opinions is enclosed as **Annexure 12**.
42. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of APSEZ is open for inspection as mentioned hereinbelow.

43. The statutory auditor of AGPPL has also issued a certificate to the effect that the accounting treatment as prescribed in the Scheme is in conformity with the Accounting Standards as prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of AGPPL is open for inspection as mentioned hereinbelow.

Effect of the Scheme on various parties

44. The effect of the proposed Scheme on the stakeholders of APSEZ would be as follows:

(a) Shareholders (including promoter and non-promoter)

Under Part II and Part III of the Scheme, an arrangement is sought to be entered into between APSEZ and its equity shareholders. Upon Part II and Part III of the Scheme becoming effective, the equity shareholders of GPL (except the shares held by APSEZ in GPL, which shall stand cancelled), shall become the equity shareholders of APSEZ in the manner as stipulated in Clause 5.1 of Part II of the Scheme.

As Part IV of the Scheme involves transfer of the Divestment Business Undertaking (as defined in the Scheme) as a going concern on a Slump Sale (as defined in the Scheme) basis by APSEZ to AGPPL for lump sum consideration, no shares are to be allotted by AGPPL to the shareholders of APSEZ (including both promoter shareholders and non-promoter shareholders) or to any other person. Therefore, the shareholders (promoter shareholders and non-promoter shareholders) of APSEZ will not be affected by Part IV of the Scheme in any manner.

Either under Part II of the Scheme or under Part III of the Scheme or under Part IV of the Scheme, there is no arrangement between APSEZ and its preference shareholders. The interest of the preference shareholders of APSEZ will remain unaffected by Part II to Part IV of the Scheme. The preference shareholders shall continue to be the preference shareholders of APSEZ.

(b) Creditors

Under Part II or Part III of the Scheme, there is no arrangement with the creditors of APSEZ. No compromise is offered under Part II or Part III of the Scheme to any of the creditors of APSEZ. The liabilities of the creditors of APSEZ, under Part II or Part III of the Scheme, is neither being reduced nor being extinguished. The creditors of APSEZ would in no way be affected by Part II and Part III of the Scheme.

The interest of all the creditors of APSEZ will remain unaffected by Part IV of the Scheme as the assets upon the effectiveness of Part IV of the Scheme will be more than its liabilities and as such sufficient to discharge such liabilities.

No rights of the secured debenture holders are being affected pursuant to Part II to Part IV of the Scheme. Under Part II to Part IV of the Scheme, the secured debenture holders shall continue to be the debenture holders of APSEZ. The debenture trustee appointed for the secured debenture holders shall continue to remain the debenture trustee.

Further, none of the debenture trustee(s) of APSEZ have any material interest in Part II to Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if applicable.

As on date, APSEZ has no outstanding public deposits and therefore, the effect of Part II to Part IV of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.

(c) Employees, Directors and Key Managerial Personnel

Under Part II of the Scheme, no rights of the staff and employees of APSEZ are being affected. The services of the staff and employees of APSEZ, shall continue on the same terms and conditions on which they were engaged by APSEZ.

Under Clause 6 of Part IV of the Scheme, upon Part IV of the Scheme becoming effective and with effect from the Appointed Date 2 (as defined in the Scheme), the Divestment Employees (as defined

in the Scheme) of APSEZ shall become the employees of AGPPL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking. In the circumstances, the rights of the Divestment Employees of APSEZ, engaged in or in relation to the Divestment Business Undertaking, would in no way be affected by Part IV of the Scheme.

None of the directors or the key managerial personnel (as defined under the Act and the rules framed thereunder) of APSEZ and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest either in Part II or Part III or Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if any, and/or to the extent that some of the directors are promoters of APSEZ and/or to the extent that the said promoters/promoter group of APSEZ holding shares in APSEZ and/or to the extent that one of the directors of APSEZ is also a director of AGPPL and/or that the said director(s), key managerial personnel and their respective relatives are the partners, directors, members of the companies, firms, bodies corporate and/or beneficiaries of trust that hold shares in APSEZ, if applicable.

45. The effect of the proposed Scheme on the stakeholders of AGPPL would be as follows:

(a) *Shareholders (promoter)*

As Part IV of the Scheme involves transfer of the Divestment Business Undertaking (as defined in the Scheme) as a going concern on a Slump Sale (as defined in the Scheme) basis by APSEZ to AGPPL for lump sum consideration, no shares are to be allotted by AGPPL to the shareholders of APSEZ (including both promoter shareholders and non-promoter shareholders) or to any other person. Therefore, the shareholders of AGPPL will not be affected by Part IV of the Scheme in any manner.

(b) *Creditors*

Under Part IV of the Scheme, there is no arrangement with the creditors, if any, of AGPPL. No rights of the creditors, if any, are being affected pursuant to Part IV of the Scheme. The liability towards the creditors, if any, of AGPPL is neither being reduced nor being extinguished. The creditors of AGPPL, if any, would in no way be affected by Part IV of the Scheme.

As on date, AGPPL has no outstanding debentures and therefore, the effect of Part IV of the Scheme on any such debenture holders or debenture trustee(s) does not arise.

As on date, AGPPL has no outstanding public deposits and therefore, the effect of Part IV of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.

(c) *Employees and Directors*

Under Part IV of the Scheme, no rights of the staff and employees, if any, of AGPPL are being affected. The services of the staff and employees, if any, of AGPPL, shall continue on the same terms and conditions on which they were engaged by AGPPL.

None of the directors and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest in Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if any, and/or to the extent that one of the directors is also a director in APSEZ and/or to the extent that one of the directors is the director of GPL and/or to the extent that the said director(s) and their respective relatives are the directors, members of the companies that hold shares in APSEZ, if applicable.

46. The effect of the proposed Scheme on the stakeholders of GPL would be as follows:

(a) *Shareholders (promoter and non-promoter)*

Under Part II and Part III of the Scheme, an arrangement is sought to be entered into between GPL and its equity shareholders. Upon Part II of the Scheme becoming effective, the equity shareholders

of GPL (except APSEZ, which holds shares in the paid-up share capital of GPL), shall become the equity shareholders of APSEZ in the manner stipulated in Clause 5.1 of Part II of the Scheme.

(b) Creditors

Under Part II or Part III of the Scheme, there is no arrangement with the creditors of GPL. No compromise is offered either under Part II or under Part III of the Scheme to any of the creditors of GPL. The liabilities of the creditors of GPL, under Part II or under Part III of the Scheme, is neither being reduced nor being extinguished. The creditors of GPL would in no way be affected by Part II or Part III of the Scheme.

As on date, GPL has no outstanding debentures and therefore, the effect of Part II or Part III of the Scheme on any such debenture holders or debenture trustee(s) does not arise.

As on date, GPL has no outstanding public deposits and therefore, the effect of Part II or Part III of the Scheme on any such deposit holders or deposit trustee(s) does not arise..

(c) Employees, Directors and Key Managerial Personnel

As stated in Clause 1.2(xiv) of Part II of the Scheme, and with effect from the Effective Date, APSEZ has undertaken to engage all GPL Employees (as defined in the Scheme) without any break in their service and on the basis of continuity of service and, on the terms and conditions no less favourable than those on which they are engaged by GPL and without any interruption of service as a result of the amalgamation. In the circumstances, the rights of the GPL Employees would in no way be affected by Part II of the Scheme.

Upon Part II of the Scheme becoming effective, GPL shall stand dissolved without being wound up. In the circumstances, the directors and key managerial personnel of GPL shall cease to be the directors and key managerial personnel of GPL.

None of the directors or key managerial personnel (as defined under the Act and the rules framed thereunder) of GPL and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest in Part II or Part III of the Scheme except to the extent of the equity shares held by them in GPL and/or in APSEZ, if any, and/or to the extent that one of the directors of GPL is also a director of AGPPL and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the directors, members of the companies that hold shares in GPL and/or APSEZ, if applicable.

47. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Companies, in their respective meetings, each held on 22 September 2021 have adopted a report, inter alia, explaining the effect of the Scheme on its shareholders and key managerial personnel amongst others. Copy of the Reports adopted by the Board of Directors of APSEZ, AGPPL and GPL are enclosed as **Annexure 13, Annexure 14, and Annexure 15**, respectively.

Other matters

48. No investigation proceedings have been instituted or are pending in relation to APSEZ under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956 and to the knowledge of APSEZ, no investigation proceedings have been instituted or are pending in relation to AGPPL and GPL under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956.
49. No proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against APSEZ and to the knowledge of APSEZ, no proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against AGPPL and GPL.
50. To the knowledge of APSEZ, no winding up proceedings have been filed or pending against APSEZ under the Act or the corresponding provisions of the Companies Act, 1956. Further, to the knowledge of APSEZ, no winding up proceedings have been filed or pending against AGPPL and GPL under the Act or the corresponding provisions of the Companies Act, 1956.

51. There is no capital restructuring or debt restructuring being undertaken pursuant to this Scheme.
52. The copy of the proposed Scheme has been filed by APSEZ and AGPPL before the concerned Registrar of Companies, on 4 February 2022 in Form GNL-1.
53. An Agreement dated 23 March 2021 was executed between APSEZ, GPL and the promoters of GPL to acquire 58.1% of the paid-up equity share capital of GPL, in the manner and on the terms and conditions as stipulated in the said Agreement dated 23 March 2021. GoAP, Infrastructure & Investment (Ports) Department, by its order dated 25 May 2021, approved the aforesaid Agreement dated 23 March 2021 and the proposal to merge GPL into APSEZ, with a condition that APSEZ shall set up a separate Special Purpose Company to enter into a revised concession agreement, on the same terms and conditions of the Concession Agreement (*as defined in the Scheme*) for the remaining concession period. The Scheme, is in compliance with the order dated 25 May 2021 issued by GoAP, Infrastructure & Investment (Ports) Department. APSEZ had filed necessary notification form with the Competition Commission of India, disclosing the details of the proposed combination under the provisions of Section 6(2) of the Competition Act, 2002. The Competition Commission of India by its order dated 12 April 2021 approved the proposed combination under Section 31(1) of the Competition Act, 2002.
54. The Unaudited financial results of APSEZ for the quarter and nine months ended 31 December 2021 and the audited financial results of AGPPL and GPL, respectively, for the period ended 31 December 2021 are enclosed as **Annexure 16**, **Annexure 17** and **Annexure 18**, respectively.
55. In terms of SEBI Circular, the applicable information of AGPPL and GPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure 19** and **Annexure 20**.
56. As per the books of accounts of (as on 31 December 2021) APSEZ and GPL, the amount due to the unsecured creditors are Rs. 39,101.46 crores and Rs. 61.93 crores, respectively. Further, as per the books of accounts (as on 31 December 2021), there are no unsecured creditors of AGPPL.
57. The name and address of the promoters of APSEZ including their shareholding in the Companies as on 31 January 2022 are as under:

Sr. No.	Name and Address of Promoters	APSEZ		GPL		AGPPL	
		No. of Shares of Rs. 2/- each	% of holding	No. of Shares of Rs. 10/- each	% of holding	No. of Shares of Rs. 10/- each	% of holding
1.	Gautambhai Shantilal Adani Shantivan Farm House, B/h. Karnavati Club, S G Highway, Ahmedabad – 380051.	1	0.00%	Nil	Nil	Nil	Nil
2.	Rajeshbhai Shantilal Adani Shanti Sagar Bunglow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad – 380059.	1	0.00%	Nil	Nil	Nil	Nil
3.	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust) 9 th Floor, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad- 380009.	79,93,53,935	39.15%	Nil	Nil	Nil	Nil

4.	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust) 9 th Floor, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad- 380009.	30,000	0.00%	Nil	Nil	Nil	Nil
5.	Adani Tradeline LLP, 801, Shikhar Complex, Srimali Society, Navrangpura, Ahmedabad- 380009.	13,81,93,549	6.77%	Nil	Nil	Nil	Nil
6.	Adani Properties Private Limited Shikhar, Nr. Adani House, Mithakhali Six Road, Navrangpura, Ahmedabad- 380009.	16,85,000	0.08%	Nil	Nil	Nil	Nil
7.	Worldwide Emerging Market Holding Limited 6 th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.	8,60,92,798	4.22%	Nil	Nil	Nil	Nil
8.	Afro Asia Trade and Investments Limited 6 th Floor, Tower 1, Nexteracom, Building, Ebene, Mauritius.	8,99,45,212	4.41%	Nil	Nil	Nil	Nil
9.	Emerging Market Investment DMCC Unit No. 3606-C, Oaks Liwa Heights, Plot No. JLT-PH2-W3A, Jumeirah Lake Towers, Dubai, UAE.	8,41,79,195	4.12%	Nil	Nil	Nil	Nil
10.	Flourishing Trade and Investment Ltd. C/o Amicorp (Mauritius) Ltd, 6 th Floor, Tower 1, Nexteracom, Building, Ebene, Mauritius.	10,38,47,944	5.09%	Nil	Nil	Nil	Nil
11.	Infinite Trade and Investment Ltd 6 th Floor, Tower I, Nexteracom Building, Ebene, Mauritius	Nil	Nil	Nil	Nil	Nil	Nil
12.	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust) 9 th Floor, Shikhar, Nr. Adani House, Mithakhali Six Road, Navrangpura, Ahmedabad -380009	Nil	Nil	Nil	Nil	Nil	Nil

13	Adani Rail Infra Private Limited* Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad - 382421	Nil	Nil	Nil	Nil	Nil	Nil
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* Pursuant to the separate composite scheme of arrangement approved by the NCLT by its order dated 27th January, 2022, Adani Rail Infra Private Limited will be allotted 7,06,21,469 equity shares of Rs. 2 of APSEZ.

58. The name and address of the promoters of AGPPL including their shareholding in the Companies as on 31 January 2022 are as under:

Sr. No.	Name and Address of Promoters	APSEZ		GPL		AGPPL	
		No. of Shares of Rs. 2/- each	% of holding	No. of Shares of Rs. 10/- each	% of holding	No. of Shares of Rs. 10/- each	% of holding
1.	Adani Ports and Special Economic Zone Limited Adani Corporate House, Shantigram, Near Vaishno Devi Circle, Khodiyar. S G Highway, Ahmedabad – 382421.	Nil	Nil	21,65,86,700*	41.89%	50,000**	100%

* (Including 1 share held by its nominee)

** (Including 6 shares held by its nominee)

59. The name and address of the promoters of GPL including their shareholding in the Companies as on 31 January 2022 are as under:

Sr. No.	Name and Address of Promoters	APSEZ		GPL		AGPPL	
		No. of Shares of Rs. 2/- each	% of holding	No. of Shares of Rs. 10/- each	% of holding	No. of Shares of Rs. 10/- each	% of holding
1.	Dandu Venkata Satyanarayana Raju 8-2-293/82/NL/201 Road No.10-C, MLA/MP Colony, Jubilee Hills, Hyderabad, Telangana – 500033.	Nil	Nil	25,55,250	0.49%	Nil	Nil
2.	Dandu Rajgopala Raju 8-2-293/82/NL/201 Road No.10-C, MLA/MP Colony, Jubilee Hills, Hyderabad, Telangana – 500033.	Nil	Nil	7,50,00,100	14.51%	Nil	Nil
3.	Dandu Padma 8-2-293/82/NL/201 Road No.10-C, MLA/MP Colony, Jubilee Hills, Hyderabad, Telangana – 500033.	Nil	Nil	61,72,800	1.19%	Nil	Nil

4.	Newwave Infraprojects LLP Door No: 8-2-293/82/F/A/18, Plot No.18, Film Nagar, Hyderabad, Telangana – 500096.	Nil	Nil	4,95,63,500	9.59%	Nil	Nil
5.	Dandu Corporate Services Private Limited (on behalf of Dandu Holdings Discretionary Trust) Door No: 8-2-293/82/F/A/18, Plot No.18, Film Nagar, Hyderabad, Telangana – 500096.	Nil	Nil	16,71,21,650	32.33%	Nil	Nil

60. The names and addresses of the directors of APSEZ as on 31 January 2022 are as follows:

Name and designation	Address	DIN
Mr. Gautam Adani, Chairman & Managing Director	Shantivan Farm House, B/h. Karnavati Club, S. G. Highway, Ahmedabad – 380 057	00006273
Mr. Rajesh Adani, Non - Executive Director	Shanti Sagar Bunglow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad - 380 059	00006322
Mr. Karan Adani, Chief Executive Officer & WTD	Shantivan Farm House, B/h. Karnavati Club, S. G. Highway, Ahmedabad – 380 057	03088095
Dr. Malay Mahadevia, Non-Executive Director	12-B, Gyankunj Society, Opp. St. Xavier's College Navrangpura, Ahmedabad – 380 009	00064110
Prof. G. Raghuram, Independent Director	K-803, Casa Vyoma, Sarkari Vasahat Road, B/h. Alpha One Mall, Vastrapur, Ahmedabad – 380015	01099026
Mr. G. K. Pillai, Independent Director	D-241, 2 nd Floor, Sarvodaya Enclave, New Delhi – 110 017	02340756
Ms. Nirupama Rao, Independent Director	Apartment D, First Floor, Spring Leaf Apartments, 6 Brunton Cross Road, Bengaluru-560025	06954879
Mr. Bharat Sheth, Independent Director	19-B, Manek, 11 L.D. Ruparel Marg, Malabar Hill, Mumbai-400006	00022102
Mr. Palamadai Sundararajan Jayakumar Independent Director	Flat No. B 803, Vivarea, Near Jacob Circle, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011.	01173236
Mrs. Avantika Singh Aulakh, IAS Nominee Director	B-104, Suflam Flats, Officers Quarters, Dafnala, Shahibaug, Ahmedabad - 380004	07549438

61. The names and addresses of the directors of AGPPL as on 31 January 2022 are as follows:

Name and Designation	Address	DIN
Mr. Karan Adani Director	Shantivan Farm House, B/h. Karnavati Club, S. G. Highway, Ahmedabad – 380 057	03088095
Mr. G. J. Rao Director	B-703, Clover Majestic Towers, RK Beach, Visakhapatnam, Andhra Pradesh, India – 530003.	01724002
Mr. Subrat Tripathy Director	4, Satyanagar, Bhubaneshwar, Khurda Orissa, India – 751007.	06890393

62. The names and addresses of the directors of GPL as on 31 January 2022 are as follows:

Name and Designation	Address	DIN
Mr. Dandu Venkata Satyanarayana Raju Executive Chairman	8-2-293/82/NL/201 Road No.10-C, MLA/MP Colony, Jubilee Hills, Hyderabad, Telangana - 500033	00142417
Mr. Dandu Rajgopala Raju, Managing Director	8-2-293/82/NL/201 Road No.10-C, MLA/MP Colony, Jubilee Hills, Hyderabad, Telangana - 500033	01679892
Mr. Dandu Padma Director	8-2-293/82/NL/201 Road No.10-C, MLA/MP Colony, Jubilee Hills, Hyderabad, Telangana - 500033	00156898
Mr. Vuppalapati Raju Sitarama Director	6-3-249/2, FLAT NO.303, Gayatri Apartments, Naveen Nagar, Road No.1, Banjara Hills, Hyderabad, Telangana-500034	00142417
Mr. Sureddi Vinaya Kumar Director	H No. 6-3-1187, Plot No.308, 3 rd Floor, Srinivas Tower, Begumpet, Aparajitha Colony, Hyderabad, Telangana-500016	01172569
Mr. G. J. Rao Nominee Director	B-703, Clover Majestic Towers, RK Beach, Visakhapatnam, Andhra Pradesh - 530003	01724002

63. The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of APSEZ in the Companies as on 31 January 2022 are as follows:

Sr No	Name of the Director and KMP	Position	Equity Shares held in		
			APSEZ	GPL	AGPPL
			No. of Shares of Rs. 2/- each	No. of Shares of Rs. 10/- each	No. of Shares of Rs. 10/- each
1	Mr. Gautam Adani	Chairman & Managing Director	1	Nil	Nil
2	Mr. Rajesh Adani	Non - Executive Director	1	Nil	Nil
3	Mr. Karan Adani	Chief Executive Officer & WTD	Nil	Nil	Nil
4	Dr. Malay Mahadevia	Non - Executive Director	Nil	Nil	Nil
5	Prof. G. Raghuram	Independent Director	Nil	Nil	Nil
6	Mr. G. K. Pillai	Independent Director	Nil	Nil	Nil
7	Ms. Nirupama Rao	Independent Director	Nil	Nil	Nil
8	Mr. Bharat Sheth	Independent Director	Nil	Nil	Nil
9	Mr. Palamadai Sundararajan Jayakumar	Independent Director	Nil	Nil	Nil
10	Mrs. Avantika Singh Aulakh, IAS	Nominee Director	Nil	Nil	Nil
11	Mr. Kamlesh Bhagia	Company Secretary	62	1*	Nil

*As a nominee of Adani Ports and Special Economic Zone Limited.

64. The details of the shareholding of the Directors of AGPPL in the Companies as on 31 January 2022 are as follows:

Sr No	Name of the Director and KMP	Position	Equity Shares held in		
			APSEZ	GPL	AGPPL
			No. of Shares of Rs. 2/- each	No. of Shares of Rs. 10/- each	No. of Shares of Rs. 10/- each
1	Mr. Karan Adani	Director	Nil	Nil	Nil
2	Mr. G. J. Rao	Director	Nil	Nil	Nil
3	Mr. Subrat Tripathy	Director	Nil	Nil	Nil

There are no Key Managerial Personnel (KMP) in AGPPL as on 31 January 2022.

65. The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of GPL in the Companies as on 31 January 2022 are as follows:

Sr No	Name of the Director and KMP	Position	Equity Shares held in		
			APSEZ	GPL	AGPPL
			No. of Shares of Rs. 2/- each	No. of Shares of Rs. 10/- each	No. of Shares of Rs. 10/- each
1	Mr. Dandu Venkata Satyanarayana Raju	Executive Chairman	Nil	25,55,250	Nil
2	Mr. Dandu Rajgopala Raju	Managing Director	Nil	7,50,00,100	Nil
3	Mr. Dandu Padma	Director	Nil	61,72,800	Nil
4	Mr. Vuppalapati Raju Sitarama	Director	Nil	Nil	Nil
5	Mr. Sureddi Vinaya Kumar	Director	Nil	Nil	Nil
6	Mr. G. J. Rao	Nominee Director	Nil	Nil	Nil
7	Mr. Hanumantha Rao Muralidhar	CFO	Nil	Nil	Nil
8	Mr. Ashish Kumar	Company Secretary	Nil	Nil	Nil

66. There would be no change in the shareholding pattern or capital structure of AGPPL pursuant to the present Scheme. The pre-Scheme shareholding pattern of the Companies as on 31 January 2022; the post-Scheme shareholding pattern and capital structure of APSEZ (assuming the continuing shareholding pattern as on 31 January 2022) are as under:

APSEZ:

Sr. No.	Description	Pre-arrangement		Post-arrangement	
		No. of shares	%	No. of shares	%
(A)	Promoter and Promoter Group*				
1	Indian				
(a)	Individuals	2	0.00	2	0.00
(b)	Family Trust	79,93,83,935	39.15	79,93,83,935	38.26
(c)	Bodies Corporate	13,98,78,549	6.85	13,98,78,549	6.69
	Sub Total(A)(1)	93,92,62,486	46.00	93,92,62,486	44.95
2	Foreign				
(a)	Individuals	-	-	-	-
(b)	Bodies Corporate	36,40,65,149	17.83	36,40,65,149	17.42
	Sub Total(A)(2)	36,40,65,149	17.83	36,40,65,149	17.42
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1,30,33,27,635	63.83	1,30,33,27,635	62.37
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds	10,54,60,461	5.17	10,54,60,461	5.05
(b)	Financial Institutions / Banks	38,208	0.00	38,208	0.00
(c)	Central Government/ State Government(s)	5,50,700	0.03	5,50,700	0.03
(d)	Insurance Companies	21,57,18,425	10.57	21,57,18,425	10.32
(e)	Alternate Investment Funds	4,50,173	0.02	4,50,173	0.02
(f)	Foreign Portfolio Investor/FII	31,49,28,850	15.42	31,49,28,850	15.07
	Sub-Total (B)(1)	63,71,46,817	31.21	63,71,46,817	30.49
2	Non-institutions				
(a)	Bodies Corporate	1,01,37,305	0.50	4,45,90,244	2.13
(b)	Individuals				

I	Individuals – i. Individual shareholders holding nominal share capital up to Rs 2 lakh	6,06,01,287	2.97	6,06,01,287	2.90
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	1,15,57,492	0.57	2,48,70,268	1.19
(c)	NBCFs registered with RBI	1,252	0.00	1,252	0.00
	Trusts	6,13,208	0.03	6,13,208	0.03
	Foreign Nationals	14,688	0.00	14,688	0.00
	Hindu Undivided Family	43,10,287	0.21	43,10,287	0.21
	Foreign Company	1,00,00,000	0.49	1,00,00,000	0.48
	Non Resident Indians	20,91,365	0.10	20,91,365	0.10
	Clearing Members	7,42,276	0.04	7,42,276	0.04
	Foreign Portfolio Investor (Individual)	8,570	0.00	8,570	0.00
	IEPF	2,17,324	0.01	2,17,324	0.01
	Limited Liability Partnership	9,82,255	0.05	9,82,255	0.05
	Sub-Total (B)(2)	10,12,77,309	4.96	14,90,43,024	7.13
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	73,84,24,126	36.17	78,61,89,841	37.63
	TOTAL (A)+(B)	204,17,51,761	100.00	2,089,517,476	100.00
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	204,17,51,761	100.00	2,089,517,476	100.00

* Pursuant to the separate composite scheme of arrangement approved by the NCLT by its order dated 27th January, 2022, Adani Rail Infra Private Limited, forming part of promoter and promoter group, will be allotted 7,06,21,469 equity shares of Rs. 2 of APSEZ. Accordingly, the paid up capital of the company will be increased as under:

Sr. No.	Description	Pre-arrangement		Post-arrangement	
		No. of shares	%	No. of shares	%
I	Promoter and Promoter Group	137,39,49,104	65.04	137,39,49,104	63.60
II	Public Shareholding	73,84,24,126	34.96	78,61,89,841	36.40
	Total	211,23,73,230	100.00	216,01,38,945	100.00

GPL:

Sr. No.	Name of Shareholders	No of Shares of Rs. 10/- each	% of holding
1	Mr. Dandu Venkata Satyanarayana Raju	25,55,250	0.49%
2	Mr. Dandu Rajgopala Raju	7,50,00,100	14.51%
3	Mr. Dandu Padma	61,72,800	1.19%
4	Newwave Infraprojects LLP	4,95,63,500	9.59%
5	Dandu Corporate Services Private Limited (on behalf of Dandu Holdings Discretionary Trust)	16,71,21,650	32.33%
6	Adani Ports and Special Economic Zone Limited*	21,65,86,700	41.89%
	Total	517,000,000	100%

*(Including 1 share held by its Nominee)

AGPPL:

Sr No	Name of Shareholders	No of Shares of Rs. 10/- each	% of holding
1	Adani Ports and Special Economic Zone Ltd*	50,000	100%

*(Including 6 share held by its nominees)

The Post-Arrangement Capital Structure of APSEZ (assuming the continuing capital structure as on 31 January 2022)

Particulars	Amount (in Rupees)
<u>Authorized Capital*</u>	
997,50,00,000 Equity Shares of Rs. 2/- each	1995,00,00,000
50,00,000 Preference Share of Rs. 10/- each	5,00,00,000
Total	2000,00,00,000
<u>Issued, subscribed and Paid-up Share Capital</u>	
208,95,17,476 Equity Shares of Rs. 2/- each	417,90,34,952
25,01,824 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	2,50,18,240
Total	420,40,53,192

* Pursuant to the separate composite scheme of arrangement approved by the NCLT by its order dated 27th January, 2022, accordingly, the authorized capital of APSEZ will be increased as under:

Particulars	Amount (in Rupees)
<u>Authorized Capital*</u>	
1047,50,00,000 Equity Shares of Rs. 2/- each	2095,00,00,000
50,00,000 Preference Share of Rs. 10/- each	5,00,00,000
Total	2100,00,00,000
<u>Issued, subscribed and Paid-up Share Capital</u>	
216,01,38,945 Equity Shares of Rs. 2/- each	432,02,77,890
25,01,824 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	2,50,18,240
Total	434,52,96,130

67. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
68. The following documents will be available for inspection by the secured creditors (including secured debenture holders) of APSEZ through electronic mode, basis the request being sent on investor.apsezl@adani.com. Further, the following documents will also be open for inspection by the secured creditors (including secured debenture holders) of APSEZ at its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India, between 10.30 a.m. and 12.30 pm on all working days up to the date of the meeting:
 - (i) Copy of the order passed by NCLT in C.A. (CAA)/ 5 (AHM) 2022, dated 2 February 2022, *inter alia*, directing APSEZ to convene the meetings of its equity shareholders, secured creditors (including secured debenture holders) and unsecured creditors;
 - (ii) Copy of C.A. (CAA)/ 5 (AHM) 2022 along with annexures filed by APSEZ and AGPPL before NCLT;
 - (iii) Copy of C.A. (CAA)/ 2 (HYD) 2022 along with annexures filed by the GPL before Hon'ble National Company Law Tribunal, Hyderabad;
 - (iv) Copy of the Memorandum and Articles of Association of the Companies;
 - (v) Copy of the annual reports of APSEZ and GPL, for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019, respectively;
 - (vi) Copy of the unaudited financial results of APSEZ for the quarter and nine months ended 31 December 2021 and audited financial results of AGPPL and GPL, respectively, for the period ended 31 December 2021;

- (vii) Copy of the Register of Directors' shareholding of each of the Companies;
- (viii) Copy of the Agreement dated 23 March 2021 executed between APSEZ, GPL and the promoters of GPL;
- (ix) Copy of the order dated 12 April 2021 passed by the Competition Commission of India along with the letters dated 13 April 2021 and 3 June 2021 addressed by the Competition Commission of India;
- (x) Copy of the order dated 25 May 2021 passed by the Government of Andhra Pradesh, Infrastructure & Investment (Ports) Department;
- (xi) Copy of the Valuation Report dated 22 September 2021 issued by BDO Valuation Advisory LLP, Registered Valuer to the respective Board of Directors of APSEZ and GPL, in respect of the proposed amalgamation of GPL with APSEZ (*First Valuation Report*);
- (xii) Copy of the clarifications, dated 19 October 2021, 22 December 2021 and 4 January 2022, respectively, issued by BDO Valuation Advisory LLP, Registered Valuer to the respective Board of Directors of APSEZ and GPL;
- (xiii) Copy of the Valuation report dated 22 September 2021 submitted by BDO Valuation Advisory LLP to APSEZ and AGPPL in respect of the proposed transfer of the Divestment Business Undertaking (*as defined in the Scheme*) as a going concern on a Slump Sale (*as defined in the Scheme*) basis by APSEZ to AGPPL for a lump sum consideration (*Second Valuation Report*);
- (xiv) Copy of the Fairness Opinions, both dated 22 September 2021, issued by JM Financial Limited and Barclays Bank PLC to APSEZ on the First Valuation Report (*First Fairness Opinions*);
- (xv) Copy of the Fairness Opinion dated 22 September 2021 issued by Vivro Financial Services Private Limited to the Second Valuation Report (*Second Fairness Opinion*);
- (xvi) Copy of the report of the Committee of Independent Directors of APSEZ dated 22 September 2021;
- (xvii) Copy of the report of the Audit Committee of APSEZ dated 22 September 2021;
- (xviii) Copy of the extracts of the resolution passed by the Board of Directors of APSEZ dated 22 September 2021;
- (xix) Copy of the resolution passed by the Board of Directors of AGPPL dated 22 September 2021;
- (xx) Copy of the extracts of the resolution passed by the Board of Directors of GPL dated 22 September 2021;
- (xxi) Copy of the Statutory Auditors' certificate dated 22 September 2021 issued by Deloitte Haskins & Sells LLP, Statutory Auditors of APSEZ under Section 133 of the Act;
- (xxii) Copy of the Statutory Auditors' certificate dated 22 September 2021 issued by Deloitte Haskins & Sells LLP, Statutory Auditors of AGPPL under Section 133 of the Act;
- (xxiii) Copy of the no complaints report, dated 15 November 2021, submitted by APSEZ to BSE and NSE;
- (xxiv) Copy of the no-objection letter/ no adverse observations issued by NSE and BSE, both dated 7 January 2022 to APSEZ;
- (xxv) Copy of the Note in respect of Valuation Approach on First Valuation Report;
- (xxvi) Copy of the Note in respect of Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against APSEZ, its promoters and directors;
- (xxvii) Summary of all the Valuation Reports including the basis of such valuation reports and fairness opinions;
- (xxviii) Copies of Form No. GNL-1 filed by APSEZ and AGPPL with the concerned Registrar of Companies, along with the challan dated 4 February 2022, evidencing filing of the Scheme;
- (xxix) Copy of the certificate, dated 4 February 2022, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying the amount due to the unsecured creditors of APSEZ as on 31 December 2021;
- (xxx) Copy of the certificate, dated 8 January 2022, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying that there are no unsecured creditors of AGPPL on 31 December 2021;

- (xxxi) Copy of the certificate, dated 4 February 2022, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying the amount due to the unsecured creditors of GPL as on 31 December 2021;
- (xxxii) Copy of the Scheme;
- (xxxiii) Copy of the Reports all dated 22 September 2021 adopted by the Board of Directors of the respective Companies pursuant to the provisions of section 232(2)(c) of the Act;
- (xxxiv) Copy of the applicable information of AGPPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (xxxv) Copy of the applicable information of GPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- (xxxvi) Copy of the undertaking by APSEZ, duly certified by Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditor of APSEZ, dated 22 September 2021, in respect of non-applicability of Part I (A) (10) (a) and Part I (A) (10) (b) of Master Circular No. SEBI/HO/CFD/DIL/1/CIR/P/2020/249 dated 22 December 2020, issued by SEBI.

The secured creditors (including secured debenture holders) shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (vi), (xi), (xii), (xiii), (xiv), (xv), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), (xxxii), (xxxiii), (xxxiv) and (xxxv) above.

- 69. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. Hard copies of the Particulars as defined in this Notice can be obtained free of charge within 1 (one) working day on a requisition being so made for the same by the secured creditors (including secured debenture holders) of APSEZ at the registered office of APSEZ or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Off Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.
- 70. After the Scheme is approved, by the equity shareholders, secured creditors (including secured debenture holders) and unsecured creditors of APSEZ, it will be subject to the approval/sanction by NCLT or any other statutory or regulatory authorities as may be applicable.

Prof. Ganesan Raghuram
Chairman appointed for the Meeting

Dated this 5 February 2022

Registered office: Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad – 382 421,
Gujarat, India.

COMPOSITE SCHEME OF ARRANGEMENT

AMONG

GANGAVARAM PORT LIMITED

AND

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

AND

ADANI GANGAVARAM PORT PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

A. PREAMBLE

This composite scheme of arrangement ("**Scheme**"), *inter alia*, provides for:

- (i) amalgamation of GPL (*as defined hereinafter*) with APSEZ (*as defined hereinafter*), with effect from the Appointed Date 1 (*as defined hereinafter*), pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act (*as defined hereinafter*) and in compliance with Section 2(1B) of the IT Act (*as defined hereinafter*); and
- (ii) transfer of the Divestment Business Undertaking (*as defined hereinafter*) as a going concern on a Slump Sale (*as defined hereinafter*) basis, with effect from the Appointed Date 2 (*as defined hereinafter*), by APSEZ to AGPPL (*as defined hereinafter*) for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the IT Act.

This Scheme also provides for various other matters consequent and incidental thereto.

B. INTRODUCTION

1. GPL was incorporated on September 27, 2001 as Visual Infrastructure Projects Limited, a public limited company, with the RoC (*as defined hereinafter*), Andhra Pradesh, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. Its name was changed to Gangavaram Port Limited on March 25, 2003. The Corporate Identification Number of GPL is U63032TG2001PLC037861. The registered office of GPL is situated at Hansa Plaza, 2nd to 4th Floor, Plot No. 798, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India. Presently, GPL is engaged in the Business (*as defined hereinafter*). Gangavaram Port Services (India) Private Limited is the wholly owned subsidiary of GPL. As on September 22, 2021, APSEZ holds 41.89% of the paid-up share capital of GPL.
2. APSEZ was incorporated on May 26, 1998 as Gujarat Adani Port Limited, a public limited company, with RoC, Gujarat, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. Its name was changed to (a) Mundra Port and Special Economic Zone Limited on July 7, 2006; and (b) Adani Ports and Special Economic Zone Limited on January 6, 2012. The Corporate Identification Number of APSEZ is L63090GJ1998PLC034182. The registered office of APSEZ is situated at Adani Corporate House, Shantigram, Near Vaishnodevi Circle, S.G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India. The equity shares of APSEZ are listed on the Stock Exchanges (*as defined hereinafter*). The secured non-convertible debentures issued by APSEZ, from time to time, are listed on the Wholesale Debt Market segment of BSE Limited. Further, the commercial papers issued by APSEZ, from time to time, are also listed on BSE Limited. The unsecured senior notes issued by APSEZ, from time to time, are listed on Singapore Exchange Securities Trading Limited. Some of the unsecured senior notes issued by APSEZ are also listed on India International Exchange (IFSC) Limited. APSEZ is India's largest multi-port operator and developer with presence in various parts of India. It is also a developer of multi product Special Economic Zone at Mundra, Gujarat.
3. AGPPL was incorporated on July 14, 2021 as Adani Gangavaram Port Private Limited, a private limited company, with the RoC, Gujarat, under the provisions of the Act. The Corporate Identification Number of AGPPL is U61100GJ2021PTC124091. The registered office of AGPPL is situated at Adani Corporate House, Shantigram, Near Vaishnodevi Circle, S.G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India. AGPPL has been incorporated with an object to carry on the business of port and port related activities. The entire paid-up equity share capital of AGPPL is held by APSEZ. Thus, AGPPL is a wholly owned subsidiary of APSEZ.

C. RATIONALE FOR THE SCHEME

- (i) GPL is operating an all-weather, deep-water, multi-purpose port located at Gangavaram, Andhra Pradesh, under a 30 year (extendable for a period of another 20 years in 2 blocks of 10 years each) Build-Own-Operate-Transfer concession from GoAP (*as defined hereinafter*).
- (ii) The Scheme will result in catering to a large hinterland forming part of Visakhapatnam and Gangavaram Ports in the State of Andhra Pradesh. The State of Andhra Pradesh is progressive, and growth focused with investor friendly policies. It has great potential of industrial development which

in turn would require new ports and facilities. With this Scheme, APSEZ would be able to expand its presence in the State of Andhra Pradesh and contribute to the progress of the state's economy by upgrading and further developing the state's marine infrastructure through its wholly owned subsidiary company, viz. AGPPL.

- (iii) The Scheme will help in creating synergies and would benefit from the combined resources, experience and expertise in developing and operating ports in India. This would lead to reduction in logistic costs for the customers and trade as a whole as a part of the same APSEZ group. Additionally, development of Gangavaram port would also create value for APSEZ and its shareholders.
- (iv) The Scheme will result increase in strength of APSEZ group. The Scheme will help in garnering new clients and extended geography in the State of Andhra Pradesh.
- (v) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes as both APSEZ and AGPPL are part of the same group.
- (vi) APSEZ will use its enhanced information technology management system and infrastructural facilities to improve the efficiencies which will lead to business process transformation of Gangavaram port. This will eventually lead to reduction in time and consequently costs for the consumers.
- (vii) The Scheme, is in compliance with the GoAP, Infrastructure & Investment Department, order dated May 25, 2021 ('approval order') issued, *inter alios*, to APSEZ providing, *inter alia*, approval to the Scheme subject to fulfilment of the conditions prescribed therein. The Scheme is undertaken in strict compliance of these conditions as laid down in the approval order especially in terms of manner of carrying out the operation of the Divestment Business Undertaking.

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (i) **Part I**, deals with the Definitions, Interpretation, Date of taking effect and the Share Capital of GPL, APSEZ and AGPPL;
- (ii) **Part II**, deals with the amalgamation of GPL into and with APSEZ in accordance with the provisions of Sections 230-232 of the Act;
- (iii) **Part III**, deals with the changes to share capital of GPL and APSEZ;
- (iv) **Part IV**, deals with the transfer and vesting of the Divestment Business Undertaking from APSEZ and its vesting in AGPPL as a going concern on a Slump Sale basis for lump sum consideration; and
- (v) **Part V**, deals with the general terms and conditions that would be applicable to the Scheme.

PART – I

DEFINITIONS, INTERPRETATION, DATE OF TAKING EFFECT AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 **"Act"** shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time;
- 1.2 **"AGPPL"** means Adani Gangavaram Port Private Limited, a private limited company, incorporated under the provisions of the Act and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India;
- 1.3 **"Applicable Law(s)"** shall mean any applicable law, statute, ordinance, notification, bye laws, rule, regulation, guideline, rule of common law, code, directives, orders, instructions or policy having the force of law, of any Governmental Authority or any other appropriate authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.4 **"Appointed Date 1"** shall mean April 1, 2021;

- 1.5 **"Appointed Date 2"** shall mean April 2, 2021;
- 1.6 **"APSEZ"** means Adani Ports and Special Economic Zone Limited, a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India;
- 1.7 **"APSEZ Shares"** means fully paid-up equity shares of APSEZ, each having a face value of INR 2 (Rupees Two Only) and having one vote per equity share;
- 1.8 **"Board"** in relation to the Companies, means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors duly constituted and authorised for the matters pertaining to this Scheme or any other matter relating hereto;
- 1.9 **"Business"** means to develop, build, own, operate and maintain the Port, including but not limited to construction, provisions of facilities such as navigation channels, harbor basins, breakwaters, aids to navigation, docks, berths, storage (both covered and open), tank farms, internal roads, rails, conveyor system, cargo handling facilities and system, utilities such as water supply, power supply, bunkering facilities, sewage system, etc., communication facilities, ship repair facilities and all other engineering structural facilities etc. and its associated infrastructure facilities for the development of the Port;
- 1.10 **"Companies"** means collectively, GPL, APSEZ and AGPPL;
- 1.11 **"Concession Agreement"** means the concession agreement dated August 7, 2003 executed between GPL and the GoAP;
- 1.12 **"Divestment Business Undertaking"** means GPL, together with its assets and liabilities, transferred to and vested in APSEZ, upon Part II and Part III of the Scheme becoming effective and with effect from the Appointed Date 1, but shall not include the following assets/litigations/liabilities/credits of GPL which is transferred to and vested in APSEZ on the Appointed Date 1, viz.: (a) the shares held by GPL in the paid-up share capital of Gangavaram Port Services (India) Private Limited; (b) income tax litigation proceedings initiated by or pending against GPL, as the case may be, before the Appointed Date 1; (c) liabilities/credits/refunds in respect of income tax assessments of GPL for the period before the Appointed Date 1; and (d) minimum alternate tax credits available to GPL as on the Appointed Date 1.

Explanation:

In case of any question that may arise as to whether any particular asset or liability pertains or does not pertain to the Divestment Business Undertaking or whether it arises out of the activities or operations of the Divestment Business Undertaking or whether any particular asset or liability is exclusively dedicated to or used for the Divestment Business Undertaking or not, the same shall be decided by mutual agreement between the Board of APSEZ and AGPPL;

- 1.13 **"Divestment Contracts"** has the meaning given to it in Clause 4.1 of Part IV of the Scheme;
- 1.14 **"Divestment Employees"** shall mean all the employees of APSEZ employed in the Divestment Business Undertaking as on the Effective Date;
- 1.15 **"Divestment Litigation"** has the meaning given to it in Clause 5.1 of Part IV of the Scheme;
- 1.16 **"Effective Date"** means the last of the dates on which the conditions and matters referred to in Clause 5 of Part V of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme;
- References in this Scheme to **"upon this Scheme becoming effective"** or **"coming into effect of this Scheme"** or the **"Scheme becoming effective"** or **"Scheme becomes effective"** or **"effectiveness of this Scheme"** or likewise, shall mean and refer to the Effective Date;
- 1.17 **"Eligible Member"** shall mean each person whose name appears in the register of members of GPL and/or whose name appears as the beneficial owner of GPL Shares in the record of depositories on the Record Date or to such of their heirs, executors, administrators or the successors-in-title;
- 1.18 **"Employee Benefit Funds"** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;

- 1.19 **"Encumbrance"** means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, option, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, or a contract to give or refrain from giving any of the foregoing, including any restriction imposed under Applicable Law or contract on the transferability of securities; (ii) any arrangement for exercising voting rights issued to any third party, power of attorney issued to any third party for transferring and/or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person but shall not include proxies issued in terms of the charter documents of the company; and (iii) any adverse claim as to title, possession or use; and "Encumber" shall be construed accordingly;
- 1.20 **"GoAP"** shall mean the Government of Andhra Pradesh, India;
- 1.21 **"Governmental Authority" or "Government Authorities"** means: (a) any national, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, the Reserve Bank of India, the NCLT and any Tax authority;
- 1.22 **"GPL"** means Gangavaram Port Limited, a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Hansa Plaza, 2nd to 4th Floor, Plot No. 798, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana, India, with all its undertakings and Business, as a going concern, and shall include (without limitation):
- (i) the exclusive right and authority granted by GoAP to GPL to design, finance, build, own, maintain, operate and transfer the Port and right to levy, collect and retain appropriate charges for Port Services rendered to Port users;
 - (ii) any and all of its assets, properties, rights, titles and benefits, whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to berth including coal berth, other dry bulk berth and other general cargo berth, breakwater, fenders, buoys, effluent treatment facilities, water treatment plant, diesel loco shed, stack yard, weigh bridges, railway sidings, ship unloader, conveyer system, coal stacker cum reclaimer, mobile harbor cranes, navigational aids and equipment, locomotives, duplex mobile bagging system, mobile hoppers and reclaim system, sweeping machines, generators, material handling system, projectors, dredged channels, roads and drainage system, compound wall with fencing, registrations and memberships, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, work in progress, current assets, sundry debtors, all rights, title, interests, covenants, undertakings, and society memberships and rights appurtenant to the immovable property, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon including office building, administrative building, port operation building with control tower, workshop buildings/sheds and fire station building), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
 - (iii) any and all of its investments (including shares whether in dematerialised or physical form), scrips, stocks, mutual funds, bonds including government guaranteed bonds, treasury bills, debentures, debenture stock, units, and other securities, if any, including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, premiums, receivables, including dividends declared or interest accrued thereon, reserves, surplus, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock or units;
 - (iv) any and all of its licenses (including license to operate Port, stevedoring license, license granted by pollution control board, and other licenses granted by any governmental, statutory or regulatory

bodies for the purpose of carrying on the Business or in connection therewith), permissions, allotments, approvals including approvals granted by the Government of India, GoAP and other Governmental Authority, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, advance tax, taxes deducted at source, taxes collected at source, minimum alternate tax, equalisation levy, value added tax ('VAT'), benefits under the sales tax laws of the respective states, sales tax set off, benefits of any unutilised MODVAT/ CENVAT/Service tax credits, unutilised input tax credit of Central Goods and Services Tax ('CGST'), Integrated Goods and Services Tax ('IGST'), State Goods and Services Tax ('SGST'), Goods and Services Tax Compensation Cess ('GST Compensation Cess') etc., the unabsorbed business brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of IT Act, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;

- (v) any and all of its debts, borrowings and liabilities, present or future (including contingent liabilities), whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);
- (vi) all contracts, agreements, licenses, leases, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of agreed points, bids, tenders, expression of interest, letters of intent, hire-purchase arrangements, lease/ license agreements, equipment purchase agreements, agreement with customers, Concession Agreement, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase and other agreements with the suppliers/manufacturer of goods/ service providers or other instruments of whatsoever nature to which GPL is a party, and other assurances in favour of GPL or powers or authorisations granted by or to it;
- (vii) all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against GPL;
- (viii) all insurance policies;
- (ix) rights of any claim not made by GPL in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by GPL and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the IT Act, sales tax, VAT, custom duties and good and service tax or any other or like benefits under Applicable Law;
- (x) any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund, if any;
- (xi) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by GPL, directly or indirectly;
- (xii) all books, records, files, papers, engineering and process information, application software, 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, 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;

- (xiii) amounts claimed by GPL whether or not so recorded in the books of account of GPL from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
- (xiv) GPL Employees and the Employee Benefit Funds of GPL;
- (xv) all registrations, trademarks, trade names, websites, manuals, data, service marks, copyrights, patents, designs, domain names, trademarks, trade names, service marks, and domain names including applications for copyrights, patents, trademarks, exclusively used by or held for use by GPL in the business, activities and operations carried on by GPL; and
- (xvi) all rights to use and avail telephones, telexes, EPABX, 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 GPL and all other rights and 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 GPL;

1.23 **"GPL Employees"** shall mean all the employees of GPL as on the Effective Date;

1.24 **"GPL Shares"** means fully paid-up equity shares of GPL, each having a face value of INR 10 (Rupees Ten Only) and having one vote per equity share;

1.25 **"IT Act"** shall mean the Income Tax Act, 1961, the rules and regulations made thereunder and shall include any statutory modification or re-enactment or amendments thereof for the time being in force;

1.26 **"NCLT"** means in relation to GPL, the jurisdictional bench of the National Company Law Tribunal, Hyderabad Bench, and with respect to APSEZ and AGPPL shall mean the jurisdictional bench of the National Company Law Tribunal, Ahmedabad Bench or such other forum or authority as may be vested with the relevant powers in relation to the Scheme under the Act;

1.27 **"Other Business"** means any business of APSEZ other than the Divestment Business Undertaking;

1.28 **"Port"** shall have the meaning as ascribed to it in the Concession Agreement to mean the greenfield, modern, all-weather, deep water, multipurpose port developed at Gangavaram in the State of Andhra Pradesh;

1.29 **"Port Services"** shall have the meaning as ascribed to it in the Concession Agreement which means to include the following activities to be performed by GPL within the Port:

- (a) landing, shipping or transshipping of goods and passengers between vessels in the Port and the wharves, piers, quays or docks;
- (b) unloading, loading, removing, shifting, transporting, storing, or delivering goods brought into the Port;
- (c) carrying of cargo landed into or shipped from the Port by rail, road, conveyors, barges, pipelines or any other mode within the limits of Port;
- (d) services to ships of all kinds, including but not limited to piloting, tug assistance, hauling, mooring, unmooring, supply of oil and water, discharge of sludge and residues, provisioning, minor ship repair; and
- (e) any other services as may be required from time to time including services during emergencies to ships and cargoes within Port boundaries;

1.30 **"Record Date"** shall mean the date to be fixed by the Board of APSEZ, after mutual agreement on the same between APSEZ and GPL, for the purpose of determining the shareholders of GPL to whom APSEZ Shares shall be allotted under this Scheme;

- 1.31 **"RoC"** means the jurisdictional Registrar of Companies;
- 1.32 **"Scheme" or "the Scheme" or "this Scheme"** means this composite scheme of arrangement pursuant to Sections 230-232 and other relevant provisions of the Act, with such modifications as may be made from time to time, with the appropriate approvals and sanctions of the NCLT and other relevant Governmental Authority, as may be required under the Act and under all other Applicable Laws;
- 1.33 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.34 **"SEBI Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;
- 1.35 **"SEBI Scheme Circular"** means Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020;
- 1.36 **"Share Exchange Ratio"** shall have the meaning ascribed to it in Clause 5.1 of Part II of the Scheme;
- 1.37 **"Slump Sale"** means sale of an undertaking on a going concern basis, for a lump sum consideration without values being assigned to the individual assets and liabilities, as defined under Section 2(42C) of the IT Act;
- 1.38 **"Stock Exchanges"** means the BSE Limited and the National Stock Exchange of India Limited; and
- 1.39 **"Tax" or "Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, tax deducted at source, tax collected at source, self-assessment tax, advance tax, regular assessment taxes, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, equalisation levy, dividend distribution tax, buy-back tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto).

2. INTERPRETATION

- 2.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the NCLT in this Scheme, the reference would include, if appropriate, reference to the NCLT or such other forum or authority, as may be vested with any of the powers of the NCLT under the Act and/or rules made thereunder.
- 2.2 In this Scheme, unless the context otherwise requires:
- references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
 - the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
 - references to one gender includes all genders;
 - words in the singular shall include the plural and *vice versa*;
 - any references in this Scheme to "upon this Scheme becoming effective" or "coming into effect of this Scheme" or the "Scheme becoming effective" or "Scheme becomes effective" or "effectiveness of this Scheme" or likewise shall be construed to be a reference to the Effective Date;
 - words "include" and "including" are to be construed without limitation;
 - terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;

- h) A reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;
- i) Reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;
- j) reference to the Recital or Clause shall be a reference to the Recital or Clause of this Scheme; and
- k) references to any provision of law or legislation or regulation shall include: (i) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (ii) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.

3. DATE OF TAKING EFFECT

- 3.1 Part II and III of the Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT or any other Governmental Authority shall be effective from the Appointed Date 1 but shall be operative from the Effective Date.
- 3.2 Part IV of the Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authority shall be effective from the Appointed Date 2 but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1 The share capital of the Companies as on September 15, 2021 is as set out below:

- (i) Share capital of GPL is as under:

Particulars	Amount (INR)
<u>Authorised share capital</u>	
100,00,00,000 equity shares of INR 10/- each	1,000,00,00,000
<u>Total</u>	1,000,00,00,000
<u>Issued, subscribed and paid up share capital</u>	
51,70,00,000 equity shares of INR 10/- each	517,00,00,000
<u>Total</u>	517,00,00,000

- (ii) Share capital of APSEZ is as under:

Particulars	Amount (INR)
<u>Authorised share capital</u>	
497,50,00,000 equity shares of INR 2/- each*	995,00,00,000
50,00,000 Non-Cumulative Redeemable Preference Shares of INR 10/- each	5,00,00,000
<u>Total</u>	1,000,00,00,000
<u>Issued, subscribed and paid up share capital</u>	
204,17,51,761 equity shares of INR 2/- each*	408,35,03,522
25,01,824 Non-Cumulative Redeemable Preference Shares of INR 10/- each	2,50,18,240
<u>Total</u>	410,85,21,760

** A separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("composite scheme") has been approved by the respective board of directors of the aforesaid companies. The said composite scheme would be effective, inter alia, upon the composite scheme being approved/sanctioned by the Governmental Authority and jurisdictional National Company Law Tribunal. Clause 4 of Part II of the composite scheme provides for increase in the authorised share capital of APSEZ to INR 1,100,00,00,000/-. Further, Clause 6 of Part II of the said composite scheme provides for issuance of 7,06,21,469 fully paid-up equity shares of INR 2/- each by APSEZ to the equity shareholders of Brahmi Tracks Management Services Private Limited. Upon the effectiveness of the composite scheme, the authorised, issued, subscribed and paid-up share capital of APSEZ would stand increased in the manner as stated hereinabove.*

(iii) Share capital of AGPPL is as under:

Particulars	Amount (INR)
<u>Authorised share capital</u>	
50,000 equity shares of INR 10/- each	5,00,000
<u>Total</u>	5,00,000
<u>Issued, subscribed and paid up share capital</u>	
50,000 equity shares of INR 10/- each	5,00,000
<u>Total</u>	5,00,000

PART - II

AMALGAMATION OF GPL INTO AND WITH APSEZ

1. TRANSFER AND VESTING

- 1.1. With effect from the Appointed Date 1 and upon this Scheme becoming effective, GPL along with all its assets, liabilities, contracts, employees, licenses, records, approvals, etc. being integral parts of GPL shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in APSEZ, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.

The provisions of Part II of the Scheme has been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) and other relevant sections of the IT Act. If any terms or provisions of Part II of the Scheme are found to be or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and Part II of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme.

- 1.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date 1:
- all assets of GPL, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in APSEZ, wherever located and shall become the property and an integral part of APSEZ, without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

- (ii) all other movable properties of GPL, including investments in shares and any other securities, treasury bills, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of APSEZ, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments made by GPL and all the rights, title and interest of GPL in any leasehold properties, shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in APSEZ;
- (iii) all immovable properties of GPL, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of GPL, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in APSEZ, without any further act or deed done or being required to be done by GPL and/or APSEZ. APSEZ shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions required for enabling APSEZ to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of APSEZ by the Governmental Authority pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof;
- (iv) the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same;
- (v) all Encumbrances, if any, existing prior to the Effective Date over the assets of GPL which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to APSEZ. Provided that if any assets of GPL have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of APSEZ. The secured creditors of APSEZ and/or other holders of security over the properties of APSEZ, shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of GPL and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of APSEZ. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- (vi) all estate, assets, rights, title, claims, interest, investments and properties of GPL as on the Appointed Date 1, whether or not included in the books of GPL, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which are acquired by GPL on or after the Appointed Date 1 but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of APSEZ;
- (vii) all rights under the Concession Agreement, contracts, agreements, licences, leases, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of agreed points, bids, tenders, expression of interest, letters of intent, hire-purchase agreements, lease/license agreements, equipment purchase agreements, agreement with customers, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes and other instruments to which GPL is a party, or to the benefit of which, GPL may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligor thereto. If APSEZ enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or

novations, GPL will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by GPL (and not by any of its successors), shall be fulfilled by APSEZ as if it is the duly constituted attorney of GPL;

- (viii) any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority, court or tribunal or other proceedings of whatsoever nature relating to GPL, whether by or against GPL, whether pending on the Appointed Date 1 or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of GPL or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against GPL, as if this Scheme had not been implemented;
- (ix) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of GPL shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of APSEZ, and APSEZ shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by GPL after the Appointed Date 1 and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of APSEZ and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in APSEZ and shall become the debt, duties, undertakings, liabilities and obligations of APSEZ which shall meet, discharge and satisfy the same;
- (x) all debentures, bonds, notes or other securities of GPL, if any, whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of APSEZ and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against APSEZ as if it were GPL. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- (xi) APSEZ shall be entitled to own and operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of GPL to the extent necessary until the transfer of the rights and obligations of GPL to APSEZ under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of GPL after the Effective Date, shall be accepted by the bankers of APSEZ and credited to the accounts of APSEZ, if presented by APSEZ. Similarly, the banker of APSEZ shall honour all cheques issued by GPL for payment after the Effective Date;
- (xii) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which GPL is a party to or to the benefit of which GPL may be eligible, shall remain in full force and effect against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of GPL shall be deemed to be the track record of APSEZ for all commercial and regulatory purposes;
- (xiii) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in APSEZ;
- (xiv) all GPL Employees, who are in such employment as on the Effective Date, shall become the employees of APSEZ, subject to the provisions hereof without any break in their service and on the basis of

continuity of service and, on terms and conditions no less favorable than those on which they are engaged by GPL and without any interruption of service as a result of the amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such GPL Employees with GPL, shall also be taken into account and paid (as and when payable) by APSEZ.

- (xv) In so far as the Employee Benefit Funds created by GPL or in respect of which GPL makes contributions, for GPL Employees, all amounts standing to the credit of GPL Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by APSEZ and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate Governmental Authority, by APSEZ.
- (xvi) In relation to those GPL Employees who are not covered under the provident fund trust of GPL or who do not enjoy the benefit of any other provident fund trust, and for whom GPL is making contributions to the government provident fund, APSEZ shall stand substituted for GPL, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of GPL in relation to such provident fund trust shall become those of APSEZ.
- (xvii) Pending the transfer as aforesaid, the Employee Benefit Fund dues of GPL Employees would be continued to be deposited in the existing Employee Benefit Funds of GPL. It is clarified that upon transfer of the aforesaid funds to the respective funds of APSEZ, the existing trusts created for such funds by GPL shall stand dissolved.
- (xviii) Notwithstanding the aforesaid, the Board of APSEZ, if it deems fit and subject to Applicable Law, shall be entitled to:
 - a) retain separate trusts or funds within APSEZ for the erstwhile fund(s) of GPL; or
 - b) merge the pre-existing funds of GPL with other similar funds of APSEZ.
- (xix) all registrations, goodwill and licenses, appertaining to GPL, if any, shall transferred to and vested in APSEZ;
- (xx) all Taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, tax deducted at source, tax collected at source, self-assessment tax, advance tax, regular assessment taxes, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, equalisation levy, dividend distribution tax, buy-back tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), if any, payable by or refundable to GPL, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of APSEZ, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to GPL, shall pursuant to this Scheme becoming effective, be available to APSEZ;
- (xxi) all approvals including approvals granted by the Government of India, GoAP and other Governmental Authority, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including license to operate Port, stevedoring license, license granted by pollution control board, and other licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the Business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to GPL, or to the benefit of which GPL may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of APSEZ and may be enforced as fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record

the necessary substitution/endorsement in the name of APSEZ pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, APSEZ shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- (xxii) benefits of any and all corporate approvals as may have already been taken by GPL, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to APSEZ and the said corporate approvals and compliances shall be deemed to have been taken/complied with by APSEZ; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of APSEZ, shall be added to the limits, if any, under the like resolutions passed by APSEZ;
- (xxiii) all bank accounts operated or entitled to be operated by GPL shall be deemed to have transferred and shall stand transferred to APSEZ and names of GPL shall be substituted by the name of APSEZ in the bank's records;
- (xxiv) all the property, assets and liabilities of GPL shall be transferred to APSEZ at the close of business of the day immediately preceding the Appointed Date 1;
- (xxv) all the benefits under the various incentive schemes and policies that GPL is entitled to, including tax credits, minimum alternate tax credit, tax deferral, carry forward losses (including loss as per IT Act and as per books of accounts) and unabsorbed depreciation (including loss as per IT Act and as per books of accounts), exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges entitled to or enjoyed or conferred upon or held or availed by GPL and all rights or benefits that have accrued or which may accrue to GPL, whether on, before or after the Appointed Date 1, shall upon this Scheme becoming effective and with effect from the Appointed Date 1 be transferred to and vest in APSEZ and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by APSEZ and these shall relate back to the Appointed Date 1 as if APSEZ was originally entitled to all benefits under such incentive schemes and/or policies;
- (xxvi) where any of the debts, liabilities, duties and obligations incurred before the Appointed Date 1 by GPL, deemed to have been transferred to APSEZ by virtue of this Scheme, have been discharged by GPL after the Appointed Date 1 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of APSEZ;
- (xxvii) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which GPL is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against APSEZ and may be enforced fully and effectually as if, instead of GPL, APSEZ had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of GPL in any properties including leasehold/ licensed properties of GPL including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in APSEZ automatically without requirement of any further act or deed. APSEZ shall continue to pay rent or lease or license fee as provided for under such agreements, and APSEZ shall continue to comply with the terms, conditions and covenants thereunder;
- (xxviii) any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between GPL and APSEZ shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of APSEZ; and
- (xxix) for the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date 1, all

consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of GPL shall stand transferred to APSEZ, and APSEZ shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to APSEZ.

- 1.3. Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of GPL into APSEZ by virtue of Part II of the Scheme itself, APSEZ may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which GPL has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of GPL. APSEZ will, if necessary, also be a party to the above.

2. TREATMENT OF TAXES

- 2.1. Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Equalisation levy, Chapter VIII of Finance Act, 2016, Customs Act, 1962, Central Excise Act, 1944, Gujarat Value Added Tax Act, 2002, Andhra Pradesh Value Added Tax Act, 2005, Central Sales Tax Act, 1956, any other state Sales Tax / VAT laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Gujarat Goods and Services Tax Act, 2017, Andhra Pradesh Goods and Services Tax Act, 2017, and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, stamp laws or other Applicable Laws/regulations, as amended from time to time (hereinafter in this Clause referred to as "Tax Laws") upon the Scheme becoming effective and from the Appointed Date 1, become payable by or on behalf of GPL, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by APSEZ.
- 2.2. All Taxes [including income tax, minimum alternate tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), equalisation levy, wealth tax, sales tax, excise duty, customs duty, service tax, GST (state and central), Compensation Cess, VAT, etc.] paid or payable by GPL under any Tax Laws for the time being in force in respect of the operations and/or the profits of the business on and from the Appointed Date 1, shall be on account of APSEZ and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, all GST (state or central), Compensation Cess, VAT, etc.), whether by way of deduction at source, tax collection at source, advance tax, or otherwise howsoever, by GPL in respect of the profits or activities or operation of the business on and from the Appointed Date 1, the same shall be deemed to be the corresponding item paid by APSEZ, and, shall, in all proceedings, be dealt with accordingly.
- 2.3. Upon the Scheme becoming effective:
 - a) To the extent required, GPL and APSEZ shall be permitted to revise their financial statements as also revise and file their respective income tax returns (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), withholding tax returns (including Tax deducted at source certificates), returns for tax collected at source, sales tax, VAT, service tax, central sales tax, entry tax, goods and services tax returns and any other tax returns and to claim refunds and/or credits for taxes paid (including tax on book profits, minimum alternative tax credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing/reviving such returns/forms may have lapsed and period to claim refund/credit also elapsed upon this Scheme becoming effective: and
 - b) APSEZ shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of GPL, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date 1: and (ii) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by GPL prior to the Appointed Date 1.
- 2.4. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, carry forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of GPL as on the Appointed Date 1, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of APSEZ. It is further clarified that any book losses and/

or unabsorbed depreciation of GPL as specified in their respective books of accounts shall be included as book losses and/or unabsorbed depreciation of APSEZ for the purposes of computation of minimum alternate tax.

- 2.5. Upon the Scheme becoming effective, APSEZ shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, GPL under Applicable Law (including Tax laws). Any refund under the IT Act or any other Tax laws related to or due to GPL, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by APSEZ.
- 2.6. Upon the Scheme becoming effective and from the Appointed Date 1, all un-availed credits, exemptions, tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by GPL shall stand transferred to and vested in or deemed to be transferred to and vested in APSEZ and be entitled to/enjoyed/availed/utilized by APSEZ on and from the Appointed Date 1 in the same manner as would have been entitled to/enjoyed/availed/utilized by APSEZ before implementation of this Scheme.
- 2.7. All Tax assessment proceedings and appeals of whatsoever nature by or against GPL, pending or arising as at the Effective Date, shall be continued and/or enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued and enforced by or against GPL. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of GPL with APSEZ or anything contained in this Scheme.
- 2.8. Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state VAT) to which GPL is entitled to in terms of applicable Tax laws, shall be available to and vest in APSEZ from the Effective Date.
- 2.9. All the expenses incurred by GPL and APSEZ in relation to the amalgamation of GPL with APSEZ in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to APSEZ in accordance with section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective or as may be amended from time to time.

3. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 3.1. GPL and APSEZ have agreed that during the period between the approval of the Scheme by the respective Board of GPL and APSEZ and up to the Effective Date, the Business of GPL and APSEZ shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.
- 3.2. With effect from the Appointed Date 1 and up to and including the Effective Date:
 - (a) GPL undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of the properties, assets, rights, title, interest, authorities, contracts and investments pertaining to GPL, for and on account of and in trust for APSEZ;
 - (b) GPL hereby undertakes to hold its said assets with utmost prudence in the ordinary course of business until the Effective Date;
 - (c) all profits and income accruing to GPL, and losses and expenditure incurred by it (including Taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date 1 based on the accounts of GPL shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of APSEZ;
 - (d) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date 1, whether or not provided in the books of GPL which arise or accrue to GPL on or after the Appointed Date 1, shall be deemed to be of APSEZ;
 - (e) all assets and properties comprised in GPL as on the date immediately preceding the Appointed Date 1, whether or not included in the books of GPL and all assets and properties relating thereto, which are acquired by GPL, on or after the Appointed Date 1, shall be deemed to be the assets and properties of APSEZ; and

- (f) any of the rights, powers, authorities, privileges exercised by GPL shall be deemed to have been exercised by GPL for and on behalf of, and in trust for APSEZ. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by GPL shall be deemed to have been undertaken for and on behalf of APSEZ.

- 3.3. With effect from the Effective Date, APSEZ shall carry on and shall be authorised to carry on the businesses of GPL.
- 3.4. For the purpose of giving effect to the order passed under Sections 230 – 232 and other applicable provisions of the Act in respect of this Scheme by NCLT, APSEZ shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of GPL, in accordance with the provisions of Sections 230 – 232 of the Act. APSEZ is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by NCLT.
- 3.5. APSEZ shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authority and all other agencies, departments and authorities concerned as are necessary under Applicable Law for such consents, approvals and sanctions which APSEZ may require to carry on the business of GPL.
- 3.6. Upon this Scheme becoming effective, APSEZ, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of GPL with effect from the Appointed Date 1, in order to give effect to the foregoing provisions.

4. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets and liabilities to, and the continuance of proceedings by or against, APSEZ as envisaged in Part II of this Scheme shall not affect any transaction or proceedings already concluded by GPL on or before the Appointed Date 1 (subject to the terms of any agreement with APSEZ) to the end and intent that APSEZ accepts and adopts all acts, deeds and things done and executed by GPL in respect thereto as done and executed on behalf of APSEZ.

5. ISSUANCE OF APSEZ SHARES

- 5.1. Upon effectiveness of this Scheme and in consideration of the amalgamation of GPL in APSEZ pursuant to this Scheme, APSEZ shall, without any further application, act or deed, issue and allot to the Eligible Member on the Record Date, except where the shares are held by APSEZ in GPL, 159 (one hundred and fifty nine) APSEZ Shares, credited as fully paid-up, for every 1,000 (one thousand) GPL Shares each fully paid-up held by such Eligible Member ("**Share Exchange Ratio**").

The shareholding of APSEZ in the paid-up share capital of GPL shall stand cancelled and no consideration in respect of such shares shall be issued.

- 5.2. If the proportion of APSEZ Shares is a fraction in respect of any Eligible Member, then such fraction shall be rounded off to the nearest integer (with 0.5 being rounded upwards), and for this purpose, the total number of APSEZ Shares will be increased or decreased (as applicable) to take into account such rounding off.
- 5.3. APSEZ Shares to be issued and allotted by APSEZ in terms of Part II of the Scheme shall be subject to the provisions of the memorandum and articles of association of APSEZ and shall rank *pari passu* in all respects with all other existing equity shares issued by APSEZ after the Effective Date including in respect of dividend, if any, that may be declared by APSEZ on or after the Effective Date.
- 5.4. In the event of there being any pending share transfers, whether lodged or outstanding, of any member of GPL, the Board of APSEZ shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in GPL and in relation to APSEZ Shares issued by APSEZ, after the effectiveness of the Scheme. The Board of APSEZ shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in APSEZ on account of difficulties faced in the transition period.
- 5.5. The issue and allotment of APSEZ Shares by APSEZ to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 and any other applicable provisions of the Act were duly complied with.

- 5.6. Where APSEZ Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of GPL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of APSEZ.
- 5.7. Promptly upon the issuance of APSEZ Shares pursuant to Clause 5 of Part II of the Scheme, APSEZ shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchanges, for listing of such APSEZ Shares. Immediately upon receipt of such approval, APSEZ shall take all necessary steps to obtain trading approval for APSEZ Shares. APSEZ shall ensure that steps for listing of APSEZ Shares are completed and trading of APSEZ Shares are completed and trading of APSEZ Shares commences within the period prescribed under the SEBI Scheme Circular. APSEZ Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.
- 5.8. There shall be no change in the share holding pattern or control of APSEZ between the Record Date and the date of listing of APSEZ Shares which may affect the status of the Stock Exchanges approval.
- 5.9. If any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of GPL or APSEZ, that occurs after the date of approval of the Scheme by the Board of GPL and the Board of APSEZ, and on or before the Effective Date, the Share Exchange Ratio shall be subject to equitable adjustments by the Board of the relevant company to reflect such corporate action in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.
- 5.10. APSEZ Shares shall be issued in dematerialized form to all Eligible Members holding GPL Shares, in accordance with the Applicable Laws.
- 5.11. Upon this Scheme becoming effective and upon APSEZ Shares being allotted and issued by it to the Eligible Members, the GPL Shares, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 5.12. APSEZ Shares to be issued by APSEZ to the Eligible Members as per Clause 5 of Part II of the Scheme, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by APSEZ.
- 5.13. Eligible Members, as against their equity shares in GPL, shall receive the equity shares of APSEZ in Share Exchange Ratio and shall not receive cash or other consideration.

6. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

The amalgamation will be accounted in accordance with the "acquisition method" prescribed under the Indian Accounting Standard 103 (Business Combinations) as notified under Section 133 of the Act, read together with Paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.

7. DISSOLUTION

Upon the coming into effect of the Scheme, GPL shall stand dissolved without being wound up, without any further act, instrument or deed.

PART – III

CHANGES TO THE SHARE CAPITAL OF GPL AND APSEZ

1. REORGANIZATION OF THE AUTHORISED SHARE CAPITAL OF GPL

- 1.1. Upon Part II of the Scheme becoming effective, and as an integral part of the Scheme, the resultant authorised share capital of GPL shall be reclassified/reorganised such that each equity share of INR 10/- each of GPL shall stand reclassified/reorganised as 5 (five) equity shares of INR 2/- each.
- 1.2. It is clarified that the approval of the shareholders of GPL to this Scheme shall be deemed to be their consent/ approval to the reclassification of the authorized share capital envisaged under Clause 1 of Part III of the Scheme as required under Sections 13, 61 and other applicable provisions of the Act.

2. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF GPL WITH THE AUTHORISED CAPITAL OF APSEZ

- 2.1. Upon Part II of this Scheme becoming effective and pursuant to the reclassification/ reorganization of the resultant authorized share capital of GPL as set out in Part III of this Scheme but prior to the issuance of and allotment of APSEZ Shares under Clause 5 of Part II above, the resultant authorized share capital of GPL, shall be deemed to be added to the authorized share capital of APSEZ without any requirement of a further act or deed on the part of APSEZ (including payment of stamp duty and/ or fees payable to the relevant RoC), such that upon the effectiveness of Part II of the Scheme, the authorised share capital of APSEZ shall be INR 2,000,00,00,000/- (Rupees two thousand crores only) comprising of 997,50,00,000 (nine hundred ninety seven crores and fifty lacs) equity shares of INR 2/- each and 50,00,000 (fifty lacs) Non-Cumulative Redeemable Preference Shares of INR 10/- (Rupees ten only) without any further act, deed, resolution or writing.
- 2.2. For the avoidance of doubt, it is hereby clarified that if the authorised share capital of APSEZ undergoes any change, either as a consequence of any corporate action or upon the approval of a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors by the jurisdictional National Company Law Tribunal pursuant to which the authorised share capital of APSEZ would stand increased, then in such a case, Clause 2.1 of Part III above shall automatically stand modified to take into account the effect of such change.

3. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION OF APSEZ

- 3.1. Pursuant to the consolidation and increase of authorised capital as stated above, the memorandum of association of APSEZ (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, such that Clause V. of the memorandum of association shall be replaced by the following:
- "V. The Authorised Share Capital of the Company is Rs. 2,000,00,00,000/- (Rupees Two Thousand Crores Only) divided into 997,50,00,000 (nine hundred ninety seven crores and fifty lacs only) Equity Shares of Rs. 2/- (Rupees Two only) each and 50,00,000 (Fifty Lacs only) Non- Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each with such rights, privileges and conditions attached thereto as may be determined by the Company from time to time in accordance with the Articles of Association of the Company. The Company has and shall always have the power to divide, sub-divide or consolidate the shares for time being of the Company into several classes and to attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by the Company or in accordance with Articles of Association of the Company and to fix, vary, modify or abrogate any such rights, privileges or conditions attached to the shares in such manner as may from time to time being provided in the regulations of the company."*
- 3.2. For the avoidance of doubt, it is hereby clarified that if the authorised share capital of APSEZ undergoes any change, either as a consequence of any corporate action or upon the approval of a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors by the jurisdictional National Company Law Tribunal pursuant to which the authorised share capital of APSEZ would stand increased, then in such a case, Clause 3.1 of Part III above and Clause V. of the memorandum of association of APSEZ shall automatically stand modified to take into account the effect of such change.
- 3.3. It is clarified that the consent of the shareholders of APSEZ to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and the increase of authorised capital of APSEZ, and no further resolution(s) under Sections 4, 13 and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed.
- 3.4. In accordance with Section 232 (3) (i) of the Act and Applicable Law, the stamp duties and / or fees (including registration fee) paid on the authorised share capital of GPL shall be utilized and applied to the increased authorised share capital of APSEZ and no stamp duties and/or fees would be payable for the increase in the authorised share capital of APSEZ to the extent of the authorised share capital of GPL.

- 3.5. Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of APSEZ shall stand suitably increased consequent upon the issuance of new equity shares in accordance with the Scheme.

PART IV

TRANSFER AND VESTING OF THE DIVESTMENT BUSINESS UNDERTAKING OF APSEZ IN AGPPL

1. TRANSFER AND VESTING OF THE DIVESTMENT BUSINESS UNDERTAKING

- 1.1 Upon the Scheme becoming effective and with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, pursuant to Sections 230 to 232 read with other relevant provisions of the Act and Section 2(42C) of the IT Act and without any further act, instrument, deed, matter or thing be transferred to and vested in and/or be deemed to be and stand transferred to and vested in AGPPL as a 'going concern' on a Slump Sale basis, in accordance with Section 2(42C) of the IT Act (as amended) for a lump sum consideration as set out hereinafter, subject to the provisions of this Scheme.
- 1.2. Upon the Scheme becoming effective and with effect from the Appointed Date 2, AGPPL shall carry out or perform all such formalities and compliances under various Applicable Laws or to be carried out or performed in relation to or as a consequence of the vesting of the Divestment Business Undertaking of APSEZ into AGPPL.

2. TRANSFER OF ASSETS

- 2.1. Without prejudice to the generality of Clause 1 of Part IV (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the coming into effect of this Scheme and with effect from the Appointed Date 2, all the assets of the Divestment Business Undertaking of APSEZ shall, in accordance with the provisions of this Clause 2 in relation to the mode of transfer and vesting and pursuant to Sections 230-232 and/or other applicable provisions of the Act, stand transferred to and vested in AGPPL as a going concern and without any further act or deed in the following manner, unless specifically otherwise provided under the Scheme:
- 2.1.1. In relation to the assets of the Divestment Business Undertaking, which are movable in nature, and/or otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, including cash and bank balances, the same may, upon coming into effect of this Scheme, be so transferred or deemed to be so transferred to AGPPL, and shall become the assets of AGPPL and title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act and shall upon such transfer become the property of AGPPL. It is clarified that the assets of Other Business of APSEZ shall continue to remain the assets, properties, benefits, rights, title, interests, etc., of APSEZ and shall not be transferred to AGPPL as part of the Divestment Business Undertaking.
- 2.1.2. Without prejudice to the generality of Clause 2.1.1. of Part IV above, and in respect of such movable assets other than those dealt with in Clause 2.1.1. of Part IV above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Governmental Authority or any other bodies or any other person, forming part of the Divestment Business Undertaking, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in AGPPL without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and all other applicable provisions of the Applicable Law, and that appropriate entries should be passed in its books to record the aforesaid change. AGPPL may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits stand transferred to and vested in AGPPL and be paid or made good or held on account of AGPPL as the person entitled thereto.
- 2.1.3. The immovable assets belonging to or pertaining to the Divestment Business Undertaking of APSEZ (including land together with the buildings and structures standing thereon), whether freehold or leasehold or licenced for use, along with rights, title, interests, authorities, and all documents of title, rights and easements in relation thereto including any right to use, will stand transferred to

and be vested in AGPPL, without any further act, instrument or deed and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act. With effect from the Appointed Date 2, AGPPL shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties. Furthermore, AGPPL shall, on and from the Effective Date, file applications with the Governmental Authority for implementation of the transfer of the immovable properties belonging to the Divestment Business Undertaking to AGPPL; and APSEZ agrees to undertake all steps requested by AGPPL, to provide assistance to AGPPL in relation to the aforesaid actions.

- 2.1.4. Without prejudice to the generality of Clause 2.1 of Part IV above, the intellectual property rights used in relation to Divestment Business Undertaking will stand transferred to and be vested in AGPPL, without any further act, instrument or deed and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- 2.1.5. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon coming into effect of this Scheme and with effect from the Appointed Date 2, all permits, licenses (including license to operate the business of Divestment Business Undertaking, stevedoring license, license granted by pollution control board, and other licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the business of Divestment Business Undertaking or in connection therewith), permissions, right of way, approvals including approvals granted by the Government of India, GoAP, Governmental Authority, clearances, consents, benefits, tax incentives/concessions, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, tenders, bid acceptances, concessions, issued to or granted to or vested or executed in favour of APSEZ, and the rights and benefits under the same, in so far as they form part of the Divestment Business Undertaking, and all intellectual property and rights thereto of APSEZ, forming part of the Divestment Business Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents vested or acquired by APSEZ, forming part of the Divestment Business Undertaking, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Applicable Law, be transferred to and vested in or deemed to have transferred to or vested in AGPPL and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the name of AGPPL on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Divestment Business Undertaking in AGPPL and continuation of operations forming part of the Divestment Business Undertaking in AGPPL without hindrance, and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against AGPPL, as the case may be, and may be enforced as fully and effectually as if, instead of APSEZ, AGPPL had been a party or beneficiary or obligee thereto.

3. TRANSFER OF LIABILITIES

- 3.1. Without prejudice to the generality of Clause 1 of Part IV of the Scheme (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all the debts, loans, duties, liabilities and obligations of any nature whatsoever which arise out of the activities or operations of the Divestment Business Undertaking, whether or not provided for in the books of APSEZ, shall without any further act, instrument or deed be and stand transferred to and vested in AGPPL in the following manner, unless specifically otherwise provided under the Scheme:
- 3.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2, all the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking shall, whether or not provided for in the books of APSEZ, to the extent they are outstanding on the Effective Date, without any further act or deed become the debts, loans, duties, liabilities and obligations of AGPPL and all rights, powers, duties, and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against AGPPL, as if it has incurred such liabilities, debts, duties, obligations, on the same terms and conditions as were applicable to APSEZ and AGPPL shall undertake to meet, discharge and satisfy the same to the exclusion of APSEZ such that APSEZ shall in no event be responsible or liable in relation to any such liabilities arising out of the activities or operations of the Divestment Business Undertaking, except as agreed otherwise with AGPPL in writing.

- 3.1.2. Where any of the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking have been partially or fully discharged by APSEZ on or after the Appointed Date 2 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of AGPPL. All the liabilities and obligations incurred by APSEZ for the activities or operations of the Divestment Business Undertaking on or after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been incurred for and on behalf of AGPPL and to the extent any such liabilities are outstanding on the Effective Date, they shall also without any further act, instrument or deed be and stand transferred to AGPPL and shall become the liabilities and obligations of AGPPL.
- 3.1.3. With effect from the Effective Date, AGPPL alone shall be liable to perform all obligations in respect of the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking, except as agreed otherwise with AGPPL in writing, and APSEZ shall not have any obligations in respect of the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking.
- 3.1.4. The transfer and vesting of the assets comprised in the Divestment Business Undertaking to and in AGPPL upon the coming into effect of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- 3.1.5. In so far as the existing Encumbrances in respect of the liabilities arising out of the activities or operations of the Divestment Business Undertaking are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Divestment Business Undertaking which have been Encumbered in respect to the said liabilities and are transferred to AGPPL pursuant to this Scheme and such Encumbrances shall not relate or attach to any other assets of AGPPL. Provided that if any of the assets comprised in the Divestment Business Undertaking which are being transferred to AGPPL pursuant to this Scheme have not been Encumbered in respect of the liabilities arising out of the activities or operations of the Divestment Business Undertaking, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall AGPPL be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- 3.1.6. In so far as the assets of the Other Business are concerned, any Encumbrance over them, if any, to the extent they relate to the liabilities arising out of the activities or operations of the Divestment Business Undertaking shall, without any further act, instrument, or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.
- 3.1.7. In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Other Business are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with APSEZ, only on the assets relating to the Other Business and the assets of the Divestment Business Undertaking shall stand released therefrom.
- 3.1.8. If any Encumbrance of APSEZ for the operations of the Divestment Business Undertaking exists as on the Appointed Date 2, but has been partially or fully released thereafter by APSEZ on or after the Appointed Date 2 but prior to the Effective Date, such release shall be deemed to be for and on account of AGPPL upon the coming into effect of the Scheme and all Encumbrances incurred by APSEZ for the operations of the Divestment Business Undertaking on or after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been incurred for and on behalf of AGPPL, and such Encumbrances shall not attach to any property of APSEZ.
- 3.1.9. The provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds, and writings and the terms of sanction or issue of any security document shall stand modified and/or superseded by the foregoing provisions. It is expressly clarified that, save as mentioned in this Scheme, no other terms or conditions of the liabilities arising out of the activities or operations of the Divestment Business Undertaking are modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

- 3.1.10. Upon the coming into effect of this Scheme, the borrowing limits of AGPPL in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the liabilities arising out of the activities or operations of the Divestment Business Undertaking, if any, transferred by APSEZ to AGPPL pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of AGPPL.
- 3.1.11. The interests of all the unsecured creditors of APSEZ in connection with the Divestment Business Undertaking and AGPPL, including its unsecured creditors, remain unaffected by this Scheme as the assets of AGPPL upon the effectiveness of the Scheme will be more than its liabilities and as such sufficient to discharge such liabilities.
- 3.1.12. Without prejudice to the provisions of the foregoing Clauses and with effect from the Effective Date, the parties shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional RoC to give formal effect to the provisions of this Clause.

4. TRANSFER OF CONTRACTS

- 4.1. Without prejudice to the generality of Clause 1 of Part IV (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all the concessions, contracts, agreements with GoAP, Governmental Authority, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding/undertakings/agreements, memoranda of agreed points, letter of agreed points, minutes of meetings, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, lease/license agreements, power purchase agreements, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacture 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 vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder in relation to the Divestment Business Undertaking ("**Divestment Contracts**") shall stand transferred to and vested in AGPPL in the following manner, unless otherwise specifically provided under the Scheme:
- 4.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2 and subject to the other provisions contained in this Scheme, all Divestment Contracts entered into, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of AGPPL and may be enforced as fully and effectively as if AGPPL instead of APSEZ, had been a party thereto. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence.
- 4.1.2. Without prejudice to what is stated in Clause 4.1.1 of Part IV above, upon the Scheme becoming effective and with effect from the Appointed Date 2, AGPPL shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which APSEZ will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.
- 4.1.3. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Divestment Business Undertaking occurs by virtue of this Scheme itself, AGPPL may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which APSEZ is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme.
- 4.1.4. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date 2, all consents, approvals including approvals granted by the Governmental Authority, GoAP, permissions, license, clearance, permit, notice, authorization, waiver, grant, concession, agreement, certificate, exemption, order, registration, decree, authentication, qualification, designation, declaration, filing, pre-qualifications, authorities, powers of attorney given by, issued to or executed in favour of APSEZ in relation to the Divestment Business Undertaking, including by any Governmental Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to AGPPL as if the same were originally given by, issued to or executed in

favour of AGPPL, and AGPPL shall be bound by the terms thereof, the obligations and duties thereunder (unless, in the case of powers of attorney and/or authority(ies) given by APSEZ, the same are revoked by AGPPL or APSEZ subsequent to the Effective Date), and the rights and benefits under the same shall be available to AGPPL. AGPPL shall make necessary applications/file relevant forms to any Governmental Authority as may be necessary in this behalf.

5. DIVESTMENT LITIGATION

5.1. Without prejudice to the generality of Clause 1 of Part IV (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against APSEZ in relation to or pertaining exclusively to the Divestment Business Undertaking (or a part thereof) or arising from the operations thereof ("**Divestment Litigations**") shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall stand transferred to and shall be continued, prosecuted and enforced by or against AGPPL in the following manner:

5.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2 and subject to the other provisions contained in this Scheme, except as agreed otherwise with APSEZ in writing, AGPPL shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of APSEZ, related to or arising out of in any manner, the Divestment Litigations and such Divestment Litigations may be continued, prosecuted and enforced by or against AGPPL, as the case may be. For avoidance of any doubt, it is clarified that, except as agreed otherwise with APSEZ in writing, APSEZ shall not be liable to pay any amounts arising out of such Divestment Litigations including interest, penalties, damages, costs etc. and the same shall be borne / paid only by AGPPL unless otherwise mutually agreed to in writing between them.

5.1.2. Both APSEZ and AGPPL shall, as soon as reasonably possible after the Effective Date, enter into and/or execute all such required documents and/or file the applications and petitions, with the relevant Government Authorities and pursue the relevant matters with such relevant Government Authorities in a manner such that APSEZ is no more a party to the Divestment Litigations and is replaced by AGPPL for all purposes.

6. DIVESTMENT EMPLOYEES

6.1. Without prejudice to the generality of Clause 1 of Part IV (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, the Divestment Employees shall be deemed to have become the employees of AGPPL in the following manner:

6.1.1. The Divestment Employees as on the Effective Date shall become employees of AGPPL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking and in accordance with the Applicable Laws and the terms of their employment and in accordance with Section 25FF of the Industrial Disputes Act, 1947. Services of the Divestment Employees shall be taken into account from the date of their respective appointment with APSEZ for the purposes of all retirement benefits and all other entitlement for which they may be eligible. AGPPL further agrees that for the purpose of payment of any other form of separation compensation, if any, such past services with APSEZ shall also be taken into account.

6.1.2. The services of the Divestment Employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointment with APSEZ.

6.1.3. AGPPL shall make all the necessary contributions for such Divestment Employees, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. AGPPL will also file relevant intimations in respect of the Divestment Business Undertaking with the statutory authorities concerned who shall take the same on record and substitute the name of AGPPL for APSEZ.

- 6.1.4. Effective from the Appointed Date 2, in so far as the accumulated balances, if any, standing to the credit of the Divestment Employees in the existing provident fund, gratuity fund or superannuation fund of which they are members shall be transferred to such provident fund, gratuity fund or superannuation fund as is nominated by AGPPL and/or such new provident fund, gratuity fund and superannuation fund which shall be established and caused to be recognized by the appropriate Governmental Authority, by AGPPL or to the government provident fund. Such transfer shall be made within such time as is mutually agreed between APSEZ and AGPPL in writing and as per Applicable Law. Both APSEZ and AGPPL hereby further agree that the amount to be transferred in respect of the gratuity liability, shall be determined based on terms mutually agreed to between them in writing.
- 6.1.5. Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, in relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Divestment Employees, AGPPL, subject to Applicable Law, shall stand substituted for APSEZ, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Divestment Employees.
- 6.1.6. In so far as the existing benefits or funds created by APSEZ for the employees of the Other Business are concerned, the same shall continue and APSEZ shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and AGPPL shall have no liability in respect thereof.

7. TAXATION

- 7.1. Upon effectiveness of Part IV of the Scheme, all Taxes paid or payable under the IT Act (TDS, TCS, foreign tax credit, income tax, minimum alternate tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), equalisation levy, Wealth Tax Act, 1957, Chapter VIII of Finance Act, 2016, Customs Act, 1962, Central Excise Act, 1944, Gujarat Value Added Tax Act, 2002, Andhra Pradesh Value Added Tax Act, 2005, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Chapter V of Finance Act, 1994, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Gujarat Value Added Tax Act, 2002, Andhra Pradesh Value Added Tax Act, 2005 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, stamp laws or other Applicable Laws/regulations, as amended from time to time (hereinafter in this Clause referred to as "Tax Laws") by APSEZ in respect of the activities or operations and/or the profits of the Divestment Business Undertaking on and from the Appointed Date 2, shall be on account of AGPPL.
- 7.2. Any liabilities on account of income-tax in relation to APSEZ in relation to the Divestment Business Undertaking and pertaining to the period prior to the Appointed Date 2, including all or any liability/ refunds/credits/claims pertaining to the period before the Appointed Date 2 shall be treated as liability/ refunds/credits/claims of APSEZ.
- 7.3. Further, any tax holiday/deduction/exemption/entitled to/enjoyed/availed by APSEZ with respect to Divestment Business Undertaking under the provisions of IT Act shall stand transferred to and vested in or deemed to be transferred to and vested in AGPPL and be entitled to/enjoyed/availed/ utilized by AGPPL on and from the Appointed Date 2 in the same manner as would have been entitled to/enjoyed/availed/ utilized by AGPPL before implementation of this Scheme.
- 7.4. Without prejudice to the generality of the above, all benefits including under the IT Act, sales tax, excise duty, customs duty, service tax, GST (state and central), Compensation Cess, VAT, etc., to which Divestment Business Undertaking of APSEZ are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in AGPPL.
- 7.5. Any Taxes (direct or indirect) paid by GPL/APSEZ post Appointed Date 2 in respect of the Divestment Business Undertaking/profits of the Divestment Business Undertaking shall be deemed to be paid on behalf of AGPPL.
- 7.6. Upon the Scheme coming into effect and with effect from the Appointed Date 2, AGPPL shall be permitted to revise its income-tax returns, tax deducted at source returns and tax collected at source returns and other direct and indirect tax returns and claim refunds/credits pertaining to the Divestment Business Undertaking pursuant to the provisions of the Scheme and in accordance with Applicable Laws.

8. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR AGPPL

With effect from the Appointed Date 2 and up to and including the Effective Date:

- 8.1. APSEZ shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Divestment Business Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Divestment Business Undertaking for and on account of, and in trust for, AGPPL;
- 8.2. all profits and income accruing or arising to APSEZ from the Divestment Business Undertaking and any cost, charges, losses and expenditure arising or incurred by it (including Taxes, if any, accruing or paid in relation to any profits or income) relating to the Divestment Business Undertaking shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of AGPPL;
- 8.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Divestment Business Undertaking exercised by APSEZ shall be deemed to have been exercised by APSEZ for and on behalf of, and in trust for and as an agent of AGPPL. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Divestment Business Undertaking that have been undertaken or discharged by APSEZ shall be deemed to have been undertaken for and on behalf of and as an agent for AGPPL;
- 8.4. APSEZ undertakes that it will preserve and carry on the business of the Divestment Business Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Divestment Business Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees or undertake substantial expansion or change the general character or nature of the business of the Divestment Business Undertaking or any part thereof save and except in each case:
 - (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of AGPPL has been obtained.

9. CONSIDERATION BY AGPPL

- 9.1. Upon the coming into effect of Part IV of this Scheme and in consideration of the transfer and vesting of the Divestment Business Undertaking of APSEZ in AGPPL by way of Slump Sale basis, as a going concern, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act, AGPPL shall pay a lump sum consideration of Rs. 5,826.887 Crores (Rupees five thousand eight hundred twenty six crores and eighty eight lacs seventy thousand only) to APSEZ within 30 days of receipt of the order of NCLT sanctioning the Scheme and in the manner provided in Clause 9.2.
- 9.2. The consideration for the transfer of the Divestment Business Undertaking, as mentioned in Clause 9.1 above, shall be payable by AGPPL to APSEZ, in one or more tranches, with or without interest, as may be mutually agreed between AGPPL and APSEZ. Further, AGPPL and APSEZ may agree that for the whole or part of the consideration, AGPPL may issue to APSEZ one or more securities on such terms and conditions to be mutually agreed between them.

10. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, APSEZ shall account for the Divestment Business Undertaking in its books as per the applicable accounting principles prescribed under the applicable Indian Accounting Standards ("**Ind AS**"), *inter alia*, including but not limited to the following:

- 10.1. APSEZ shall account for the transfer and vesting of the Divestment Business Undertaking by de-recognizing the carrying values of the assets and liabilities of the Divestment Business Undertaking, which will cease to be the assets and liabilities of APSEZ, in accordance with applicable accounting standards and recognize the equivalent consideration as defined in Clause 9 of Part IV above.

11. ACCOUNTING TREATMENT IN THE BOOKS OF AGPPL

- 11.1. Since the transaction involves entities which are under common control before and after Slump Sale, AGPPL shall account for the transfer and vesting of Divestment Business Undertaking (which qualifies as 'Business' as per the definition mentioned in Ind AS 103) as per the 'Pooling of interest method' in its books of accounts in accordance with Appendix C 'Business combinations of entities under common control' of the Ind AS 103 'Business Combinations' prescribed under Section 133 of the Act as enumerated below:
- (a) All identifiable assets and the liabilities acquired, including reserves, related to the Divestment Business Undertaking, shall be recorded at their respective carrying values as appearing in the books of accounts of APSEZ as on Appointed Date 2;
 - (b) The identity of the reserves transferred by APSEZ relating to the Divestment Business Undertaking, as mentioned in (a) above, shall be preserved and shall appear in the books of accounts of AGPPL in the same manner and form, in which they appeared in the books of accounts of the APSEZ;
 - (c) The balance, if any, between the consideration provided under Clause 9 of Part IV above and aggregate effect of clause (a) and (b) above shall be adjusted to the capital reserve.

12. CONCLUDED TRANSACTIONS AND VALIDITY OF EXISTING RESOLUTIONS

- 12.1. Nothing in the Scheme shall affect any transaction or proceeding already concluded by APSEZ in respect of the Divestment Business Undertaking, to the end and intent that AGPPL shall accept and adopt all acts, deeds and things done and executed by APSEZ in regard to the Divestment Business Undertaking as if it is done and executed by AGPPL itself.
- 12.2. Upon the coming into effect of the Scheme, the resolutions, if any, of APSEZ relating to the Divestment Business Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of AGPPL, unless revoked by AGPPL subsequent to the Effective Date.

13. OTHER BUSINESS

- 13.1. The Other Business and all the assets, rights, title, interest, properties, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by APSEZ.
- 13.2. All legal, taxation or other proceedings (whether civil or criminal including before any Governmental Authority) by or against APSEZ under any Applicable Laws whether pending on the Appointed Date 2 or which may be instituted at any time thereafter, and in each case relating to the liability, obligation or duties of APSEZ in respect of the Other Business shall be continued and enforced, after the Effective Date, by or against APSEZ only.
- 13.3. Up to and including and beyond the Effective Date:
- (a) APSEZ shall carry on and shall be deemed to have been carrying on all business and activities relating to the Other Business for and on its own behalf;
 - (b) all profits accruing to APSEZ or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Other Business shall, for all purposes, be treated as the profits or losses, as the case may be, of APSEZ; and
 - (c) all assets and properties acquired by APSEZ in relation to the Other Business shall belong to and continue to remain vested with APSEZ.

PART V

GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II, III and Part IV of the Scheme

1. SEQUENCE OF EVENTS

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order set out below:

- 1.1. filing of certified copies of the order(s) of the NCLT with the RoC by each of GPL and APSEZ pursuant to which amalgamation of GPL into and with APSEZ in accordance with Part II of this Scheme shall become effective;

- 1.2. reclassification/reorganisation of the share capital of GPL and transfer of the authorised share capital of GPL to APSEZ and consequential increase in the authorised share capital of APSEZ in accordance with Part III of this Scheme;
- 1.3. issue and allotment of APSEZ Shares to the Eligible Member in accordance with Part II of this Scheme;
- 1.4. dissolution of GPL without winding up;
- 1.5. filing of certified copies of the order(s) of the NCLT with the RoC by each of APSEZ and AGPPL pursuant to which transfer and vesting of the Divestment Business Undertaking of APSEZ in AGPPL by way of Slump Sale on a going concern basis in accordance with Part IV of this Scheme shall become effective; and
- 1.6. payment of lump sum consideration by AGPPL to APSEZ in accordance with Part IV of this Scheme.

2. INTERPRETATION

- 2.1. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of Applicable Law at a later date, whether as a result of any amendment of Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the Applicable Law shall prevail. Subject to obtaining the sanction of the NCLT, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the NCLT if necessary, vest with the Board of the respective Companies, which power shall be exercised reasonably in the best interests of the Companies and their respective shareholders.

3. APPLICATION TO NCLT

- 3.1. The Companies shall, with all reasonable dispatch, make all necessary applications and petitions to the NCLT for sanctioning this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and obtaining such other approvals, as required under Applicable Law.
- 3.2. The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals, which the respective Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the relevant Companies.

4. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 4.1. Subject to Clause 4.4 of Part V below, the Companies may mutually, by their respective Board or such other person or persons, as the respective Board, may authorize, may make and/or consent to (i) any modifications/amendments to the Scheme (including but not limited to the terms and conditions thereof); or (ii) to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose; or (iii) modification/ amendment which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or creditors of any of the Companies shall be necessary for giving effect to the provisions of this Clause.
- 4.2. The Companies, by their respective Board or such other person or persons, as the respective Board may authorize (including any committee or sub-committee thereof), shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 4.3. For the purpose of giving effect to this Scheme or to any modifications or amendments or additions thereto, the respective Board of the Companies may jointly give and are hereby jointly authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all the Companies, in the same manner as if the same were specifically incorporated in this Scheme.
- 4.4. Notwithstanding anything stated in Clauses 4.1, 4.2, and 4.3 of Part V hereinabove, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same are approved by the NCLT before which the Companies have filed the petition for sanctioning the Scheme.

5. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

5.1. The Scheme is conditional upon and subject to:

- 5.1.1. the Stock Exchanges having issued their observation/no-objection letters as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;
- 5.1.2. this Scheme being approved by the requisite majorities of the various classes of members and/or creditors (where applicable) of the respective Companies, in accordance with the Act and the SEBI Scheme Circular or dispensation having received from the NCLT in relation to obtaining such approval from the members and/or creditors or any Applicable Law permitting the respective Companies not to convene the meetings of its members and/or its creditors;
- 5.1.3. sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT;
- 5.1.4. the certified copies of the orders of the NCLT approving this Scheme having been filed with the RoC;
- 5.1.5. approval from GoAP under the Concession Agreement or any other agreements as may be required, for carrying out the transactions as contemplated in this Scheme; and
- 5.1.6. the receipt or waiver (where permissible) of any approvals of the Governmental Authority as may be required under Applicable Law.

6. EFFECT OF NON-RECEIPT OF SANCTIONS

- 6.1. In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the respective Board of the Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and the Companies shall bear and pay their respective costs, charges and expenses in connection with this Scheme.
- 6.2. The Board of the respective Companies shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Companies.

7. SEVERABILITY

- 7.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement between the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

8. SHAREHOLDERS' APPROVAL

- 8.1. It is hereby clarified that if pursuant to this Scheme any action is to be taken by any of the Companies which requires the consent or approval of shareholders, then for such purposes, the consent or approval of the shareholders to the Scheme shall be deemed to be sufficient, and no further resolution of the shareholders would be required to be separately passed.

9. COSTS

- 9.1. GPL and APSEZ agree that they shall bear by themselves all costs, charges, levies and expenses in relation to or in connection with or incidental to Part II and Part III of the Scheme until the date of sanction of this Scheme by the NCLT, including without limitation costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with the valuation report and the fairness opinion;
- 9.2. Save as otherwise agreed, all stamp, transfer, registration, and other similar taxes, duties, charges and fees (including in relation to the registration and the stamping of the sanction orders of NCLT) payable or assessed in connection with Part II and Part III of the Scheme, the issuance of APSEZ Shares and the transfers contemplated by the Scheme shall be borne by APSEZ; and
- 9.3. All legal, accounting, professional and advisory fees and all costs, charges, transfer premiums, stamp duty in relation to or in connection with or incidental to Part IV of the Scheme or the implementation thereof shall be borne and paid by APSEZ.



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BDO Valuation Advisory LLP
The Ruby, Level 9, North West Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, India

Ref. No.: LM/Sep22-60/2021

September 22, 2021

To,

The Board of Directors
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421

The Board of Directors
Gangavaram Port Limited
Hansa Plaza,
Plot No.798, Road No.36, Jubilee Hills
Hyderabad - 500 033

Dear Sir(s)/ Madam(s),

Sub: Fair Equity Share Swap Ratio in relation to the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated May 24, 2021 to recommend the fair equity share swap ratio for amalgamation of Gangavaram Port Limited ('GPL') with Adani Ports and Special Economic Zone Limited ('APSEZ') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

We are pleased to present herewith our report on the same.

The cut-off date for the present valuation exercise has been considered as at August 31, 2021 and the market factors have been considered till September 21, 2021. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

We believe that our analysis must be considered as a whole. Selected portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

Regards,

For BDO Valuation Advisory LLP
IBBI No.: IBBI/RV-E/02/2019/103

LATA R
GUJAR MORE

Digitally signed by
LATA R GUJAR MORE
Date: 2021.09.22
20:12:11 +05'30'

Lata R Gujar More

IBBI No.: IBBI/RV/06/2018/10488

Partner

BDO Valuation Advisory LLP, an Indian limited liability partnership firm, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the International BDO network of independent member firms.

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1. Brief Background of the Companies

Adani Ports and Special Economic Zone Limited ('APSEZ')

- 1.1. APSEZ (CIN: L63090GJ1998PLC034182) is a company incorporated under the provisions of the Companies Act, 1956. APSEZ is engaged in the development, operation and maintenance of the ports and port-based infrastructure facilities including multi-product special economic zone, land infrastructure development, logistics services, dredging and reclamation services, etc.
- 1.2. APSEZ offers services such as dry bulk cargo, break bulk cargo, container cargo, liquid cargo and marine services. APSEZ caters to the fertilizers, agriculture, minerals, and coal industry.
- 1.3. The equity shares of APSEZ are listed on National Stock Exchange (NSE) & Bombay Stock Exchange (BSE).
- 1.4. The issued and paid up share capital of APSEZ as on date of report is INR 4,083.5 Mn divided into 2,04,17,51,761 equity shares of INR 2/- each.
- 1.5. The summarized shareholding pattern of APSEZ as on June 30, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	1,30,24,60,635	63.79%
II. Public	73,92,91,126	36.21%
Total	2,04,17,51,761	100.0%

Source: www.bseindia.com

Gangavaram Port Limited ('GPL')

- 1.6. GPL is engaged in the business of management of Gangavaram Port, located in Vishakhapatnam, Andhra Pradesh.
- 1.7. Gangavaram Port is the second-largest non-major port in Andhra Pradesh with a 64 MMT capacity established under a concession from the State Government that extends till 2059. It is an all-weather, deep water, multipurpose port capable of handling fully laden super cape size vessels of up to 200,000 DWT. Currently, GPL operates nine berths, has freehold land of 1,800 acres and a master plan capacity for 250 MMTPA with 31 berths.
- 1.8. The issued and paid-up share capital of GPL as on September 15, 2021 is INR 5,170.0 Mn divided into 51,70,00,000 equity shares of INR 10/- each.

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1.9. The summarized shareholding pattern of GPL as on September 15, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Dandu Corporate Services Pvt Ltd	16,71,21,650	32.33%
II. APSEZ	16,28,55,000	31.50%
III. Government of Andhra Pradesh	5,37,31,700	10.39%
IV. Newwave Infrastructure Projects LLP	4,95,63,500	9.59%
V. D. Rajgopala Raju	7,50,00,100	14.51%
VI. D.V.S. Raju	25,55,250	0.49%
VII. Others	61,72,800	1.19%
Total	51,70,00,000	100.0%

2. Purpose of Valuation

2.1. We understand that following is the proposed scheme of arrangement:

- Amalgamation of GPL into APSEZ on a going concern basis.
- Under Proposed Scheme, as consideration for the amalgamation of GPL to APSEZ, the equity shareholders of GPL will be issued equity shares of APSEZ.
- transfer of GPL as a going concern on a Slump Sale basis, by APSEZ to Adani Gangavaram Port Private Limited ("AGPPL") for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the IT Act.

Companies under the Proposed Scheme and their respective shareholders will comply with the provisions of section 230 to 232 and other relevant provisions of the Companies Act, 2013, along with the applicable provisions of Securities and Exchange Board of India ('SEBI') - if any.

2.2. In this regard, we have been appointed to undertake the valuation to recommend the fair equity share swap ratio for the Proposed amalgamation of GPL into APSEZ.

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3. Terms of Engagement

Context and Purpose

- 3.1. BDO Val has been appointed to determine the fair equity share swap ratio for the Proposed Scheme of Amalgamation as mentioned in para 2 of this Report. This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.

Restricted Audience

- 3.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Client only for submitting to the statutory authorities for compliance under section sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable provisions and circular issued by Securities and Exchange Board of India ('SEBI') applicable to the Proposed Scheme. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Board of Directors of Companies and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Scheme of Amalgamation. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of the Companies or their holding companies, subsidiaries, associates, joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to BDO Val.
- 3.4. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 3.5. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities including stock exchanges, SEBI, Regional Director, Registrar of Companies, National Company Law Tribunal, professional advisors of the Client including merchant banker providing fairness opinion on the fair equity share swap ratio, in connection with the Proposed Scheme ('Permitted Recipients'). We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to the Client that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, in connection with the Proposed Scheme, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Client.

4. Caveats, Limitations and Disclaimers

- 4.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2. This Report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Report date and (iii) based on the data detailed in the section - Sources of Information. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur upto the Report date.
- 4.3. We were provided with relevant information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 4.5. Further, this valuation Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 4.6. We have no present or planned future interest in the Companies or any of their group entities.
- 4.7. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 4.8. This Report is subject to the laws of India.
- 4.9. The fee for this engagement is not contingent upon the outcome of the Report.
- 4.10. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

- 4.11. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.12. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.13. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 4.14. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 4.15. We have arrived at a relative value based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 4.16. Our scope is limited to recommendation of fair equity share swap ratio. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Scheme of Amalgamation with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Scheme of Amalgamation.
- 4.17. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Companies will be managed in competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 4.18. This Report does not look into the business/commercial reasons behind the Proposed Scheme of Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Scheme of Amalgamation as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits in the Companies is sole responsibility of the investors of the Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.

- 4.19. Valuation and determination of a fair equity share swap 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 value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 4.20. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 4.21. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.
- 4.22. We owe responsibility to only the Board of Directors of the Client and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. 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 the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client as laid out in the engagement letter, for such valuation work.
- 4.23. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This 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.
- 4.24. This Report does not in any manner address the prices at which equity shares of APSEZ will trade following the announcement and/or implementation of the Proposed Scheme and we express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Scheme.
- 4.25. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) 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).

- 4.26. Client has informed us that JM Financial Limited, and Barclays Bank PLC has been appointed to provide fairness opinion on the recommended Fair Equity Share Swap Ratio for the purpose of aforementioned Proposed Scheme of Amalgamation. Further at the request of the Companies, we have had discussions with the Fairness Opinion provider on the valuation approach adopted and assumptions made by us.
- 4.27. Further, after declaration of COVID-19 as a pandemic by World Health Organization had caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by this unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of COVID-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

5. Sources of Information

- 5.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management representatives of the Companies:
- Audited financial statements of GPL for FY 18, FY 19, FY 20 and FY21;
 - Provisional Profit and Loss account statement of GPL for 5 months period ended August 31, 2021;
 - Provisional Balance Sheet of GPL as at August 31, 2021;
 - Concession Agreement between Government of Andhra Pradesh and Gangavaram Port Limited dated August 7, 2003;
 - Income tax return for FY 19-20 and provisional Income tax computation for FY 20-21;
 - Due Diligence report for March 21;
 - Business Overview Presentation including APSEZ and GPL;
 - Detailed Seller Model with assumptions;
 - Relevant data and information provided to us by the management and representatives of APSEZ either in written or oral form or in form of soft copy and information available in public domain.
 - Draft Composite Scheme of Arrangement; and
 - Management Representation Letter addressed to BDO VAL.

6. Procedures Adopted

6.1. In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Discussions (over call/emails/conferences) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per internationally accepted valuation methodologies;
- Determined the fair equity share swap ratio based on the selected methodology.

For the purpose of arriving at the valuation of the Companies/businesses we have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

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

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7. Valuation Approaches

- 7.1. It is pertinent to note 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, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 7.2. 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 transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 7.3. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards ("IVS") for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council ('IVSC') in carrying out the valuation exercise.
- 7.4. The Report Date is the valuation date ('**Valuation Date**'). For valuation exercise, market parameters have been considered up to and including September 21, 2021.
- 7.5. There are three generally accepted approaches to valuation:
- (a) "Cost" Approach
 - (b) "Income" Approach
 - (c) "Market" Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

Cost Approach

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

This valuation approach is mainly used in case where the assets base dominates earnings capability. Since the true worth of the companies shall be reflected in its future earning potential therefore, we are unable to apply summation method.

Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow Method

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.

Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.

The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

GPL is an owns an operating port with a signed concession agreement with Government of Andhra Pradesh, wherein the future earning capability of the assets is important. Therefore, we have considered DCF Method under Income Approach for valuation of GPL.

Since APSEZ is listed on Stock Exchanges and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and not made available to us, DCF Method under the Income Approach has not been considered for valuation of APSEZ.

Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

i. Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The market value reflects the investors' perception about the true worth of the company.

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. 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.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based

on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Under Market Approach, we have considered Market Price Method for valuation of APSEZ. Further, in absence of availability of comparable companies exactly comparable to business of GPL and non-availability of comparable transactions for similar business, we have not considered CCM / CTM method for valuation.

8. Conclusion on Valuation Approach

- 8.1. In order to consider reasonable methods for the valuation exercise, we have referred to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time ('ICDR Regulations') and the specific information/explanations available of GPL and APSEZ. We have considered the following respective methods for the valuation:

APSEZ: Market Price Method under the Market Approach have been considered for valuation of APSEZ as the Company is listed on Indian stock exchange. We considered ICDR Regulations which provide guidelines to estimate the market price.

In a going concern scenario, the earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, than the values arrived at on the net asset basis being of limited relevance. Therefore, we have not considered Cost approach for valuation since the cost approach does not reflect the intrinsic value of the business in a "going concern scenario".

Further, Discounted Cash Flow Method under the Income Approach has not been considered as APSEZ is a listed entity and the management has not provided us the information related to future profit and loss account, balance sheet and cash flows being price sensitive.

GPL: Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of GPL in absence of exact comparable companies to business of company and non-availability of comparable transactions for similar business. We have not considered market price method as the shares of the Company are not listed on recognized stock exchange.

We have considered the Discounted Cash Flow Method under Income Approach to value the GPL as the true worth of the GPL's business would be reflected in its future earnings potential.

9. Basis of Fair Equity Share Swap Ratio

- 9.1. The basis of the fair equity share swap ratio for the Proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove including various qualitative factors relevant to the company / undertaking and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations
- 9.2. The equity shares of APSEZ are traded on BSE and NSE. In the present case, the share price of the Company on the NSE has been considered, as the trading volumes are higher at NSE as compared to BSE as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 guidelines, as applicable, on a recognized stock exchange during the twelve calendar months preceding the relevant date.
- 9.3. Attention may also be drawn to Regulation 158 of ICDR Regulations which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall confirm with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further it may be noted that Regulation 164 specifies the minimum price for issue of shares on a preferential basis.
- 9.4. Based on our analysis of public domain information about the Companies, we have observed that information related to proposed transaction between the Companies is available in public domain from May 04, 2021 and share price of APSEZ may have affected due to influence of this information. However, the size of the proposed acquisition is comparatively smaller than business size of APSEZ, we have calculated market price considering May 04, 2021 as relevant date to check the impact of such news on the market price. Therefore, we have considered May 04, 2021 and September 21, 2021 as relevant dates as per ICDR Regulations for comparison and considered the higher between the two prices.
- 9.5. The Pricing Formula provided in Regulations 164 (1) has been considered for arriving at the value per equity share of APSEZ under the Market Price Method. The market price is considered as higher of following:
 - (a) average of the weekly high and low of the volume weighted average price during the 26 weeks preceding September 21, 2021; or
 - (b) average of weekly high and low of the volume weighted average price during the 2 weeks preceding September 21, 2021.
- 9.6. On comparison of prices of two relevant dates mentioned above, the higher price as per the pricing formula is September 21, 2021.
- 9.7. Further as discussed earlier we have used Discounted Cash Flow Method under Income Approach to arrive at valuation of GPL.

9.8. We have independently applied methods discussed above, as considered appropriate, and arrived at a fair equity share swap ratio.

10. Conclusion

10.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments 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 recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible".

10.2. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair equity share swap ratio for the amalgamation of GPL into APSEZ would be as follows (recommendation):

a) In the event of amalgamation of GPL into APSEZ:

Valuation Approach	Valuation Method	GPL		APSEZ	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Income Approach ¹	DCF Method	120.00	100%	NA	NA
Market Approach ²	MP Method	NA	NA	754.78	100%
Cost Approach ³	Summation Method	NA	NA	NA	NA
Value Per Share		120.00		754.78	
Swap Ratio (Rounded Off)		0.159			

NA= Not Adopted/Not Applicable

1. Discounted Cash Flow Method (DCF) under the Income Approach has not been considered as APSEZ is a listed entity and the management has not provided us the information related to future profit and loss account, balance sheet and cash flows being price sensitive.
2. Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of Companies in absence of exact comparable companies to business and non-availability of comparable transactions for similar business.

We have not considered market price method for GPL as the shares of GPL are not listed on recognized stock exchange.

3. Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of the Companies in a "going concern scenario", we have not considered Cost Approach for this valuation exercise.

10.3. Recommendation:

Therefore, the following is the recommended Fair Equity Share Swap Ratio:

159 equity shares of face value INR 2 each fully paid up of APSEZ for every 1,000 equity shares of face value of INR 10 each fully paid of GPL for the amalgamation of GPL into APSEZ.

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BDO Valuation Advisory LLP
The Ruby, Level 9, North West Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, India

Ref. No.: LM/Oct19-69/2021

October 19, 2021

To,

The Board of Directors
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421

The Board of Directors
Gangavaram Port Limited
Hansa Plaza,
Plot No.798, Road No.36, Jubilee Hills
Hyderabad - 500 033

Dear Sir(s)/ Madam(s),

Sub: Clarification to Valuation Report Dated September 22, 2021 ("the Valuation Report") bearing its reference number LM/Sep22-60/2021 issued to Recommend the Share Swap Ratio for the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated May 24, 2021 to recommend the fair equity share swap ratio for amalgamation of Gangavaram Port Limited ('GPL') with Adani Ports and Special Economic Zone Limited ('APSEZ') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

Further to our report, we are requested vide letter dated October 04, 2021 to clarify and provide the following:

- the valuation report based on the audited financial statements which are not older than 3 months at the time of submission to the Exchange.

In response to above, we submit hereby that:

We hereby confirm that we are the independent registered valuers and fair valuation has been carried by us in an independent capacity. We have considered audited financials as on June 30, 2021 as provided by the Client to arrive at valuation of GPL as on August 31, 2021 ("Valuation Date").

On consideration of all the relevant factors and circumstances as discussed in the Valuation Report referred above, in our opinion the Valuation Date of GPL being same as the Valuation Report, there is no change in the equity value per share for GPL based on audited financial statements as on June 30, 2021.

This clarification shall be read in conjunction to the Valuation Report. All other terms and conditions & other contents mentioned in the Valuation Report shall remain unchanged and would apply to this clarification to the Valuation Report as well.

Regards,

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103

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IBBI No.: IBBI/RV/06/2018/10488

Ref. No.: LM/Dec22-106/2021

December 22, 2021

To,

Company Secretary
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421

Company Secretary
Gangavaram Port Limited
Hansa Plaza,
Plot No.798, Road No.36, Jubilee Hills
Hyderabad - 500 033

Dear Sir,

Sub: Clarification to Valuation Report Dated September 22, 2021 ("the Valuation Report") bearing its reference number LM/Sep22-60/2021 issued to Recommend the Share Swap Ratio for the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated May 24, 2021 to recommend the fair equity share swap ratio for amalgamation of Gangavaram Port Limited ('GPL') with Adani Ports and Special Economic Zone Limited ('APSEZ') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

Further to our report, we are requested vide email dated December 20, 2021 to clarify and provide the following:

- i. it is observed that cost approach has not been used in case of fair equity share swap for amalgamation of GPL into APSEZ, provide the rationale for the same-

Please refer para 10.2 of the Valuation Report, it states, "Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of the Companies in a "going concern scenario", we have not considered Cost Approach for this valuation exercise."

- ii. It is observed that in case of valuation of APSEZ only the market approach method has been used and in case of GPL only income approach has been used. With respect to above, the company is advised to explain as to how equating the income approach with market approach is in the interest of shareholders including minority shareholders of APSEZ-

Refer to SEBI Master Circular number, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, Section Preliminary para 5 states that,

“The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (hereinafter referred to as “the ICDR Regulations”). It is clarified that the ‘relevant date’ for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved”

Accordingly, APSEZ market price has been considered for arriving at Swap Ratio.

- iii. It is advised to disclose the assumption considered while using DCF method for determining value per share of GPL-

Particulars	Major Assumptions
Explicit Period (Concession period)	September 01, 2021 till March 31, 2059
WACC	13.75%
Terminal Value	Nil

This clarification shall be read in conjunction to the Valuation Report. All other terms and conditions & other contents mentioned in the Valuation Report shall remain unchanged and would apply to this clarification to the Valuation Report as well.

Regards,

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103

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IBBI No.: IBBI/RV/06/2018/10488

Ref. No.: LM/Jan4-111/2022

January 4, 2022

To,

Company Secretary
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421

Company Secretary
Gangavaram Port Limited
Hansa Plaza,
Plot No.798, Road No.36, Jubilee Hills
Hyderabad - 500 033

Dear Sir,

Sub: Clarification to Valuation Report Dated September 22, 2021 ("the Valuation Report") bearing its reference number LM/Sep22-60/2021 issued to Recommend the Share Swap Ratio for the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated May 24, 2021 to recommend the fair equity share swap ratio for amalgamation of Gangavaram Port Limited ('GPL') with Adani Ports and Special Economic Zone Limited ('APSEZ') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

Further to our report, we are requested vide email dated January 04, 2022 to clarify and provide the following:

- i. future cash flows/ expected revenue used in the DCF method for determining value per share of GPL-

Refer Annexure 2 of the report dated September 22, 2021, following are the future cash flows considered for valuation of GPL:

Year Ending (INR Mn)	FY22*	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Net Sales	7,243.2	13,399.5	14,320.0	15,777.6	17,970.5	19,132.7	20,373.2	21,697.4	23,110.9	24,242.8	25,827.2
Growth Rate	-31.4%	85.0%	6.9%	10.2%	13.9%	6.5%	6.5%	6.5%	6.5%	4.9%	6.5%
PBT	3,361.4	6,866.2	6,465.5	8,117.0	9,656.3	9,495.5	10,123.8	10,793.9	11,506.4	10,753.0	11,797.8
PBT Margins	46.4%	51.2%	45.2%	51.4%	53.7%	49.6%	49.7%	49.7%	49.8%	44.4%	45.7%
Add: Depreciation	917.0	1,479.1	2,249.5	1,419.0	1,181.8	1,694.8	1,694.8	1,694.8	1,694.8	2,591.6	2,309.6
Less : Outflows											
Capital Expenditure	-	(2,106.3)	(2,106.3)	-	(4,230.9)	(4,230.9)	-	-	(5,939.5)	(5,939.5)	-
Incremental Working Capital	43.2	(33.8)	(54.7)	(59.9)	(90.1)	(81.6)	(51.0)	(54.4)	(58.1)	(94.0)	(65.1)
Taxation	(1,107.5)	(1,199.7)	(1,129.7)	(1,418.2)	(1,687.2)	(1,659.0)	(1,768.8)	(3,046.4)	(2,977.9)	(2,769.5)	(2,942.1)
Free Cash Flows (FCF)	3,214.1	5,005.5	5,424.4	8,057.9	4,829.9	5,218.7	9,998.8	9,387.9	4,225.7	4,541.6	11,100.3
Present Value Factor	0.96	0.87	0.76	0.67	0.59	0.52	0.46	0.40	0.35	0.31	0.27
Present Value of Cash Flows	3,095.5	4,353.5	4,147.6	5,416.5	2,854.2	2,711.2	4,566.7	3,769.4	1,491.6	1,409.4	3,028.3

*for the period September 01, 2021 till March 31, 2022

Year Ending (INR Mn)	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42
Net Sales	27,106.6	28,883.4	30,330.3	32,324.0	33,798.3	35,234.0	36,668.1	38,164.8	39,741.5	41,403.0
Growth Rate	5.0%	6.6%	5.0%	6.6%	4.6%	4.2%	4.1%	4.1%	4.1%	4.2%
PBT	12,385.3	13,508.2	12,766.8	13,627.3	14,028.0	14,798.4	15,479.3	13,727.8	13,930.9	14,623.1
PBT Margins	45.7%	46.8%	42.1%	42.2%	41.5%	42.0%	42.2%	36.0%	35.1%	35.3%
Add: Depreciation	2,187.5	1,883.2	2,809.8	2,809.8	2,809.8	2,382.8	1,962.1	2,956.7	2,956.7	2,457.1
Less : Outflows										
Capital Expenditure	-	(6,948.4)	(6,948.4)	-	-	-	(5,635.8)	(5,635.8)	-	-
Incremental Working Capital	(52.6)	(73.0)	(115.0)	(81.9)	(60.6)	(59.0)	(58.9)	(106.6)	(64.8)	(68.3)
Taxation	(3,138.5)	(3,413.1)	(3,181.4)	(3,381.9)	(3,581.2)	(3,752.8)	(3,892.1)	(3,491.5)	(3,543.3)	(3,683.5)
Free Cash Flows (FCF)	11,381.7	4,957.0	5,331.9	12,973.3	13,196.0	13,369.3	7,854.5	7,450.5	13,279.5	13,328.4
Present Value Factor	0.24	0.21	0.19	0.16	0.14	0.13	0.11	0.10	0.09	0.08
Present Value of Cash Flows	2,729.7	1,045.2	988.3	2,114.1	1,890.5	1,683.8	869.7	725.2	1,136.4	1,002.7

Year Ending (INR Mn)	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51	FY52
Net Sales	43,154.7	45,002.0	46,950.9	49,007.6	51,179.0	53,472.1	55,894.5	58,454.4	61,160.4	64,021.7
Growth Rate	4.2%	4.3%	4.3%	4.4%	4.4%	4.5%	4.5%	4.6%	4.6%	4.7%
PBT	15,288.4	14,062.3	14,477.6	14,170.4	12,375.0	12,782.8	12,748.3	10,376.3	7,330.5	7,696.0
PBT Margins	35.4%	31.2%	30.8%	28.9%	24.2%	23.9%	22.8%	17.8%	12.0%	12.0%
Add: Depreciation	1,964.9	3,128.5	2,824.0	3,216.5	4,774.6	4,375.4	4,375.4	4,375.4	6,963.8	6,493.7
Less : Outflows										
Capital Expenditure	(6,593.1)	(6,593.1)	(1,500.0)	(12,624.5)	(11,124.5)	-	-	(17,352.2)	(17,352.2)	(2,000.0)
Incremental Working Capital	(72.0)	(128.7)	(80.1)	(96.5)	(178.2)	(94.2)	(99.6)	(105.2)	(250.0)	(117.6)
Taxation	(3,806.5)	(3,539.1)	(3,562.6)	(3,602.0)	(3,075.0)	(3,061.4)	(3,218.6)	(2,765.0)	(1,930.3)	(1,842.5)
Free Cash Flows (FCF)	6,781.7	6,930.0	12,158.9	1,063.8	2,771.8	14,002.7	13,805.6	(5,470.6)	(5,238.2)	10,229.6
Present Value Factor	0.07	0.06	0.05	0.04	0.04	0.03	0.03	0.03	0.02	0.02
Present Value of Cash Flows	448.5	402.9	621.5	47.8	109.5	486.3	421.5	(146.8)	(123.6)	212.2

Year Ending (INR Mn)	FY53	FY54	FY55	FY56	FY57	FY58	FY59	FY60
Net Sales	67,048.2	70,250.2	73,638.9	77,226.1	81,024.6	85,047.8	89,310.0	
<i>Growth Rate</i>	4.7%	4.8%	4.8%	4.9%	4.9%	5.0%	5.0%	
PBT	7,210.1	4,132.6	4,591.2	3,516.1	3,017.1	3,643.9	4,204.9	
<i>PBT Margins</i>	10.8%	5.9%	6.2%	4.6%	3.7%	4.3%	4.7%	
<i>Add: Depreciation</i>	6,819.6	9,265.9	8,477.9	9,144.9	9,144.9	7,897.2	6,605.4	
Less : Outflows								
Capital Expenditure	(21,518.8)	(19,518.8)	(2,500.0)	(2,500.0)	-	-	-	33,084.3
Incremental Working Capital	(140.4)	(287.7)	(139.3)	(167.4)	(156.1)	(165.3)	(175.2)	4,447.0
Taxation	(1,916.3)	(984.4)	(901.8)	(973.0)	(1,093.9)	(1,198.1)	(1,239.1)	
Free Cash Flows (FCF)	(9,545.9)	(7,392.5)	9,528.0	9,020.6	10,912.0	10,177.6	9,396.0	37,531.2
Present Value Factor	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Present Value of Cash Flows	(174.1)	(118.5)	134.3	111.8	118.9	97.5	79.1	277.8
Enterprise Value (EV)	54,035.87							
Other Adjustments	8,003.0							
Equity Value	62,038.87							
Nos. of Equity shares (in Mn)	517.0							
Value per equity share (INR)	120.00							

This clarification shall be read in conjunction to the Valuation Report. All other terms and conditions & other contents mentioned in the Valuation Report shall remain unchanged and would apply to this clarification to the Valuation Report as well.

Regards,

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103

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IBBI No.: IBBI/RV/06/2018/10488



STRICTLY CONFIDENTIAL

September 22, 2021

The Board of Directors,
Adani Ports and SEZ Limited,
 Adani Corporate House,
 Shantigram, Near Vaishnav Devi Circle,
 S. G. Highway, Khodiyar,
 Ahmedabad, Gujarat, 382421

Ladies / Gentlemen:

We refer to the engagement letter dated June 28, 2021 (“**Engagement Letter**”) whereby Adani Ports and SEZ Limited (“**Transferee Company**” or “**APSEZ**” or “**Company**”) has engaged JM Financial Limited (“**JM Financial**”), *inter alia*, to provide a fairness opinion to APSEZ on the Share Exchange Ratio (defined herein) recommended by the BDO Valuation Advisory LLP (“**BDO Valuation Advisory LLP**” or “**BDO**” or “**Valuer**”) through report dated September 22, 2021 (“**Share Exchange Ratio Report**”) for the proposed amalgamation of **Gangavaram Port Limited** (“**GPL**” or “**Transferor Company**”) with APSEZ (“**Proposed Amalgamation**”) as a part of a Composite Scheme of Amalgamation (as defined below) under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder.

Background

Adani Ports and Special Economic Zone Limited (‘APSEZ’):

APSEZ, is a company incorporated under the provisions of the Companies Act, 1956 and is listed on the National Stock Exchange of India Limited (“**NSE**”) & the BSE Limited (“**BSE**”). APSEZ is India’s largest commercial port operator with presence in various parts of India. The Company is promoted by the Adani Group, which has interests across resources (coal mining and trading), logistics (ports, logistics, shipping and rail), energy (renewable, thermal power generation and transmission), agro commodities and ancillary industries.

The issued and paid up share capital of APSEZ as on date of report is Rs. 4,083.50 Mn divided into 204,17,51,761 equity shares of face value of Rs. 2 each.

JM Financial Limited

Corporate Identity Number: L67120MH1986PLC038784

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

T: +91 22 6630 3030 **F:** +91 22 6630 3344 www.jmfl.com

Gangavaram Port Limited ('GPL'):

GPL (CIN: U63032TG2001PLC037861), was incorporated on September 27, 2001 as Visual Infrastructure Projects Limited, a public limited company under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Companies Act, 2013. Its name was changed to Gangavaram Port Limited on March 25, 2003.

GPL is engaged in the business of management of Gangavaram Port, located in Vishakhapatnam, Andhra Pradesh.

GPL is the second-largest non-major port in Andhra Pradesh with a 64 MMT capacity established under a concession from the State Government that extends till 2059. It is an allweather, deep water, multipurpose port capable of handling fully laden super cape size vessels of up to 200,000 DWT. Currently, GPL operates nine berths, has freehold land of 1,800 acres and a master plan capacity for 250 MMTPA with 31 berths.

As on September 15, 2021, APSEZ holds 31.5% of the paid-up share capital of GPL.

Brief Background of the Scheme of Amalgamation

Under the proposed composite scheme of amalgamation (the “**Composite Scheme of Amalgamation**”) *inter alia*, GPL shall be amalgamated with APSEZ, pursuant to which the shareholders of GPL shall receive equity shares of APSEZ based on the following ratio (“**Share Exchange Ratio**”):

159 equity shares of APSEZ of the face value Rs. 2/- each fully paid up will be issued for every 1,000 equity shares of GPL of the face value Rs. 10/- each fully paid up

The Company, in terms of the Engagement Letter, has requested us to examine the Share Exchange Ratio Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Exchange Ratio (“**Fairness Opinion**”) pursuant to the provisions of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 including amendments thereof wherein, a listed entity is required to submit a fairness opinion by a SEBI registered merchant banker on valuation of shares done by the Valuer to the Stock Exchanges.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Share Exchange Ratio Report issued by the Valuer;
2. Draft of the proposed Composite Scheme of Amalgamation;
3. Audited Financial statements of GPL;
4. Provisional Revenue and EBITDA numbers of GPL for 5 months period ended August 31, 2021;
5. Provisional Balance Sheet of GPL as at August 31, 2021;

6. Detailed Seller Model for GPL with projections and assumptions;
7. Concession Agreement between Government of Andhra Pradesh and Gangavaram Port Limited dated August 7, 2003;
8. Business Overview Presentation including APSEZ and GPL;
9. Certain other information/explanation from the representatives of the Company.

Scope Limitations

We have assumed and relied upon, without independent verification on an “as is” basis, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an “as is” basis, and, have not verified the accuracy and/or the completeness of the same from our end. The Fairness Opinion is provided as on the date of the report and events occurring after the date hereof may affect this Fairness Opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm the report. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of APSEZ or GPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of APSEZ or GPL, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by APSEZ or GPL on an “as is” basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of APSEZ or GPL.

We understand that the management of APSEZ and GPL, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Amalgamation. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as, providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Amalgamation.

We express no opinion whatsoever and make no recommendation at all as to APSEZ's underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of APSEZ with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the announcement of the Proposed Amalgamation or as to the financial performance of GPL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in APSEZ or any of its related parties (holding company / subsidiary / associates etc.) or GPL.

Conclusion

Based on our examination of the Share Exchange Ratio Report, such other information / undertakings / representations provided to us by APSEZ or GPL and our analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio is fair for the shareholders of APSEZ.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of APSEZ. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without JM Financial's prior written consent.

However, APSEZ may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to APSEZ promptly intimating JM Financial in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same as the same would have been shared in contravention of the provisions hereof on a "non-recourse" and "non-reliance" basis. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. In no circumstances however, will JM Financial or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,
For **JM Financial Limited**



Authorized Signatory

CONFIDENTIAL
22 September 2021

Board of Directors
Adani Ports and Special Economic Zone Ltd
Adani Corporate House
Shantigram, Near Vaishnodevi Circle, S G Highway
Ahmedabad-382421
Gujarat

Members of the Board of Directors:

We understand that Adani Ports and Special Economic Zone Ltd (the "Company") is considering the amalgamation of Gangavaram Port Limited ("GPL" or "Target Company") with the Company (the "Proposed Transaction") pursuant to a composite scheme of arrangement amongst *inter alia* the Company, Adani Gangavaram Port Private Limited, the Target Company and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (a draft of which has been shared with us) (the "Scheme"). In consideration of the amalgamation under the Proposed Transaction, the Scheme provides for the following share exchange ratio: 159 fully paid up equity shares of the Company will be allotted to every shareholder of the Target Company as on the Record Date (as the term is defined in the Scheme) for every 1,000 fully paid up equity shares of the Target Company held by such shareholder as on the Record Date (the "Share Exchange Ratio"). The summary of the Proposed Transaction set forth above is qualified in its entirety by the terms of the Scheme.

The Share Exchange Ratio is based on the valuation report dated 22 September 2021 prepared by BDO Valuation Advisory LLP (the "Valuer") being an independent professional valuer appointed by the Board of Directors of the Company for recommending a Share Exchange Ratio for the Proposed Transaction.

We have been requested by the Board of Directors of the Company to render our opinion with respect to the fairness, from a financial point of view, to the Company's Board of Directors of the Share Exchange Ratio under the Proposed Transaction as provided for in the Scheme. We have not been requested to opine as to, and our opinion does not in any manner address, the Company's underlying business decision to proceed with or effect the Proposed Transaction or the likelihood of consummation of the Proposed Transaction. In addition, we have not been requested to opine as to, and our opinion does not in any manner address, the part or parts of the Scheme that deals with Adani Gangavaram Port Private Limited, and our opinion is limited solely to the Proposed Transaction (i.e., amalgamation of the Target Company with the Company). Our opinion is limited to the fairness, from a financial point of view, to the Company of the Share Exchange Ratio provided for in the Scheme and we express no opinion as to the fairness of the Share Exchange Ratio to the holders of any class of securities, creditors or other constituencies of the Company. In addition, we express no opinion on, and our opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the Proposed Transaction, or any class of such persons, relative to the consideration paid in the Proposed Transaction or otherwise. Our opinion does not address the relative merits of the Proposed Transaction as compared to any other transaction or business strategy in which the Company might engage. This opinion is subject to the scope, limitations and disclaimers detailed herein.

In arriving at our opinion, we reviewed and analyzed: (1) the draft Scheme dated 27 August 2021, (2) the valuation report prepared by the Valuer, and discussed the valuation exercise with the Valuer on such matters that we believed were necessary and appropriate for arriving at our opinion; (3) publicly available data on economic factors and industry trends that may impact valuation; (4) publicly available information



concerning the Company that we believe to be relevant to our analysis, including, but not limited to, its Annual Report, audited financials and relevant exchange filings; (5) financial and operating information with respect to the business, operations and prospects of the Company available in their publicly available investor presentations and earnings call transcripts; (6) a trading history of the Company's common shares for the past five years, and a comparison of recent trading history of the Company's common shares with a company in the same sector that we deemed relevant; (7) annual reports of GPL for the financial years 2017-18, 2018-19, 2019-20 and 2020-21 shared by the Company; (8) provisional revenue and EBITDA of GPL for the five months ended August 31, 2021 and provisional balance sheet of GPL as at August 31, 2021, (9) detailed financial model with projections on GPL shared by the Company; and (10) Concession Agreement dated 7 August 2003 between GPL and the Government of Andhra Pradesh. In addition, we have had discussions with the management of the Company concerning GPL's business, operations, assets, liabilities, financial condition and prospects and have undertaken such other analyses as we deemed appropriate.

In arriving at our opinion, we have assumed and relied upon the accuracy and completeness of all information that was publicly available or was provided to us or discussed with us by the Company with respect to itself and the Target Company or otherwise used by us without any independent verification of such information (and have not assumed responsibility or liability for any independent verification of such information) and have further relied upon the assurances of the management of the Company that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. We have assumed that the management of the Company have drawn our attention to all pertinent information and matters relating to the Company, the Target Company and otherwise which may have an impact on our opinion. With respect to the financial projections of the Target Company, upon the advice of the Company, we have assumed that such projections have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company and the Target Company (as the case may be) as to the future financial performance of the Target Company, respectively. However, for purposes of our analysis, we also have considered certain somewhat more conservative assumptions and estimates which resulted in certain adjustments to the projections of the Target Company. We assume no responsibility for and we express no view as to any such projections or estimates or the assumptions on which they are based. In arriving at our opinion, we have not conducted a physical inspection of the properties and facilities of the Company or the Target Company, and have not made or obtained or been provided with any evaluations or appraisals of the assets or liabilities of the Company or the Target Company. We have not evaluated the solvency of the Company and the Target Company under applicable law relating to bankruptcy, insolvency or similar matters. We have assumed that the Proposed Transaction and other transactions in relation to it as contemplated under the Scheme will qualify as an "amalgamation" under the Indian Income Tax Act, 1961 (as amended) and will be consummated in the manner set out under the Scheme without any waiver or modification of any material terms and conditions. Our opinion necessarily is based upon market, economic and other conditions as they exist on, and can be reasonably evaluated as of, the date of this letter. It should be noted that there could be subsequent developments that may affect this opinion and that we assume no responsibility for updating or revising or reaffirming our opinion based on events or circumstances that may occur after the date of this letter. We express no opinion as to the prices at which the equity shares of the Company would trade following the announcement or consummation of the Proposed Transaction.

We have assumed that the Scheme (as approved by the Board of Directors of the Company and the Target Company) will conform in all material respects to the last draft reviewed by us. In addition, we have assumed that the representations and warranties made by the Company contained in all the documents and agreements related to the Company, the Target Company as well as the Proposed Transaction are and will be true, accurate and complete in all respects material to our analyses. We have also assumed, upon the advice of the Company, that all material governmental, regulatory and third party approvals, consents and releases



for the Proposed Transaction will be obtained without any adverse effect to the Company and the Target Company (or on the contemplated benefits of the Proposed Transaction on the Company and the Target Company) and within the constraints contemplated under the Scheme and that the Proposed Transaction will be consummated in accordance with the terms of the Scheme without waiver, modification or amendment of any material term, condition or agreement thereof. We do not express any opinion as to any tax or other consequences that might result from the Proposed Transaction, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals. We have also not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unassessed claims or other contingent liabilities, or any settlement thereof, which the Company, the Target Company, their respective subsidiaries/affiliates/joint ventures or any other entity are or may be a party to or may be subject to or are or may be affected by.

In addition, we were not requested to and did not provide advice concerning the structure, the specific Share Exchange Ratio, the valuation report prepared by the Valuer, or any other aspects of the Proposed Transaction, or to provide services other than the delivery of this opinion. We did not participate in negotiations with respect to the terms of the Proposed Transaction and related transactions.

Based upon and subject to the foregoing, we are of the opinion as of the date hereof that, from a financial point of view, the Share Exchange Ratio provided for under the Scheme is fair, from a financial point of view, for the shareholders of the Company.

We have been retained solely for the purposes of rendering this opinion, and will receive a fee payable upon delivery of this opinion. The fee is not contingent upon the outcome of the Scheme. In addition, the Company has agreed to reimburse a portion of our expenses and indemnify us for certain liabilities that may arise out of our engagement. We have performed various investment banking services for the Company and its affiliates and related parties in the past in the ordinary course of our businesses, and expect to perform such services in the future, and have received, and expect to receive, customary fees for such services. Specifically, in the past two years, Barclays Bank PLC have performed investment banking and financial services including the following: (i) acting as joint global coordinator for the Company on its issuance of investment grade bonds of USD 750 million that were priced on 28 July 2020; (ii) acting as joint global coordinator for a joint venture of the Company on its issuance of investment grade bond of USD 300 million that were priced on 14 December 2020; (iii) acting as joint global coordinator for the Company on its issuance of investment grade bonds of USD 500 million that were priced on 26 January 2021; (iv) acting as dealer manager on a tender offer in an existing issuance of bonds of USD 500 million due 2022 for the Company; and (v) acting as joint bookrunner for the Company on its issuance of investment grade bonds of USD 750 million that were priced on 26 July 2021. In addition, in the ordinary course of our businesses, we are a hedge counterparty in relation to an outstanding hedging facility availed of by the Company and we are a lender under an outstanding credit facility availed by the Company, and we will receive customary fees in connection therewith.

Barclays Bank PLC, its subsidiaries and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of our businesses, we and our affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of the Company and the Target Company for our own account and for the accounts of our customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.



This opinion, the issuance of which has been approved by our Fairness Opinion Committee, is for the use and benefit of the Board of Directors of the Company and is rendered solely to the Board of Directors of the Company in connection with its consideration and evaluation of the Proposed Transaction, and is not on behalf of or for the benefit of, and shall not confer any rights or remedies upon any shareholder, creditor or any other person other than the Board of Directors of the Company or be used or relied upon for any other purpose or by any third party. This opinion is not intended to be and does not constitute a recommendation to any shareholder of the Company as to how such shareholder should vote with respect to the Proposed Transaction or any other matter. This opinion may not be disclosed, referred to, communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval in each instance, provided that this opinion may only be disclosed by the Company as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read together with SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

Very truly yours,


for **BARCLAYS BANK PLC**





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BDO Valuation Advisory LLP
The Ruby, Level 9, North West Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, India

Ref. No.: LM/Sep22-61/2021

September 22, 2021

To,

The Board of Directors
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421

The Board of Directors
Adani Gangavaram Port Private Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, Khodiyar,
Ahmedabad - 382421,
Gujarat

Dear Sir(s)/ Madam(s),

Sub: Fair Valuation of Gangavaram Port Limited in relation to the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated May 24, 2021 to recommend the fair valuation of Gangavaram Port Limited ('GPL') for the purpose of transfer on a slump sale basis to Adani Gangavaram Port Private Limited ('AGPPL') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

We are pleased to present herewith our report on the same.

The cut-off date for the present valuation exercise has been considered as at August 31, 2021. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

We believe that our analysis must be considered as a whole. Selected portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

Regards,

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103

LATA R
GUJAR
MORE

Digitally signed
by LATA R GUJAR
MORE
Date: 2021.09.22
20:14:50 +05'30'

Lata R Gujar More

IBBI No.: IBBI/RV/06/2018/10488

Partner

BDO Valuation Advisory LLP, an Indian limited liability partnership firm, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the International BDO network of independent member firms.

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1. Brief Background of the Companies

Adani Ports and Special Economic Zone Limited ('APSEZ')

- 1.1. APSEZ (CIN: L63090GJ1998PLC034182) is a company incorporated under the provisions of the Companies Act, 1956. APSEZ is engaged in the development, operation and maintenance of the ports and port-based infrastructure facilities including multi-product special economic zone, land infrastructure development, logistics services, dredging and reclamation services, etc.
- 1.2. APSEZ offers services such as dry bulk cargo, break bulk cargo, container cargo, liquid cargo and marine services. APSEZ caters to the fertilizers, agriculture, minerals, and coal industry.
- 1.3. The equity shares of APSEZ are listed on National Stock Exchange (NSE) & Bombay Stock Exchange (BSE).
- 1.4. The issued and paid up share capital of APSEZ as on date of report is INR 4,083.5 Mn divided into 2,04,17,51,761 equity shares of INR 2/- each.
- 1.5. The summarized shareholding pattern of APSEZ as on June 30, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	1,30,24,60,635	63.79%
II. Public	73,92,91,126	36.21%
Total	2,04,17,51,761	100.0%

Source: www.bseindia.com

Adani Gangavaram Port Private Limited ('AGPPL')

- 1.6. AGPPL (CIN: U61100GJ2021PTC124091) is a company incorporated on July 14, 2021, under the provisions of the Companies Act, 1956.
- 1.7. The issued and paid up share capital of AGPPL as on date of report is INR 0.5 Mn divided into 50,000 equity shares of INR 10/- each.
- 1.8. The summarized shareholding pattern of AGPPL as on date of report is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Adani Ports and Special Economic Zone Limited ("APSEZL")	49,994	99.99%
II. Nominees of APSEZL	6	0.01%
Total	50,000	100.0%

Gangavaram Port Limited ('GPL')

- 1.9. GPL is engaged in the business of management of Gangavaram Port, located in Vishakhapatnam, Andhra Pradesh.
- 1.10. Gangavaram Port is the second-largest non-major port in Andhra Pradesh with a 64 MMT capacity established under a concession from the State Government that extends till 2059. It is an all-

weather, deep water, multipurpose port capable of handling fully laden super cape size vessels of up to 200,000 DWT. Currently, GPL operates nine berths, has freehold land of 1,800 acres and a master plan capacity for 250 MMTPA with 31 berths.

- 1.11. The issued and paid-up share capital of GPL as on September 15, 2021 is INR 5,170.0 Mn divided into 51,70,00,000 equity shares of INR 10/- each.
- 1.12. The summarized shareholding pattern of GPL as on September 15, 2021 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Dandu Corporate Services Pvt Ltd	16,71,21,650	32.33%
II. APSEZ	16,28,55,000	31.50%
III. Government of Andhra Pradesh	5,37,31,700	10.39%
IV. Newwave Infrastructure Projects LLP	4,95,63,500	9.59%
V. D. Rajgopala Raju	7,50,00,100	14.51%
VI. D.V.S. Raju	25,55,250	0.49%
VII. Others	61,72,800	1.19%
Total	51,70,00,000	100.0%

2. Purpose of Valuation

- 2.1. We understand that following is the proposed scheme of arrangement:

- Amalgamation of GPL into APSEZ on a going concern basis.
- Under Proposed Scheme, as consideration for the amalgamation of GPL to APSEZ, the equity shareholders of GPL will be issued equity shares of APSEZ.
- transfer of GPL as a going concern on a Slump Sale basis, by APSEZ to Adani Gangavaram Port Private Limited ("AGPPL") for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the IT Act.

Companies under the Proposed Scheme and their respective shareholders will comply with the provisions of section 230 to 232 and other relevant provisions of the Companies Act, 2013, along with the applicable provisions of Securities and Exchange Board of India ('SEBI') - if any.

- 2.2. In this regard, we have been appointed to undertake the fair valuation of GPL as a going concern, for the purpose of slump sale to AGPPL.

>>>This space has been intentionally left blank>>>

3. Terms of Engagement

Context and Purpose

- 3.1. BDO Val has been appointed to determine the fair valuation of GPL for the Proposed Transfer to AGPPL as mentioned in para 2 of this Report. This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.

Restricted Audience

- 3.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Client only for submitting to the statutory authorities for compliance under section sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable provisions and circular issued by Securities and Exchange Board of India ('SEBI') applicable to the Proposed Scheme. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Board of Directors of Companies and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Scheme of Amalgamation. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of the Companies or their holding companies, subsidiaries, associates, joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to BDO Val.
- 3.4. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 3.5. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities including stock exchanges, SEBI, Regional Director, Registrar of Companies, National Company Law Tribunal, professional advisors of the Client including merchant banker providing fairness opinion on the fair equity share exchange ratio, in connection with the Proposed Scheme ('Permitted Recipients'). We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to the Client that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, in connection with the Proposed Scheme, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Client.

4. Caveats, Limitations and Disclaimers

- 4.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2. This Report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Report date and (iii) based on the data detailed in the section - Sources of Information. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur upto the Report date.
- 4.3. We were provided with sufficient information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 4.5. Further, this valuation Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 4.6. We have no present or planned future interest in the Companies or any of their group entities.
- 4.7. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 4.8. This Report is subject to the laws of India.
- 4.9. The fee for this engagement is not contingent upon the outcome of the Report.
- 4.10. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

- 4.11. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.12. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.13. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 4.14. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 4.15. We have arrived at valuation as required for 'Part IV' of the Proposed Scheme. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 4.16. Our scope is limited to recommendation of fair valuation for the purpose of slump sale. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Scheme of Amalgamation with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Scheme of Amalgamation.
- 4.17. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Companies will be managed in competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 4.18. This Report does not look into the business/commercial reasons behind the Proposed Scheme of Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Scheme of Amalgamation as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits in the Companies is sole responsibility of the investors of the Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.

- 4.19. Valuation 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 value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 4.20. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 4.21. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.
- 4.22. We owe responsibility to only the Board of Directors of the Client and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. 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 the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client as laid out in the engagement letter, for such valuation work.
- 4.23. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This 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.
- 4.24. This Report does not in any manner address the prices at which equity shares of APSEZ will trade following the announcement and/or implementation of the Proposed Scheme and we express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Scheme.
- 4.25. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) 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).

- 4.26. Client has informed us that Vivro Financial Services Private Limited has been appointed to provide fairness opinion on the recommended value for the purpose of aforementioned Proposed Scheme of Amalgamation. Further at the request of the Companies, we have had discussions with the Fairness Opinion provider on the valuation approach adopted and assumptions made by us.
- 4.27. Further, after declaration of COVID-19 as a pandemic by World Health Organization had caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by this unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of COVID-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

5. Sources of Information

- 5.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management representatives of the Companies:
- Audited financial statements of GPL for FY 18, FY 19, FY 20 and FY21;
 - Provisional Profit and Loss account statement of GPL for 5 months period ended August 31, 2021;
 - Provisional Balance Sheet of GPL as at August 31, 2021;
 - Concession Agreement between Government of Andhra Pradesh and Gangavaram Port Limited dated August 7, 2003;
 - Income tax return for FY 19-20 and provisional Income tax computation for FY 20-21;
 - Due Diligence report for March 21;
 - Business Overview Presentation including APSEZ and GPL;
 - Detailed Seller Model with assumptions;
 - Certificate of Incorporation for AGPPL;
 - Relevant data and information provided to us by the management and representatives of APSEZ either in written or oral form or in form of soft copy and information available in public domain.
 - Draft Composite Scheme of Arrangement; and

- Management Representation Letter addressed to BDO VAL.

6. Procedures Adopted

6.1. In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Discussions (over call/emails/conferences) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per internationally accepted valuation methodologies;
- Determined the fair valuation based on the selected methodology.

For the purpose of arriving at the valuation of the Companies/businesses we have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

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

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7. Valuation Approaches

- 7.1. It is pertinent to note 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, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 7.2. 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 transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 7.3. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards ("IVS") for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council ('IVSC') in carrying out the valuation exercise.
- 7.4. The Report Date is the valuation date ('Valuation Date'). For valuation exercise, market parameters have been considered up to and including August 31, 2021.
- 7.5. There are three generally accepted approaches to valuation:
- (a) "Cost" Approach
 - (b) "Income" Approach
 - (c) "Market" Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

Cost Approach

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

This valuation approach is mainly used in case where the assets base dominates earnings capability. Since the true worth of the companies shall be reflected in its future earning potential therefore, we are unable to apply summation method.

Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow Method

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.

Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.

The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

GPL is an owns an operating port with a signed concession agreement with Government of Andhra Pradesh, wherein the future earning capability of the assets is important. Therefore, we have considered DCF Method under Income Approach for valuation of GPL.

Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

i. Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The market value reflects the investors' perception about the true worth of the company.

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. 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.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Since GPL is not listed on any stock exchange, Market Price Method is not considered for the valuation. Further, in absence of availability of comparable companies exactly comparable to

business of GPL and non-availability of comparable transactions for similar business, we have not considered CCM / CTM method for valuation.

8. Conclusion on Valuation Approach

- 8.1. Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of GPL in absence of exact comparable companies to business of company and non-availability of comparable transactions for similar business. We have not considered market price method as the shares of the Company are not listed on recognized stock exchange.
- 8.2. We have considered the Discounted Cash Flow Method under Income Approach to value the GPL as the true worth of the GPL's business would be reflected in its future earnings potential.
- 8.3. As per the Proposed Scheme, the consideration for slump sale of GPL to AGPPL is in the form of Cash. Therefore, as no equity shares are to be issued, we have not valued AGPPL.

9. Basis of Fair Valuation

- 9.1. The basis of the fair valuation for the Proposed transfer would have to be determined after taking into consideration all the factors and methods mentioned hereinabove including various qualitative factors relevant to the company / undertaking and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations
- 9.2. Further as discussed earlier we have used Discounted Cash Flow under Income Approach to arrive at valuation of GPL.
- 9.3. We have independently applied method a discussed above, as considered appropriate, and arrived at a fair valuation.

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10. Conclusion

- 10.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets.
- 10.2. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair valuation of GPL for the purpose of transfer to AGPPL on a slump sale basis is INR 58,268.87 Mn/-

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VIVRO

Vivro Financial Services Private Limited

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www.vivro.net

September 22, 2021

Private and Confidential

To,

The Board of Directors

Adani Ports and Special Economic Zone Limited

Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar-Ahmedabad,
Gujarat - 382421

To,

The Board of Directors

Adani Gangavaram Port Private Limited

Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar-Ahmedabad,
Gujarat - 382421

Subject: Fairness Opinion Report on the Valuation Report issued by BDO Valuation Advisory LLP for the divestment of the business of Gangavaram Port under Adani Ports And Special Economic Zone Limited with Adani Gangavaram Port Private Limited

Adani Ports And Special Economic Zone Limited ('APSEZ'), is the largest commercial ports operator in India having a presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. The equity shares of APSEZ are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (together, 'Stock Exchanges').

Gangavaram Port Limited ('GPL'), is the concessionaire on Built, Own, Operate & Transfer basis ('BOOT') for the development of Gangavaram Port, an all-weather multi-purpose port, located in Visakhapatnam, Andhra Pradesh, India, as per the Concession executed by GPL with the Government of Andhra Pradesh Agreement ('GoAP'), dated August 07, 2003 ('the Concession Agreement').

Adani Gangavaram Port Private Limited ('AGPPL') is a wholly owned Subsidiary ('WOS') of APSEZ, managing the Gangavaram Port (APSEZ and AGPPL are together referred to as 'the Companies').

Pursuant to a proposed composite scheme of arrangement under Section 230 to Section 232 of the Companies Act, 2013 as well as in terms of SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended ('SEBI Circular') issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI LODR Regulations') and other applicable provisions of law, ('the Scheme'), the management of APSEZ, GPL and AGPPL propose to enter into a scheme of arrangement as follows (The terms not defined herein would carry the meaning as per the Scheme):

Part I: Definitions, interpretation, date of taking effect and share capital

Part II: Amalgamation of GPL into and with APSEZ



Part III: Changes to Share Capital of GPL and APSEZ

Part IV: Transfer of the Divestment Business Undertaking from APSEZ to AGPPL and the vesting in AGPPL as a going concern on a slump sale basis for a lump sum consideration ('the Slump Sale')

Part V: General terms & conditions

Accordingly, APSEZ has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 ('Vivro', 'Merchant Banker', 'we', 'us', 'our'), vide an Engagement Letter dated September 16, 2021 to issue a Fairness Opinion Report on the valuation report issued by BDO Valuation Advisory LLP registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: IBBI/RV-E/02/2019/103) ('the Registered Valuer', 'the Valuer') vide their valuation report dated September 22, 2021 ('the Valuation Report'). In connection with the same, we hereby attach our Fairness Opinion Report in terms of the SEBI Circular.

For, Vivro Financial Services Private Limited



Vivek Vaishnav
Director
September 22, 2021
Ahmedabad



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1. BACKGROUND

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

- 1.1 APSEZ is a public limited company incorporated on May 26, 1998, under the Companies Act, 1956, having CIN L63090GJ1998PLC034182 and its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat- 382421. The equity shares of APSEZ are listed on BSE Limited and National Stock Exchange of India Limited. APSEZ is the largest commercial ports operator in India having a presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha.

ADANI GANGAVARAM PORT PRIVATE LIMITED

- 1.2 AGPPL is a private limited company bearing CIN as U61100GJ2021PTC124091, incorporated on July 14, 2021, and is a WOS of APSEZ, with registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad, Gujarat – 382421, managing the Gangavaram Port.

GANGAVARAM PORT LIMITED

- 1.3 GPL incorporated on September 01, 2001, is the concessionaire on Built, Own, Operate & Transfer basis ('BOOT') for the development of Gangavaram Port, an all-weather multi-purpose port, located in Visakhapatnam, Andhra Pradesh, India, as per the Concession executed by GPL with the Government of Andhra Pradesh Agreement ('GoAP'), dated August 07, 2003
- 1.4 GPL is India's deepest port, located in Visakhapatnam, Andhra Pradesh and is an all-weather multi-purpose port with a water depth of 21 meters, making it capable of handling fully laden super case size vessels of up to 200,000 DWT.
- 1.5 Construction at the site commenced in December 2005 and the port commenced trial operations in August 2008 and commercial operations with effect from April 17, 2009. Gangavaram port, with its deep draft berths and efficient operations has become the gateway port for a hinterland spread over 8 states across eastern, western, southern and central India. Its ability to handle larger vessels efficiently has resulted in substantial savings to trade and port users. Gangavaram port provides efficient cargo handling services for a variety of bulk and break-bulk cargo groups including coal, iron ore, fertilizer, limestone, bauxite, raw sugar, alumina, steel products etc.



- 1.6 As per the Concession Agreement, GPL has been granted an exclusive right and authority for designing, financing, building, owning, maintaining, operating and transferring a greenfield all-weather, deep water, multipurpose port at Gangavaram together with a right to levy, collect and retain appropriate charges for the port services rendered during the concession period of 30 years from the date of commercial operations. The Company is further entitled to extend the period by another 20 years on completion of certain conditions/obligations as per the Concession Agreement. At the end of the Concession Agreement all the assets of GPL at Gangavaram port would be transferred to the Government of Andhra Pradesh subject to provisions of the Concession Agreement. As the COD was in FY 2010, GPL is entitled to operate the Gangavaram Port till FY 2059 ('the Concession Period')

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2. SCOPE AND PURPOSE OF THIS FAIRNESS OPINION REPORT

- 2.1 The Board of Directors of APSEZ and AGPPL are planning to enter into a composite scheme of amalgamation in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961. This Scheme provides for:
- (a) Amalgamation of GPL with APSEZ with effect from the Appointed Date 1;
 - (b) Transfer of the Divestment Business Undertaking from APSEZ to AGPPL and the vesting as a going concern on a slump sale basis for a lump sum consideration from the Appointed Date 2.
- 2.2 The Appointed Date 1 is April 1, 2021, and Appointed Date 2 of the Scheme is April 2, 2021.
- 2.3 For the aforesaid purpose of transfer of the Divestment Business Undertaking on a slump sale basis from APSEZ to AGGPL, APSEZ has appointed BDO Valuation Advisory LLP, Registered Valuer, to submit a Valuation Report recommending the lump sum consideration for the Divestment Business Undertaking on a slump sale basis, to be placed before the Board of Directors of the Companies.
- 2.4 The scope of our services is to issue a Fairness Opinion Report on the Valuation Report issued by the Registered Valuer recommending the lump sum consideration of the Divestment Business Undertaking on a slump sale basis as proposed in Part IV of the Scheme, in accordance with generally acceptable professional standards.
- 2.5 The scope of our services includes forming an opinion on the fairness of the recommendation of the Registered Valuer and does not involve opining on the fairness or economic rationale of the Scheme per se.
- 2.6 This Fairness Opinion Report is our deliverable on this engagement. This Fairness Opinion Report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI LODR Regulations and the SEBI Circular and for submission to regulatory and statutory authorities in connection with the Scheme.
- 2.7 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.



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

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3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this Fairness Opinion Report:

- 3.1 Draft composite scheme of amalgamation between APSEZ, GPL and AGPPL, and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;
- 3.2 Valuation Report of BDO Valuation Advisory, LLP, Registered Valuer, dated September 22, 2021;
- 3.3 Concession Agreement between GPL and GoAP dated August 07, 2003;
- 3.4 Audited Financial Statements of GPL for the year ended on March 31, 2021, March 31, 2020, March 31, 2019, and March 31, 2018;
- 3.5 Provisional Revenue and EBITDA numbers of GPL for 5 months period ended August 31, 2021;
- 3.6 Income tax return for FY 19-20 and provisional Income tax computation for FY 20-21;
- 3.7 Due Diligence report for March 21;
- 3.8 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.
- 3.9 The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on the value of the Divestment Business Undertaking) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

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4. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

- 4.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 4.2 In the course of the Fairness Opinion Report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by the Companies.
- 4.3 As informed by the management of the Companies, all transactions with related parties are on arm's length basis and for the projected period these are expected to continue as the same. We shall not be liable for any loss, damages, cost, or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employee, or agents.
- 4.4 This Fairness Opinion Report, its contents, and the results herein (i) are specific to the purpose agreed as per the terms of our engagement; (ii) are specific to the date of this Fairness Opinion Report and other conditions in general and the written and oral information made available to us by the management of the Company as on date of this Fairness Opinion Report. The events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 4.5 We have relied on data from external sources also to conclude the Fairness Opinion Report. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and / or reproduced in its proper form and context. These sources are believed to be reliable. We however assume no liability for the lack of accuracy of any data, opinions or estimates furnished by others that may have been used in this analysis.
- 4.6 We have not provided any accounting, tax, or legal advice to the Companies or any of its affiliates neither are we required to in terms of the Engagement Letter.



- 4.7 We have not examined the tax implication of present transaction neither are we required to in terms of the Engagement Letter.
- 4.8 We have not revalued any asset, nor physically verified any assets of the Companies neither are we required to in terms of the Engagement Letter.
- 4.9 This Fairness Opinion Report assumes that the Companies are fully compliant with relevant laws and regulations applicable in its area of operations and that the Companies will be managed in a competent and responsible manner. Further, this Fairness Opinion Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded / reflected in the financials provided to us and not relevant or applicable to the subject matter of our analysis.
- 4.10 We are independent of the Companies and hold no specific interest in the Companies or its assets, nor do we have any conflict of interest with the Companies.
- 4.11 The fee for this engagement is not contingent upon the results reported and the conclusion arrived at by us.
- 4.12 This Fairness Opinion Report is furnished on strictly confidential basis. Neither this Fairness Opinion Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.

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5. SALIENT FEATURES OF THE SCHEME

- 5.1 As mentioned above this Composite Scheme of Arrangement is divided into 3 parts. Part I deals with the Definitions, Interpretation, Date of taking effect and the Share Capital of GPL, APSEZ and AGPPL and Part V, deals with the general terms and conditions that would be applicable to the Scheme.
- 5.2 Part II of the Scheme seeks to amalgamate and consolidate GPL into and with APSEZ pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail, from the Appointed Date 1.
- 5.3 Part III of the Scheme is to reclassify/reorganize the Equity Share Capital of GPL with that of APSEZ, such that each equity shares of Rs.10/- of GPL shall stand reclassified/reorganized to 5 (Five) equity shares of Rs. 2/- each.
- 5.4 Part IV of the Scheme seeks the transfer and the vesting of the Divestment Business Undertaking of APSEZ with AGPPL pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail, from the Appointed Date 2.
- 5.5 Divestment Business Undertaking means GPL, together with its assets and liabilities, transferred to and vested in APSEZ, upon Part II and Part III of the Scheme becoming effective and with effect from the Appointed Date 1, but shall not include the following assets/litigations/liabilities/credits of GPL which is transferred to and vested in APSEZ on the Appointed Date 1:
 - (a) the shares held by GPL in the paid-up share capital of Gangavaram Port Services (India) Private Limited;
 - (b) income tax litigation proceedings initiated by or pending against GPL, as the case may be, before the Appointed Date 1;
 - (c) liabilities/credits/refunds in respect of income tax assessments of GPL for the period before the Appointed Date 1;
 - (d) minimum alternate tax credits available to GPL as on the Appointed Date 1.



- 5.6 Upon the scheme becoming effective with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, without any further act, instrument, deed, matter or thing be transferred to and vested in and/or be deemed to be and stand transferred to and vested in AGPPL as a 'going concern' on a slump sale basis in accordance with Section 2(42C) of the Income Tax Act, 1961, for a lump sum consideration, without values being assigned to the individual assets and liabilities, subject to provisions of the scheme.
- 5.7 As per the Scheme, the consideration for the transfer of the Divestment Business Undertaking, shall be payable by AGPPL to APSEZ, in one or more tranches, with or without interest, as may be mutually agreed between AGPPL and APSEZ. Further, AGPPL and APSEZ may agree that for the whole or part of the consideration, AGPPL may issue to APSEZ one or more securities on such terms and conditions to be mutually agreed between them.

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6. VALUER'S RECOMMENDATION

- 6.1 As informed to us by the management of the Companies, the scope of valuation services for the proposed composite Scheme of arrangement is specific to Part IV of the Scheme, being the divestment of the Divestment Business Undertaking on a slump sale basis. For the purpose of the valuation, the cut-off date has been considered as on August 31, 2021 ('the Valuation Date') and the market parameters have been considered upto the Valuation Date.
- 6.2 Accordingly, as per the Valuation Report, dated September 22, 2021, issued by BDO Valuation Advisory, the valuation for the Divestment Business Undertaking, on a slump sale basis, has been arrived at by excluding the fair value of the investment in the subsidiary of GPL and the tax credit, as on the Valuation Date, from the fair value of GPL as on the Valuation Date.
- 6.3 The fair basis of the valuation as proposed under Part IV of the Scheme has been arrived at on the basis of Discounted Cash Flow Approach under Equity Method of the standalone business of GPL based on methodology, as explained in the Valuation Report, dated September 22, 2021, issued by BDO Valuation Advisory and various qualitative factors relevant to APSEZ and GPL respectively, and the business dynamics as well as growth potential of the businesses, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.4 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, dated September 22, 2021, issued by BDO Valuation Advisory LLP, Registered Valuer, it has been recommended that the consideration for the Divestment Business Undertaking, on a slump sale basis, under Part IV of the Scheme, shall be as follows:

'INR 58,268.87 Million (Rupees Fifty-Eight Thousand Million Twenty-Six Lakhs Eight Eighty Thousand Seven Hundred)'

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7. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the valuation of the Divestment Business Undertaking, on a slump sale basis, under Part IV of the Scheme, as recommended by BDO Valuation Advisory LLP, Registered Valuer, for the proposed scheme is fair.

For, Vivro Financial Services Private Limited



Vivek Vaishnav

Director

Date: September 22, 2021

Place: Ahmedabad





November 15, 2021

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: ADANIPORTS

BSE Limited
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400001

Scrip Code: 532921

Ref: Application for grant of approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sub: Report on Complaints in terms of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020.

Dear Sir,

This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Composite Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and Gangavaram Port Limited and Adani Gangavaram Port Private Limited and their respective Shareholders and Creditors ("Scheme").

As per Para I(A)(6) of the SEBI Circular, the Company is required to submit a "Report on Complaints" containing the details of complaints/comments received by the Company on the Draft Scheme, within 7 days of expiry of 21 days from the date of filing of the Scheme with the Exchanges and hosting of the same on its website.

The period of 21 days from the hosting of said documents by the NSE and BSE on their website i.e. October 22, 2021 expired on November 12, 2021, accordingly, please find attached herewith Report on Complaints.

The Report on Complaints is also being uploaded on the website of the Company, as per requirement of said SEBI Circular.

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
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Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Scheme of Arrangement with Hon'ble National Company Law Tribunal.

Thanking you,

Yours faithfully,

For, Adani Ports and Special Economic Zone Limited

Kamlesh Bhagia
Company Secretary & Compliance Officer



Encl: a/a

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
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Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Adani Ports and Special Economic Zone Limited

Kamlesh Bhagia

Kamlesh Bhagia
Company Secretary & Compliance Officer



Adani Ports and Special Economic Zone Limited
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National Stock Exchange Of India Limited

Ref: NSE/LIST/28506_III

January 07, 2022

The Company Secretary
Adani Ports & Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishnodevi Circle, S.G. Highway,
Khodiyar, Ahmedabad - 382 421

Kind Attn.: Mr. Kamlesh Bhagya

Dear Sir,

Sub: Observation Letter for draft composite scheme of arrangement among Gangavaram Port Limited and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective Shareholders and Creditors.

We are in receipt of draft composite scheme of arrangement among Gangavaram Port Limited ("GPL") and Adani Ports and Special Economic Zone Limited ("APSEZ") and Adani Gangavaram Port Private Limited ("AGPPL") and their respective Shareholders and Creditors vide application dated September 28, 2021.

Based on our letter no. of NSE/LIST/28506 dated October 22, 2021 submitted to SEBI and pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time, (hereinafter referred to as 'the Circular'), kindly find following comments on the draft scheme:

- a. It has been observed that a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("earlier scheme") is awaiting approval of the Hon'ble NCLT.*
- b. In respect of above, it may be noted SEBI's comments are applicable as long as there is no change in the earlier scheme. In cases of any change in earlier scheme, the Company may take necessary steps to ensure compliance with extant regulatory provisions.*
- c. The Company is advised to separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information/facts:*
 - i. the rationale for not using cost and income approach for valuing APSEZ and not using cost and market approach for valuing GPL shall be disclosed in the notice to shareholder in its draft scheme to be filed before NCLT.*

- ii. *assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL. Also, rationale/calculation for arriving at weightage average cost of capital (WACC) for discounting future cash flows for GPL in case of discounted cash flow method*

- d. *The Company shall comply with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the proposed issuance of perpetual debt or any other instrument to AGPPL towards payment of lump sum consideration of Rs. 5826.887 crores.*

- e. *The Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.*

- f. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*

- g. *The Companies involved in the scheme shall duly comply with various provisions of the Circular*

- h. *The Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

- i. *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

- j. *The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*

- k. *The Company is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

- l. *No changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*

- m. *The Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*

n. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from January 07, 2022 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



DCS/AMAL/TL/R37/2185/2020-21

“E-Letter”

January 07, 2022

The Company Secretary,
ADANI PORTS AND SPECIAL ECONOMIC ZONE LTD.
 Adani Corporate House, Shantigram, Near Vaishnav
 Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat- 382421

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Arrangement among Gangavaram Port Limited (GPL) and Adani Ports and Special Economic Zone Limited (APSEZ) and Adani Gangavaram Port Private Limited (AGPPL) and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Amalgamation of Adani Ports and Special Economic Zone Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 07, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- “It has been observed that a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors (“earlier scheme”) is awaiting approval of the Hon’ble NCLT. In respect of above, it may be noted SEBI’s comments are applicable as long as there is no change in the earlier scheme. In cases of any change in earlier scheme, the Company shall ensure compliance with extant regulatory provisions.”
- “The Company shall separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement following information/facts:
 - a) the rationale for not using cost and income approach for valuing APSEZ and not using cost and market approach for valuing GPL shall be disclosed in the notice to shareholder in its draft scheme to be filed before NCLT.
 - b) assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL. Also, rationale/calculation for arriving at weightage average cost of capital (WACC) for discounting future cash flows for GPL in case of discounted cash flow method.”
- “The Company shall comply with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the proposed issuance of perpetual debt or any other instrument to AGPPL towards payment of lump sum consideration of Rs. 5,826.887 crores.”
- “The Company discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon’ble NCLT and shareholders, while seeking approval of the scheme.”
- “The Company shall ensure that if any additional information submitted after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges.”
- “The Company shall ensure that the entities involved in the Scheme shall duly comply with various provisions of the Circular.”
- “The Company shall ensure that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”



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 Corporate Identity Number: U67120MH2005PL155188

- **“The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.”**
- **“The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.”**
- **“The Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.”**
- **“The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”**
- **“The Company shall ensure that the observations of SEBI/Stock exchange(s) shall be incorporated in the petition to be filed before Hon'ble National Company Law Tribunal (‘NCLT’) and the Company is obliged to bring the observations to the notice of Hon'ble NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its ‘No adverse observation’ at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under

sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-
Prasad Bhide
Manager

VALUATION APPROACH ON FIRST VALUATION REPORT

a) The rationale for not using cost and income approach for valuing APSEZ and not using cost and market approach for valuing GPL.

- Refer to para 8.1 and 10.2 of the First Valuation Report dated September 22, 2021

APSEZ not using Cost and Income Approach: -

"In a going concern scenario, the earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, than the values arrived at on the net asset basis being of limited relevance. Therefore, we have not considered Cost approach for valuation since the cost approach does not reflect the intrinsic value of the business in a going concern scenario.

Further Discounted Cash Flow Method under the Income Approach has not been considered as APSEZ is a listed entity and the management has not provided us the information related to future profit and loss account, balance sheet and cash flows being price sensitive."

GPL not using Cost and Market Approach:-

"Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of the Companies in a 'going concern scenario', we have not consider cost Approach for this valuation exercise."

"Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of GPL in absence of exact comparable companies to business of company and non-availability of comparable transactions for similar business. We have not considered market price method as the shares of the Company are not listed on recognized stock exchange."

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Adani Corporate House, Shantigram,
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b) assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL. Also, rationale/calculation for arriving at weightage average cost of capital (WACC) for discounting future cash flows for GPL in case of discounted cash flow method.

-Assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL- for balance concession period, from FY 23 onwards average growth rate for revenue is 7.6% based on the assumption that an increase in capacity from 62.5 Mt to 187 Mt and capacity utilization of around 52% to 73% by the end of concession period.

WACC Assumptions:

Particulars	%	Explanation
Risk free return (Rf)	6.69%	Risk free rate has been considered based on 10 years Zero coupon yield curve issued by Government of India as at Valuation Date.
Market Return (Rm)	15.00%	Market Return has been considered based on the long-term average returns earned by an equity investor investing in India
Risk premium	8.31%	Market Premium = Market Return – Risk Free Rate
Relevered Beta (β)	0.85	Beta for Industry
Cost of equity	13.73%	$K_e = R_f + \beta \times (R_m - R_f)$
WACC	13.73%	In absence of Debt, WACC= K_e
WACC Adopted	13.75%	After rounding off

For, Adani Ports and Special Economic Zone Limited

Kamlesh Bhagia

**Authorised Signatory
Kamlesh Bhagia**



Date:-08-01-2022

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
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Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against APSEZ, its promoters and directors.

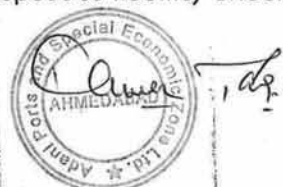
The details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against APSEZ, its promoters and directors, by the regulatory authority in relation to APSEZ are as under:

1. Several custom duty related proceedings are pending against APSEZ before various authorities. The aggregate amount involved in these matters is approximately Rs. 16.01 crore. These matters are in relation to: (i) alleged short-payment of custom duty on 73.159 metric tonnes of Acrylonitrile; (ii) cash-remittance towards education cess against import of steel sole plates by APSEZ; (iii) alleged non-payment of cost of the customs officers posted by the Commissioner of Customs under the provisions of the Handling of Cargo in Customs Areas Regulations, 2009. The matters are currently pending.
2. Principal Additional Director General, DRI, Mumbai issued a common Show Cause Notice proposing to re-determine the value of imported goods along with imposition of penalties on the ground that imports have been grossly overvalued. Allegation of overvaluation is made on the ground that the supplier of the goods is not an independent supplier but merely intermediary agent for raising invoice of higher value. The allegations are made on the basis that invoices raised by the Original Equipment Manufacturers /actual suppliers was lower to the corresponding invoices raised by the Supplier for the same consignment on the companies. APSEZ has filed reply in May, 2017. The matter is currently pending.
3. The Commissioner of Customs and Central Excise, Rajkot (the "Commissioner") issued two show cause notices to APSEZ as to why (i) service tax aggregating Rs 65.27 crore should not be recovered in respect of certain services including, inter alia, "revenue sharing from MICT", "deferred infrastructure development income" and "vessel priority income"; (ii) (a) service tax aggregating Rs.14.14 crore in respect of certain services; and (b) an amount of Rs. 95.15 crore under various provisions of the CENVAT Credit Rules, 2004, read with the Finance Act, 1994 should not be recovered along with interest and penalty thereon.

By a common order passed on May 12, 2010, the Commissioner confirmed service tax liability aggregating to Rs. 24 crore in respect of certain services specified in the show cause notices, along with levy of interest and penalty. The Commissioner also declared wrongful availment of CENVAT Credit under Rule 14 of the Rules, in respect of certain commodities/services. The order of the Commissioner was challenged before the Customs Excise and Service Tax Appellate Tribunal (the "Tribunal") which by its order dated September 28, 2011 confirmed service tax liability in respect of certain services and confirmed the wrongful availment of CENVAT Credit under Rule 14 of the Rules. With respect to liability under Rule 6(3)

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- of the Rules, the Tribunal upheld the same only with respect to "payment of amount equal to 8% of value of exempted service provided to SEZ" and dropped the others. The total liability imposed on APSEZ pursuant to the order of the Tribunal is Rs. 9.28 crore. APSEZ has filed an appeal before the High Court of Gujarat challenging the imposition of the tax liability. Further, the Commissioner has also filed an appeal against the said order before the Supreme Court of India in respect of the demands for which liability has been discharged by the Tribunal. The matter is currently pending.
4. Service tax/GST department has issued various show cause notices during the period 2004 to 2017 in relation to denial of CENVAT credit availed on steel, cement and other inputs, input services used in the construction and/or operation of port, involving total tax amount of Rs. 690 crore. Some of the show cause notices in relation to the initial period between 2004 to 2011 were adjudged in favour of APSEZ by the Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad. The Commissioner of Central Excise and Customs filed an appeal against the order before the High Court of Gujarat. In relation to some other show cause notices, the Commissioner of Service Tax, Ahmedabad has filed a special leave petition before the Supreme Court of India, which is currently pending.
 5. A criminal complaint was filed on September 6, 2018 before the Judicial Magistrate at Mundra, Kutch by the Agriculture Officer, Mundra (the "Complainant") against Mosaic India Private Limited and its representative (the "Importer") and APSEZ and its representative (the "Handling Agent"). Based on an inspection carried out by the Complainant and verification of samples by the Fertilizer Testing Laboratory, Junagadh, a show cause notice was served on the Importer and Handling Agent for importing non certified chemical fertilizers in violation of the provisions of the Fertilizers Control Order, 1985 and the Essential Commodities Act, 1955. The Importer responded to the show cause notice requesting re-rationalization under the Fertilizers Control Order, 1985 and eventually Fertilizer and Insecticides Quality Control Laboratory, Meerut, also declared the samples to be non certified. APSEZ have filed discharge application u/s 239 of criminal procedure code stating that APSEZ is not stockiest but just Handling Agent and custodian of the Cargo. The complaint is pending.

For, Adani Ports and Special Economic Zone Limited



**Authorised Signatory
Kamlesh Bhagia**

Date:-08-01-2022



Adani Ports and Special Economic Zone Limited
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SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

Adani Ports and Special Economic Zone Limited <u>Registered Office:</u> Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421. CIN: L63090GJ1998PLC034182	Gangavaram Port Limited <u>Registered Office:</u> Hansa Plaza, 2 nd to 4 th Floor, Plot No. 798 Road No. 36, Jubilee Hills Hyderabad, Telangana – 500033. CIN: U63032TG2001PLC037861
Adani Gangavaram Port Private Limited <u>Registered Office:</u> Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421 CIN: U61100GJ2021PTC124091	

1. Adani Ports and Special Economic Zone Limited ("APSEZ"), Gangavaram Port Limited ("GPL") and Adani Gangavaram Port Private Limited ("AGPPL"), engaged BDO Valuation Advisory LLP ("BDO") (IBBI No.: IBBI/RV-E/02/2019/103), registered valuer for carrying out fair valuation of amalgamation of GPL with APSEZ and for carrying out fair valuation for transfer of the Divestment Business Undertaking, as a going concern on Slump Sale basis.

BDO issued its valuation report dated September 22, 2021.

2. APSEZ appointed JM Financial Limited ("JM Financial") and Barclays Bank PLC ("Barclays"), SEBI registered Merchant Bankers to provide an independent opinion as to the fairness of the Share Swap Ratio recommended by BDO for amalgamation of GPL with APSEZ.
3. JM Financial and Barclays reviewed the valuation report issued by BDO and the draft scheme and carried out independent analysis. JM Financial and Barclays vide their respective report dated September 22, 2021 opined to the Board of Directors of APSEZ that the valuation opined by BDO is fair, from a financial point of view.
4. APSEZ appointed Vivro Financial Services Private Limited ("Vivro"), SEBI registered Merchant Banker to provide an independent opinion as to the fairness of the lump sum consideration recommended by BDO for transfer of the Divestment Business Undertaking, as a going concern on Slump Sale basis from APSEZ to AGPPL.
5. Vivro reviewed the valuation report issued by BDO and the draft scheme and carried out independent analysis. Vivro vide its report dated September 22, 2021 opined to the Board of Directors of APSEZ and AGPPL that the valuation opined by BDO is fair.



6. The BDO, registered valuer had carried out independent analysis using, generally accepted valuation methodologies in arriving the valuation for amalgamation of GPL with APSEZ. APSEZ is listed entity and GPL is an unlisted entity. The approach adopted by the registered valuer determining the same is summarized as under.

- a) APSEZ Valuation: Considering APSEZ is listed entity which is actively traded in market, Discounted Cash Flow Method (DCF) under the income approach is not considered for APSEZ and instead average of the listed price as prescribed under the regulations prescribed by the Securities and Exchange Board of India, is considered.

Market Price Method under the Market Approach have been considered for valuation of APSEZ as the Company is listed on Stock Exchanges. BDO has considered Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time ('ICDR Regulations') which provides guidelines to estimate the market price.

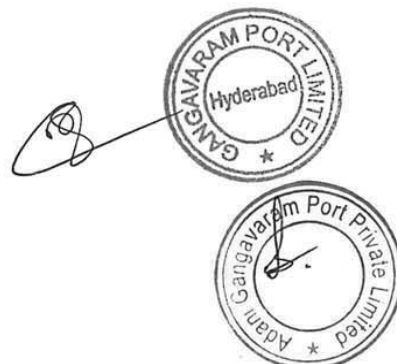
- b) GPL Valuation: Comparable Multiple Method ("CCM") and Comparable Transactions Multiple Method ("CTM") under the Market Approach have not been considered for valuation of GPL in absence of exact comparable companies to business and non-availability of comparable transactions for similar business. Further, Market Price Method has not been considered for valuation of GPL as the shares are not listed on recognized stock exchange.

BDO considered the Discounted Cash Flow Method under Income Approach to value the GPL as the true worth of the GPL's business would be reflected in its future earnings potential.

7. The BDO, registered valuer had carried out independent analysis using generally accepted valuation methodologies in arriving the valuation for transfer of the Divestment Business Undertaking. The approach adopted by the registered valuer in determining the same is summarized as under:


- a) Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of GPL in absence of exact comparable companies to business of company and non-availability of comparable transactions for similar business. Market price method has not been considered as the shares of the Company are not listed on recognized stock exchange.
- b) BDO considered the Discounted Cash Flow Method under Income Approach to value the GPL as the true worth of the GPL's business would be reflected in its future earnings potential.

As per the Proposed Scheme, the consideration for slump sale of GPL to AGPPL is Rs. 5,826.887 Crores (Rupees Five thousand eight hundred twenty six crores and eighty eight lacs seventy thousand only)



8. No special valuation difficulties were found by the valuer. The valuation reports and the fairness opinion as placed, were approved by the Board of Directors of the respective companies.

For Adani Ports and Special Economic Zone Limited



Karan Adani

Whole-Time Director & CEO

DIN: 03088095

Date: September 22, 2021

Place: Ahmedabad



For Gangavaram Port Limited



D.V.S. Raju

Executive Chairman

DIN: 00142417

Date: September 22, 2021

Place: Hyderabad



For Adani Gangavaram Port Private Limited



Subrat Tripathy
Director

DIN: 06890393

Date: September 22, 2021

Place: Ahmedabad



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON SEPTEMBER 22, 2021

Background

1. The proposed composite scheme of arrangement between Gangavaram Port Limited ("GPL") and Adani Ports and Special Economic Zone Limited ("APSEZ" or "Company") and Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("Act") and in accordance with Section 2(42C) of the Income Tax Act, 1961, *inter-alia*, provides for:
 - (i) amalgamation of GPL with APSEZL, with effect from the Appointed Date 1 i.e. April 1, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
 - (ii) transfer of the Divestment Business Undertaking (as defined in Scheme), as a going concern on Slump Sale basis, with effect from the Appointed Date 2 i.e. April 2, 2021, by APSEZ to AGPPL for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the Income Tax Act.

The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on September 22, 2021.

2. As per provisions of Section 232(2)(c) of the Act requires that the directors of the APSEZ to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
3. This report of the Board is accordingly being made in pursuance of the requirements of Sections 232(2)(c) of the Act.
4. The following documents, were placed before the Board:
 - a) A draft of the proposed Scheme.

- b) Fair Equity Share Swap Ratio Report dated September 22, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of GPL with APSEZ.
- c) Fairness opinion dated September 22, 2021 issued by JM Financial Limited and Barclays Bank PLC, SEBI registered Merchant Bankers, to the APSEZ, providing their respective fairness opinions on Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of GPL with APSEZ.
- d) Fair Valuation Report dated September 22, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to transfer of Divestment Business Undertaking, by APSEZ to AGPPL.
- e) Fairness opinion dated September 22, 2021 issued by Vivro Financial Services Private Limited, SEBI registered Merchant Banker, to the APSEZ, providing its fairness opinion on the lump sum consideration as recommended by BDO Valuation Advisory LLP, registered valuer, in relation to transfer of Divestment Business Undertaking, by APSEZ to AGPPL.
- f) Auditors' Certificate issued by the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and/or the accounting standards and principles.
- g) Undertaking with regard to non-applicability of requirements i.e. approval of only by public shareholders, prescribed in Part 1 (A)(10)(b) of the SEBI Circular, and Certificate of Deloitte Haskins & Sells LLP, Chartered Accountants, statutory auditors of the Company certifying the said undertaking.
- h) Report of the Audit Committee dated September 22, 2021, recommending the Scheme to the Board for approval.
- i) Report of the Committee of Independent Directors dated September 22, 2021, recommending the Scheme to the Board for approval.
- j) Other presentations, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

Effect of the proposed Scheme

1. Shareholders (including promoter and non-promoter)

Under Part II and Part III of the Scheme, an arrangement is sought to be entered into between APSEZ and its equity shareholders. Upon Part II and Part III of the Scheme becoming effective, the equity shareholders of GPL (except the shares held by APSEZ in GPL, which shall stand cancelled), shall become the equity shareholders of APSEZ in the manner as stipulated in Clause 5.1 of Part II of the Scheme.

As Part IV of the Scheme involves transfer of the Divestment Business Undertaking (as defined in the Scheme) as a going concern on a Slump Sale (as defined in the Scheme) basis by APSEZ to AGPPL for lump sum consideration, no shares are to be allotted by AGPPL to the shareholders of APSEZ (including both promoter shareholders and non-promoter shareholders) or to any other person. Therefore, the shareholders (promoter shareholders and non-promoter shareholders) of APSEZ will not be affected by Part IV of the Scheme in any manner.

Either under Part II of the Scheme or under Part III of the Scheme or under Part IV of the Scheme, there is no arrangement between APSEZ and its preference shareholders. The interest of the preference shareholders of APSEZ will remain unaffected by Part II to Part IV of the Scheme. The preference shareholders shall continue to be the preference shareholders of APSEZ.

2. Creditors

Under Part II or Part III of the Scheme, there is no arrangement with the creditors of APSEZ. No compromise is offered under Part II or Part III of the Scheme to any of the creditors of APSEZ. The liabilities of the creditors of APSEZ, under Part II or Part III of the Scheme, is neither being reduced nor being extinguished. The creditors of APSEZ would in no way be affected by Part II and Part III of the Scheme.

The interest of all the creditors of APSEZ will remain unaffected by Part IV of the Scheme as the assets upon the effectiveness of Part IV of the Scheme will be more than its liabilities and as such sufficient to discharge such liabilities.

No rights of the secured debenture holders are being affected pursuant to Part II to Part IV of the Scheme. Under Part II to Part IV of the Scheme, the secured debenture holders shall continue to be the debenture holders of APSEZ. The debenture trustee

appointed for the secured debenture holders shall continue to remain the debenture trustee.

Further, none of the debenture trustee(s) of APSEZ have any material interest in Part II to Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if applicable.

As on date, APSEZ has no outstanding public deposits and therefore, the effect of Part II to Part IV of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.

3. Employees, Directors and Key Managerial Personnel

Under Part II of the Scheme, no rights of the staff and employees of APSEZ are being affected. The services of the staff and employees of APSEZ, shall continue on the same terms and conditions on which they were engaged by APSEZ.

Under Clause 6 of Part IV of the Scheme, upon Part IV of the Scheme becoming effective and with effect from the Appointed Date 2 (as defined in the Scheme), the Divestment Employees (as defined in the Scheme) of APSEZ shall become the employees of AGPPL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking. In the circumstances, the rights of the Divestment Employees of APSEZ, engaged in or in relation to the Divestment Business Undertaking, would in no way be affected by Part IV of the Scheme.

None of the directors or the key managerial personnel (as defined under the Act and the rules framed thereunder) of APSEZ and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest either in Part II or Part III or Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if any, and/or to the extent that some of the directors are promoters of APSEZ and/or to the extent that the said promoters/promoter group of APSEZ holding shares in APSEZ and/or to the extent that one of the directors of APSEZ is also a director of AGPPL and/or that the said director(s), key managerial personnel and their respective relatives are the partners, directors, members of the companies, firms, bodies corporate and/or beneficiaries of trust that hold shares in APSEZ, if applicable.

Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) 159 equity shares of face value Rs. 2/- each fully paid up of APSEZ for every 1000 equity shares of face value of Rs. 10/- each fully paid of GPL for the amalgamation of GPL with APSEZ.
 - b) lump sum consideration of 5,826.887 crore (Rupees five thousand eight hundred twenty-six crore and eighty-eight lakhs seventy thousand only), for transfer and vesting of Divestment Business Undertaking of APSEZ by way of slump sale on a going concern basis into AGPPL.
2. No special valuation difficulties were reported by the valuers.

Adoption of the Report by the Board

The Board has adopted this report after noting and considering the information set forth in this report.

By order of the Board

For Adani Ports and Special Economic Zone Limited



Karan Adani

Whole-Time Director & CEO

DIN: 03088095

Date: September 22, 2021

Place: Ahmedabad

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI GANGAVARAM PORT PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON SEPTEMBER 22, 2021.

Background

1. The proposed composite scheme of arrangement between Gangavaram Port Limited ("GPL") and Adani Ports and Special Economic Zone Limited ("APSEZ") and Adani Gangavaram Port Private Limited ("AGPPL" or "Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("Act") and in accordance with Section 2(42C) of the Income Tax Act, 1961, *inter-alia*, provides for:
 - (i) amalgamation of GPL with APSEZL, with effect from the Appointed Date 1 i.e. April 1, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
 - (ii) transfer of the Divestment Business Undertaking (as defined in Scheme), as a going concern on Slump Sale basis, with effect from the Appointed Date 2 i.e. April 2, 2021, by APSEZ to AGPPL for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the Income Tax Act.
- The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on September 22, 2021.
2. As per provisions of Section 232(2)(c) of the Act requires that the directors of the AGPPL to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.

3. This report of the Board is accordingly being made in pursuance of the requirements of Sections 232(2)(c) of the Act.
4. The following documents, were placed before the Board:
 - a) A draft of the proposed Scheme.
 - b) Fair Valuation Report dated September 22, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to transfer of Divestment Business Undertaking, by APSEZ to AGPPL.
 - c) Fairness opinion dated September 22, 2021 issued by Vivro Financial Services Private Limited, SEBI registered Merchant Banker, to the APSEZ, providing its fairness opinion on the lump sum consideration as recommended by BDO Valuation Advisory LLP, registered valuer, in relation to transfer of Divestment Business Undertaking, by APSEZ to AGPPL.
 - d) Auditors' Certificate issued by the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and/or the accounting standards and principles.
 - e) Other presentations, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

Effect of the proposed Scheme

1. Shareholders (promoter)

As Part IV of the Scheme involves transfer of the Divestment Business Undertaking (as defined in the Scheme) as a going concern on a Slump Sale (as defined in the Scheme) basis by APSEZ to AGPPL for lump sum

consideration, no shares are to be allotted by AGPPL to the shareholders of APSEZ (including both promoter shareholders and non-promoter shareholders) or to any other person. Therefore, the shareholders of AGPPL will not be affected by Part IV of the Scheme in any manner.

2. Creditors

Under Part IV of the Scheme, there is no arrangement with the creditors, if any, of AGPPL. No rights of the creditors, if any, are being affected pursuant to Part IV of the Scheme. The liability towards the creditors, if any, of AGPPL is neither being reduced nor being extinguished. The creditors of AGPPL, if any, would in no way be affected by Part IV of the Scheme.

As on date, AGPPL has no outstanding debentures and therefore, the effect of Part IV of the Scheme on any such debenture holders or debenture trustee(s) does not arise.

As on date, AGPPL has no outstanding public deposits and therefore, the effect of Part IV of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.

3. Employees and Directors

Under Part IV of the Scheme, no rights of the staff and employees, if any, of AGPPL are being affected. The services of the staff and employees, if any, of AGPPL, shall continue on the same terms and conditions on which they were engaged by AGPPL.

None of the directors and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest in Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if any, and/or to the extent that one of the directors is also a director in APSEZ and/or to the extent that one of the directors is the director of GPL and/or to the extent that the said director(s) and their

respective relatives are the directors, members of the companies that hold shares in APSEZ, if applicable.

Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) lump sum consideration of 5,826.887 crore (Rupees five thousand eight hundred twenty-six crore and eighty-eight lakhs seventy thousand only), for transfer and vesting of Divestment Business Undertaking of APSEZ by way of slump sale on a going concern basis into AGPPL.
2. No special valuation difficulties were reported by the valuers.

Adoption of the Report by the Board

The Board has adopted this report after noting and considering the information set forth in this report.

By Order of the Board

Adani Gangavaram Port Private Limited



Karan Adani

Director

DIN: 03088095

Date: September 22, 2021

Place: Ahmedabad



GANGAVARAM PORT LIMITED

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Hansa Plaza
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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GANGAVARAM PORT LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON SEPTEMBER 22, 2021

Background

1. The proposed composite scheme of arrangement between Gangavaram Port Limited ("GPL or Company") and Adani Ports and Special Economic Zone Limited ("APSEZ") and Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("Act") and in accordance with Section 2(42C) of the Income Tax Act, 1961, *inter-alia*, provides for:
 - (i) amalgamation of GPL with APSEZL, with effect from the Appointed Date 1 i.e. April 1, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
 - (ii) transfer of the Divestment Business Undertaking (as defined in Scheme), as a going concern on Slump Sale basis, with effect from the Appointed Date 2 i.e. April 2, 2021, by APSEZ to AGPPL for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the Income Tax Act.

The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on September 22, 2021.

2. As per provisions of Section 232(2)(c) of the Act requires that the directors of the GPL to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.



3. This report of the Board is accordingly being made in pursuance of the requirements of Sections 232(2)(c) of the Act.
4. The following documents, were placed before the Board:
 - a) A draft of the proposed Scheme.
 - b) Fair Equity Share Swap Ratio Report dated September 22, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of GPL with APSEZ.
 - c) Fairness opinion dated September 22, 2021 issued by JM Financial Limited and Barclays Bank PLC, SEBI registered Merchant Bankers, to the APSEZ, providing their respective fairness opinions on Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of GPL with APSEZ.
 - d) Other presentations, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

Effect of the proposed Scheme

1. Shareholders (promoter and non-promoter)

Under Part II and Part III of the Scheme, an arrangement is sought to be entered into between GPL and its equity shareholders. Upon Part II of the Scheme becoming effective, the equity shareholders of GPL (except APSEZ, which holds shares in the paid-up share capital of GPL), shall become the equity shareholders of APSEZ in the manner stipulated in Clause 5.1 of Part II of the Scheme.

2. Creditors

Under Part II or Part III of the Scheme, there is no arrangement with the creditors of GPL. No compromise is offered either under Part II or under Part III of the Scheme to any of the creditors of GPL. The liabilities of the creditors of GPL, under Part II or under Part III of the Scheme, is neither being reduced nor being extinguished. The creditors of GPL would in no way be affected by Part II or Part III of the Scheme.






As on date, GPL has no outstanding debentures and therefore, the effect of Part II or Part III of the Scheme on any such debenture holders or debenture trustee(s) does not arise.

As on date, GPL has no outstanding public deposits and therefore, the effect of Part II or Part III of the Scheme on any such deposit holders or deposit trustee(s) does not arise.

3. Employees, Directors and Key Managerial Personnel

As stated in Clause 1.2(xiv) of Part II of the Scheme, and with effect from the Effective Date, APSEZ has undertaken to engage all GPL Employees (as defined in the Scheme) without any break in their service and on the basis of continuity of service and, on the terms and conditions no less favourable than those on which they are engaged by GPL and without any interruption of service as a result of the amalgamation. In the circumstances, the rights of the GPL Employees would in no way be affected by Part II of the Scheme.

Upon Part II of the Scheme becoming effective, GPL shall stand dissolved without being wound up. In the circumstances, the directors and key managerial personnel of GPL shall cease to be the directors and key managerial personnel of GPL.

None of the directors or key managerial personnel (as defined under the Act and the rules framed thereunder) of GPL and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest in Part II or Part III of the Scheme except to the extent of the equity shares held by them in GPL and/or in APSEZ, if any, and/or to the extent that one of the directors of GPL is also a director of AGPPL and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the directors, members of the companies that hold shares in GPL and/or APSEZ, if applicable.

Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) 159 equity shares of face value Rs. 2/- each fully paid up of APSEZ for every 1000 equity shares of face value of Rs. 10/- each fully paid of GPL for the amalgamation of GPL with APSEZ.
2. No special valuation difficulties were reported by the valuers.





Adoption of the Report by the Board

The Board has adopted this report after noting and considering the information set forth in this report.

**By order of the Board
For Gangavaram Port Limited**

D.V.S.Raju
Executive Chairman
DIN: 00142417



Date: September 22, 2021

Place: Hyderabad

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL RESULTS**
**TO THE BOARD OF DIRECTORS OF
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its associates and joint ventures for the quarter and nine months ended December 31, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the Parent, subsidiaries, associates and joint ventures as given in the Annexure to this report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to:

- (i) Note 5 to the Statement, regarding the management's impairment assessment of property, plant and equipment of Rs. 10.32 crore and intangible assets of Rs. 976.11 crore, as at December 31, 2021 being considered recoverable based on the future operational plans and cash flows wherein the projections are made based on various judgements and estimates related to cargo traffic, port tariffs, inflation and discount rates, in case of Adani Murmugao Port Terminal Private Limited and Adani Kandla Bulk Terminal Private Limited and also considering the expected relaxation to be received for revenue share on storage charge in case of Adani Murmugao Port Terminal Private Limited. Accordingly, for the reasons stated therein in the said Note, no provision towards impairment of carrying values of the aforesaid property, plant and equipment and intangible assets is considered necessary at this stage.
- (ii) Note 6 to the Statement, which describes the matter relating to delay in achievement of scheduled commercial operation date ("COD" i.e. December 03, 2019) of the development of international deep-water multipurpose seaport being constructed by Adani Vizhinjam Port Private Limited ("AVPPL") at Vizhinjam, Kerala (the "Project"), as stipulated under the relevant concession agreement ("Agreement") and matter subject to arbitration proceedings thereof, initiated by the AVPPL, to resolve disputes with the Government authorities relating to various matters pertaining to development of the Project, which AVPPL represent led to delay in achieving scheduled COD, as at reporting date, detailed in the said note.

Our conclusion on the Statement is not modified in respect of these matters.

7. We did not review the interim financial results of 18 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 1,510.26 crore and Rs. 5,214.79 crore for the quarter and nine months ended December 31, 2021 respectively, total net profit after tax of Rs. 688.31 crore and Rs. 1,916.54 crore for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of Rs. 688.27 crore and Rs. 1,916.38 crore for the quarter and nine months ended December 31, 2021 respectively as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 28.75 crore and Rs. 181.38 crore for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of Rs. 28.75 crore and Rs. 181.38 crore for the quarter and nine months ended December 31, 2021 respectively, as considered in the Statement, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Certain of these subsidiaries are located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments, if any, made by the Parent's management. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.



Our conclusion on the Statement is not modified in respect of these matters.

8. The consolidated unaudited financial results includes the interim financial results of 50 subsidiaries which have not been reviewed by their auditors, whose interim financial results total revenue of Rs. 51.37 crore and Rs. 112.93 crore for the quarter and nine months ended December 31, 2021 respectively, total profit after tax of Rs. 20.12 crore and Rs. 7.17 crore for the quarter and nine months ended December 31, 2021 respectively, total comprehensive income of Rs. 19.78 crore and Rs. 7.18 crore for the quarter and nine months ended December 31, 2021 respectively as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 0.41 crore and Rs. 1.10 crore for the quarter and nine months ended December 31, 2021 respectively and total comprehensive loss of Rs. 0.41 crore and Rs. 1.10 crore for the quarter and nine months ended December 31, 2021 respectively, as considered in the Statement, in respect of four joint ventures and one associate, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 22106189AAAACH6456)

Ahmedabad, February 01, 2022

Annexure to the Independent Auditor's Report

Sr. No.	Name of Entities
A	Parent
1.	Adani Ports and Special Economic Zone Limited
B	Subsidiaries
1.	Abbot Point Operations Pty Limited
2.	Adani International Terminals Pte Limited
3.	The Dhamra Port Company Limited
4.	The Adani Harbour Services Limited
5.	Adani Vizhinjam Port Private Limited
6.	Adani Hazira Port Limited
7.	Adani Petronet Dahej Port Private Limited
8.	Adani Kattupalli Port Limited
9.	Adani Murmugao Port Terminal Private Limited
10.	Adani Kandla Bulk Terminal Private Limited
11.	Adani Ennore Container Terminal Private Limited
12.	Adani Logistics Limited
13.	Adani Hospitals Mundra Private Limited
14.	Adani Vizag Coal Terminal Private Limited
15.	Adani Warehousing Services Private Limited
16.	Dholera Infrastructure Private Limited
17.	Madurai Infrastructure Private Limited
18.	Karnavati Aviation Private Limited
19.	Mundra International Airport Private Limited
20.	Shanti Sagar International Dredging Limited
21.	MPSEZ Utilities Limited (Up to 15 th December, 2021)
22.	Mundra International Gateway Terminal Private Limited
23.	Adinath Polyfills Private Limited
24.	Marine Infrastructure Developer Private Limited
25.	Mundra Crude Oil Terminal Private Limited
26.	Adani Mundra Port Holdings Pte Limited
27.	Mundra SEZ Textile And Apparel Park Private Limited
28.	Adani Tracks Management Services Private Limited
29.	Adani Pipelines Private Limited
30.	Abbot Point Bulkcoal Pty Limited
31.	Dholera Ports and Special Economic Zone Limited
32.	Hazira Infrastructure Limited
33.	Blue Star Realtors Limited (Formerly Known as Blue Star Realtors Private Limited)
34.	Adani Mundra Port Pte. Limited
35.	Adani Abbot Port Pte. Limited
36.	Adani Yangon International Terminal Company Limited
37.	Dermot Infracon Private Limited
38.	Adani Agri Logistics Limited
39.	Adani Agri Logistics (MP) Limited
40.	Adani Agri Logistics (Harda) Limited
41.	Adani Agri Logistics (Hoshangabad) Limited
42.	Adani Agri Logistics (Satna) Limited
43.	Adani Agri Logistics (Ujjain) Limited
44.	Adani Agri Logistics (Dewas) Limited
45.	Adani Agri Logistics (Katihar) Limited
46.	Adani Agri Logistics (Kotkapura) Limited



**Deloitte
Haskins & Sells LLP**

Sr. No.	Name of Entities
47.	Adani Agri Logistics (Kannauj) Limited
48.	Adani Agri Logistics (Panipat) Limited
49.	Adani Agri Logistics (Raman) Limited
50.	Adani Agri Logistics (Nakodar) Limited
51.	Adani Agri Logistics (Barnala) Limited
52.	Adani Agri Logistics (Bathinda) Limited
53.	Adani Agri Logistics (Mansa) Limited
54.	Adani Agri Logistics (Moga) Limited
55.	Adani Warehousing Limited (Formerly Known as Adani Agri Logistics (Borivali) Limited)
56.	Adani Agri Logistics (Dahod) Limited
57.	Adani Agri Logistics (Dhamora) Limited
58.	Adani Agri Logistics (Samastipur) Limited
59.	Adani Agri Logistics (Darbhanga) Limited
60.	Dhamra Infrastructure Private Limited
61.	Adani Logistics Services Private Limited
62.	Adani Noble Private Limited
63.	Adani Forwarding Agent Private Limited
64.	Adani Cargo Logistics Private Limited
65.	Adani Logistics Infrastructure Private Limited
66.	Adani Gangavaram Port Private Limited
67.	Adani Bangladesh Ports Private Limited
68.	Adani Logistics International Pte Limited
69.	Adani Krishnapatnam Port Limited
70.	Adani Krishnapatnam Container Terminal Private Limited
71.	Adani KP Agriwarehousing Private Limited
72.	Dighi Port Limited
73.	Sulochana Pedestal Private Limited
74.	NRC Limited
75.	Shankheshwar Buildwell Private Limited
76.	Aqua Desilting Private Limited
77.	Adani International Ports Holdings Pte Ltd
78.	AYN Logistics Infra Private Limited
79.	Sarguja Rail Corridor Private Limited (w.e.f. appointed date 1 st April, 2021)
C Joint Ventures	
1	Adani CMA Mundra Terminal Private Limited
2	Adani International Container Terminal Private Limited
3	Adani NYK Auto Logistics Solutions Private Limited
4	Dhamra LNG Terminal Private Limited
5	Adani Total Private Limited
6	Total Adani Fuels Marketing Private Limited
7	Dighi Roha Rail Limited
8	Colombo West International Terminal (Private) Limited
9	EZR Technologies Private Limited
D Associates	
1	Gangavaram Port Limited
2	Gangavaram Port Services (India) Private Limited



Adani Ports and Special Economic Zone Limited

Registered Office : "Adani Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad-382421

CIN : L63090GJ1998PLC034182

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2021	September 30, 2021 (refer note 9(iii))	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited			Unaudited		Audited
1	Income						
	a. Revenue from Operations	3,797.10	3,620.71	3,746.49	12,089.00	8,941.70	12,549.60
	b. Other Income	625.63	553.97	528.30	1,581.94	1,505.71	1,970.23
	Total Income	4,422.73	4,174.68	4,274.79	13,670.94	10,447.41	14,519.83
2	Expenses						
	a. Operating Expenses	1,011.02	977.71	916.28	3,585.44	2,273.62	3,259.49
	b. Employee Benefits Expense	160.11	168.95	160.70	493.94	448.07	615.05
	c. Finance Costs						
	- Interest and Bank Charges	659.09	652.50	573.88	1,889.11	1,485.49	2,129.16
	- Derivative Loss/(Gain) (net)	7.42	(4.02)	38.38	2.71	136.62	126.13
	d. Depreciation and Amortisation Expense	693.05	692.19	594.06	2,064.63	1,510.55	2,107.34
	e. Foreign Exchange Loss/(Gain) (net)	12.75	(53.21)	(206.19)	348.20	(691.29)	(715.24)
	f. Other Expenses	195.42	192.06	181.51	641.29	523.58	691.62
	Total Expenses	2,738.86	2,626.18	2,258.62	9,025.32	5,686.64	8,213.55
3	Profit before share of profit/(loss) from joint ventures and associates and tax (1-2)	1,683.87	1,548.50	2,016.17	4,645.62	4,760.77	6,306.28
4	Share of profit/(loss) from joint ventures and associates (net)	55.61	35.55	(3.67)	130.30	(7.81)	(14.27)
5	Profit before exceptional items and tax (3+4)	1,739.48	1,584.05	2,012.50	4,775.92	4,752.96	6,292.01
6	Exceptional items (refer note 17)	-	(405.19)	-	(405.19)	-	-
7	Profit before tax (5+6)	1,739.48	1,178.86	2,012.50	4,370.73	4,752.96	6,292.01
8	Tax Expense/(Credit) (net)	260.72	208.39	435.97	608.51	1,024.91	1,243.27
	- Current Tax	311.39	221.25	394.87	789.14	1,030.67	1,271.51
	- Deferred Tax	4.60	29.29	50.14	21.90	69.20	102.39
	- Tax (credit) under Minimum Alternate Tax (MAT)	(55.27)	(42.15)	(9.04)	(202.53)	(74.96)	(130.63)
9	Profit for the period/year (7-8)	1,478.76	970.47	1,576.53	3,762.22	3,728.05	5,048.74
	Attributable to:						
	Equity holders of the parent	1,472.26	953.84	1,561.47	3,704.09	3,706.49	4,994.30
	Non-controlling interests	6.50	16.63	15.06	58.13	21.56	54.44
10	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss						
	- Re-measurement (Loss)/Gain on defined benefit plans (net of tax)	(0.43)	1.35	(1.67)	0.22	(4.94)	(0.80)
	- Net Gain/(Loss) on FVTOCI Equity Securities (net of tax)	-	-	(18.33)	-	(18.33)	(11.15)
	Items that will be reclassified to profit or loss						
	- Exchange differences on translation of foreign operations	38.83	(81.11)	0.76	(103.70)	26.84	(6.32)
	- Share in other comprehensive income of joint venture (net of tax)	9.30	(3.85)	3.43	(1.39)	(8.29)	2.35
	Total Other Comprehensive (Loss)/Income (net of tax)	47.70	(83.61)	(15.81)	(104.87)	(4.72)	(15.92)
	Attributable to:						
	Equity holders of the parent	47.70	(83.61)	(15.81)	(104.87)	(4.72)	(15.48)
	Non-controlling interests	-	-	-	-	-	(0.44)
11	Total Comprehensive Income for the period/year	1,526.46	886.86	1,560.72	3,657.35	3,723.33	5,032.82
	Attributable to:						
	Equity holders of the parent	1,519.96	870.23	1,545.66	3,599.22	3,701.77	4,978.82
	Non-controlling interests	6.50	16.63	15.06	58.13	21.56	54.00
12	Paid-up Equity Share Capital (Face value of ₹ 2 each)	408.35	408.35	406.35	408.35	406.35	406.35
13	Other Equity excluding Revaluation Reserves as at March 31	-	-	-	-	-	30,201.91
14	Earnings per Share - (Face value of ₹ 2 each)	6.97	4.52	7.69	17.54	18.24	24.58
	Basic and Diluted (in ₹) (Not Annualised for the quarter and Nine months) (refer note 9(iii))						



Notes :

- The aforesaid consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 01, 2022.
- The Statutory Auditors have carried out limited review of consolidated financial results of the Company for the quarter and nine months ended on December 31, 2021.
- The listed Non-Convertible Debentures of the Company aggregating to ₹ 8,681.33 crore as on December 31, 2021 (₹ 7,981.33 crore as on March 31, 2021) are secured by way of first pari passu charge on certain identified property, plant and equipment and intangible assets of the Company and its certain subsidiaries whereby value of underlying assets exceeds hundred percent of the principal amount of the said debentures.
- Consolidated Segment wise Revenue, Results, Assets and Liabilities :

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		(₹ in crore)
		December 31, 2021	September 30, 2021 (refer note 9(iii))	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited			Unaudited		Audited
i	Segment Income						
	a. Port and SEZ activities	3,350.28	3,228.54	3,475.21	10,845.41	8,182.89	11,505.10
	b. Others	477.15	431.31	326.28	1,354.67	883.29	1,213.67
	Sub-Total	3,827.43	3,659.85	3,801.49	12,200.08	9,066.18	12,718.77
	Less: Inter Segment Revenue	30.33	39.14	55.00	111.08	124.48	169.17
	Total	3,797.10	3,620.71	3,746.49	12,089.00	8,941.70	12,549.60
ii	Segment Results						
	a. Port and SEZ activities	1,773.98	1,241.09	1,911.54	5,094.79	4,310.74	6,004.23
	b. Others	39.51	10.56	4.02	27.64	(10.30)	(28.69)
	Sub-Total	1,813.49	1,251.65	1,915.56	5,122.43	4,300.44	5,975.54
	Less: Finance Costs	666.51	648.48	612.26	1,891.82	1,622.11	2,255.29
	Add: Interest Income	500.19	504.62	412.84	1,371.01	1,319.17	1,758.17
	Add: Other unallocable Income / (Expenditure) (Net)	92.31	71.07	296.36	(230.89)	755.46	813.59
	Profit Before Tax	1,739.48	1,178.86	2,012.50	4,370.73	4,752.96	6,292.01
iii	Segment Assets						
	a. Port and SEZ activities	54,254.66	67,467.84	56,571.67	54,254.66	56,571.67	60,161.60
	b. Others	13,989.93	13,921.96	4,425.88	13,989.93	4,425.88	7,108.21
	Sub-Total	68,244.59	81,389.80	60,997.55	68,244.59	60,997.55	67,269.81
	c. Unallocable	26,734.11	10,401.44	21,036.28	26,734.11	21,036.28	7,838.99
		94,978.70	91,791.24	82,033.83	94,978.70	82,033.83	75,108.80
	Assets Held For Sale	1,306.14	47.60	-	1,306.14	-	354.86
	Total Assets	96,284.84	91,838.84	82,033.83	96,284.84	82,033.83	75,463.66
iv	Segment Liabilities						
	a. Port and SEZ activities	5,169.39	4,618.54	5,550.40	5,169.39	5,550.40	6,073.03
	b. Others	573.94	574.97	320.92	573.94	320.92	492.84
	Sub-Total	5,743.33	5,193.51	5,871.32	5,743.33	5,871.32	6,565.87
	c. Unallocable	53,043.34	50,701.74	45,658.27	53,043.34	45,658.27	36,710.06
		58,786.67	55,895.25	51,529.59	58,786.67	51,529.59	43,275.93
	Liabilities associated with Assets Held For Sale	28.15	-	-	28.15	-	114.54
	Total Liabilities	58,814.82	55,895.25	51,529.59	58,814.82	51,529.59	43,390.47

- Port and SEZ activities includes developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure at contiguous Special Economic Zone.
- Others in the segment information represents mainly logistics, transportation and utility business.

- The management has carried out detailed cash flow projections over the period of the concession agreement in determining the recoverable value of the Property, Plant and Equipment and Intangible Assets comprising of service concession rights in accordance with Ind AS 36, Impairment of Assets in case of Adani Kandla Bulk Terminal Private Limited ("AKBTPL") and Adani Murmugao Port Terminal Private Limited ("AMPTPL"). AKBTPL has received relaxation in the form of rationalization on revenue share on storage income from July 2018 to February 2021 from the authorities in accordance with guidelines of Ministry of Shipping ("MoS"). AKBTPL has already filed application for similar rationalization for subsequent period and awaiting approval. AMPTPL has received relief in terms of rationalized tariff on storage charges up to March 2020 from authorities and has filed application for similar relief for Financial Year 2020-21 & 2021-22. Considering these facts, while developing cash flow projections, the management has considered the benefit arising from the relaxation received / expected to be received from the authorities in form of rationalization of revenue share from storage income in accordance with guidelines issued by Ministry of Shipping in Financial Year 2018-19. Further, the Management has made various estimates relating to cargo traffic, port tariffs, inflation, discount rates, revenue share etc. which are reasonable over the entire concession period. On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the recoverable amount of Property, Plant and Equipment and Intangible Assets is higher than their carrying amounts ₹ 699.70 crore in case of AKBTPL and ₹ 286.73 crore in case of AMPTPL as at December 31, 2021. Hence, no provision for impairment is considered necessary at this stage. The eventual outcome of the actual cargo traffic and port tariffs, considering the long period, may be different from those estimated as on the date of approval of these financial results.

- Adani Vizhinjam Port Private Limited ("AVPPL") was awarded Concession Agreement ("CA") dated August 17, 2015 by Government of Kerala for development of Vizhinjam International Deepwater Multipurpose Seaport ("Project"). In terms of the CA the scheduled Commercial Operation Date ("COD") of the Project was December 03, 2019 extendable to August 30, 2020 with certain conditions. As at reporting date, the Project development is still in progress although COD is past due in terms of CA. In respect of delay in COD, AVPPL has made several representations to Vizhinjam International Sea Port Limited ("VISL", the Implementing Agency on behalf of the Government) and Department of Ports, Government of Kerala in respect of difficulties faced by AVPPL including reasons attributable to the government authorities and Force Majeure events such as Ockhi Cyclone, High Waves, National Green Tribunal Order and COVID 19 pandemic etc. which led to delay in development of the project and AVPPL not achieving COD.

Considering the above reasons and authority's rights to terminate the CA on completion of extendable COD, AVPPL issued a Notice of Disputes to Secretary and Principle Secretary of Ports, Government of Kerala under Clause 45.1 of the CA on July 26, 2020 followed by a Notice of Conciliation on August 04, 2020 under Clause 45.2 of the CA. On November 07, 2020, AVPPL issued a Notice of Arbitration in terms of Clause 45.3 of the CA which led to commencement of the arbitration proceedings through appointment of the nominee arbitrator on behalf of the Authorities and presiding arbitrator respectively in the matter w.e.f. February 05, 2021 and February 25, 2021 respectively. As at December 31, 2021 the arbitration proceedings are continuing and AVPPL and the Government of Kerala has filed their respective statement of claim along with supporting affidavit before the arbitral tribunal on June 04, 2021 and August 19, 2021. On September 17, 2021 AVPPL has also filed their reply to the counter claim filed by the Government of Kerala. The first three procedural hearing on the arbitration matters held on March 13, 2021, October 06, 2021 and November 19, 2021 wherein terms of arbitration, finalization of summary of disputes, schedule of trial hearings and course of action has been discussed and agreed between the parties and the matter is presently sub judice.

Pending resolution of disputes with the VISL, authorities and arbitration proceedings still in progress, the Government Authorities continue to have right to take certain adverse action including termination of the Concession Agreement and levying liquidated damages at a rate of 0.1% of the amount of performance security for each day of delay in project completion in terms of the CA.



AVPPL's management represents that the project development is in progress with revised timelines which has to be agreed with authorities. AVPPL's management represents that it is committed to develop the project and has tied up additional equity and debt fund and also received extension in validity of the environmental clearance from the Government for completion of the Project. Based on the above developments and on the basis of legal advice from the external legal counsel in respect of likely outcome of the arbitration proceedings, the management believes it is not likely to have significant financial impact on account of the disputes which are required to be considered for the purpose of these financial results.

- 7 During the previous year ended on March 31, 2021, Adani Ennore Container Terminal Private Limited ("AECTPL") has received notice from Kamarajar Port Limited ("KPL") relating to delay in completion of a milestone of Phase II, levying liquidated damages of ₹ 29.60 crore. AECTPL sought for injunction from Hon'ble High Court of Madras and per its direction, initiated arbitration and deposited ₹ 10 crore without prejudice and subject to outcome of arbitration and other such remedies available in the concession agreement. The matter is under arbitration and both parties have appointed arbitrators as well as the presiding arbitrator as referred by the Hon'ble High Court of Madras. The management is confident that there should be no such levy and has contested the same attributing the delay in Phase II commencement to reasons beyond control of the Company including but not limited to delays in Phase I Project (including Force Majeure events of Cyclone Vardha), delay by the Concessing Authority in appointing an Independent Engineer for Phase II Project, allocation of land, issuance of Phase I completion certificate, etc. Considering above, no provision of the liquidated damages claimed by KPL has been considered necessary at this stage. Both the parties have filed the claim with arbitrators and the matter is currently under arbitration.

- 8 Adani Vizag Coal Terminal Private Limited ("AVCTPL"), a subsidiary of the Company is engaged in Port services under concession from one of the port trust authorities of the Government of India. During the previous year, AVCTPL had received the consultation notice for shortfall in Minimum Guarantee Cargo (MGC) from Visakhapatnam Port Trust ("VPT"). In response to the said letter, AVCTPL contested the said consultation notice on the grounds that the consultation notice is not valid since notified force majeure event of COVID-19 pandemic was still under continuances. Also since the force majeure event has exceeded 120 days, AVCTPL has initiated termination on mutual consent as per right under the concession agreement. VPT has also issued the counter termination. AVCTPL and VPT have appointed arbitrators as well as the presiding arbitrator. Both the parties have filed the claim with arbitrators and the matter is currently under arbitration.

During quarter ended on December 31, 2021, the arbitration tribunal observed that terminal remaining idle leads to its deterioration and fails to generate any revenue. Hence, terminal should be put to operation without any delay and has directed VPT to release an ad-hoc interim payment to AVCTPL of ₹ 155 crore against handing over the possession, management and operational control of the terminal, leaving open all rights and contentions of both parties for examination at a later stage. Pending outcome of the ongoing arbitration, no effect of such interim order has been considered in the current results.

- 9 (i) On December 14, 2021, EZR Technologies Private Limited has been incorporated as a joint venture entity of Adani Port Technologies Private Limited (wholly owned subsidiary of the Company) and Empezar Software Labs Private Limited.

(ii) During the previous year, the group completed acquisition of 75% stake in Adani Krishnapatnam Port Limited ("AKPL") (Formerly known as Krishnapatnam Port Company Limited ("KPCL")) and obtained the control on October 01, 2020 from its erstwhile promoters.

Further during the current year, the Company has acquired balance 25% stake in AKPL and hence it became wholly owned subsidiary of the Group w.e.f June 08, 2021.

(iii) On March 03, 2021, the board of directors have approved the Composite Scheme of Arrangement between the Company and Brahmi Tracks Management Services Private Limited ("Brahmi") and Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors (the 'Scheme') under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder ("the Act"). As per order of Hon'ble National Company Law Tribunal ("NCLT"), the NCLT convened meeting of Equity Shareholders, Secured and Unsecured creditors were held on September 20, 2021, wherein, the said Scheme was approved by Equity shareholders, Secured and Unsecured creditors in overwhelming majority. Subsequent to the quarter ended on December 31, 2021, NCLT has approved the scheme vide order dated January 27, 2022 and hence the effect of the same has been given as subsequent adjusting event.

Consequent to above, Brahmi got amalgamated with the Company and Sarguja became wholly owned subsidiary of the Company w.e.f. appointed date i.e. April 1, 2021 and financial results for the current quarter, current nine months and quarter ended on September 30, 2021 of the Group has been restated and given effect thereto. Further, transaction costs pertaining to such scheme has been charged off to P&L on the same date.

Equity Consideration on account of above scheme is yet to be issued and pending for allotment, however the same has been considered while calculating the Basic and Diluted Earnings Per Share.

The reconciliation of the reported and restated results after giving effect of scheme of arrangement for quarter ended September 30, 2021 is given as below: -

(₹ in crore)			
Particulars	As reported in September 30, 2021	Effect of Scheme	Restated September 30, 2021
Revenue from Operations	3,532.42	88.29	3,620.71
Profit Before Tax	1,187.33	(8.47)	1,178.86
Profit After Tax	968.34	2.13	970.47
Total Comprehensive Income	884.72	2.14	886.86

The group is in the process of making final determination of fair values of identified assets and liabilities for the purpose of purchase price allocation. The summary of provisional purchase price allocation is presented as under:

(₹ in crore)	
Particulars	Amount
Fair value of identifiable Assets	5,841
Fair value of identifiable Liabilities	2,709
Purchase Consideration	4,768
Goodwill	1,636

- (iv) During the current year, the Group completed acquisition of 41.90% equity stake of Gangavaram Port Limited ("GPL") and has been accounted as an associate entity.

On September 22, 2021, the board of directors have approved the Composite Scheme of Arrangement between the Company, Gangavaram Port Limited ("GPL"), Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors (the 'Scheme') under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder ("the Act"). The said scheme will be effective upon receipt of approval from shareholder, creditors, Hon'ble National Company Law Tribunal with an appointed date of April 01, 2021.

- (v) During the previous year, the Group has completed the acquisition of 100% stake in Dighi Port Limited under the Corporate Insolvency Resolution Plan ("CIRP"). The Group has concluded final determination of fair values of identified assets and liabilities for the purpose of purchase price allocation and based on the final fair valuation report of external independent expert, the Group has recorded capital reserve of ₹ 5.95 crore on acquisition.

Considering above, the results of current quarter and nine months ended on December 31, 2021 are not comparable with those of the corresponding periods included in the aforesaid statement.



- 10 The Company had entered into preliminary agreement dated September 30, 2014 with a party for development and maintenance of Liquefied Natural Gas ("LNG") terminal infrastructure facilities at Mundra ("the LNG Project").
- During the year ended March 31, 2020, due to the disputes between the Company and Customer with respect to construction, operation and maintenance of the LNG Project, Interim Settlement and Arbitration Agreement dated December 24, 2019 was executed. Pursuant thereto, ₹ 666 crore has been received and arbitration has been invoked by the Company. On July 08, 2020, the Company has filed its claim before Arbitral Tribunal. On October 07, 2020, the customer has also filed counter claim before Arbitral Tribunal. Pending further developments, no revenue or expenses have been recorded till December 31, 2021.
- 11 The Group's management has made assessment of likely impact from the COVID-19 pandemic on business and financial risks based on internal and external sources. The Group has also considered the possible effects of COVID-19 on the carrying amounts of its financial and non-financial assets and debt covenants using reasonably available information, estimates and judgments and has determined that none of these balances require a material adjustment to their carrying values. Further, the management does not see any medium to long term risks in the ability of the Group to meet its liabilities as and when they fall due.
- 12 During the nine months ended December 31, 2021, revenue from operations includes income from completion of development of Jetty infrastructure which is given on Right-to-Use basis over the concession period and upfront realized fair value considerations of the Jetty infrastructure. The relevant cost of construction has been included in operating expenses.
- 13 The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Group will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.
- 14 The Company's subsidiary in Singapore through its wholly owned subsidiary in Myanmar had signed Build, Operate and Transfer (BOT) agreement in May 2019 with Myanmar Economic Corporation (MEC) for setting up an International Container Terminal, in Ahlone Port situated in Yangon region, Myanmar in May 2019 and has invested USD 169 Million on the project up to December 31, 2021. In light of subsequent Military coup in Myanmar and continuity of sanctions imposed by the United States on MEC since February 2021, the Board, based on the recommendation of risk committee, has decided on October 27, 2021 to exit its investment in Myanmar. The divestment is expected to be completed within few months and management is confident of recovery of its investment, which have been currently accounted as Assets Held for Sale.
- 15 In compliance with Ministry of Corporate Affairs notification w.r.t. to amendment in Schedule III to the Companies Act, 2013 effective from April 01, 2021, figures for comparative previous periods have been regrouped/ reclassified, wherever necessary.
- 16 During the quarter ended on December 31, 2021, the Group has invested its surplus accruals in funds with designated investment themes.
- 17 On September 23, 2021 DGFT issued a notification, which restricts the Group's eligibility for SEIS benefits and also restricts the benefit up to ₹ 5 crore per entity for FY 2019-20, pursuant to which the SEIS receivable amounting to ₹ 405 crore pertaining to FY 2019-20 has been provided during the previous quarter ended September 30, 2021 and is shown as exceptional item. However, the Group has contested the legality and retrospective application of the said notification.
- 18 i) During the previous year, the Company's subsidiary had entered into a Share Transfer Deed for sale of investments in Bowen Rail Operation Pte Ltd ("BRO") and was classified under Assets held for sale. During the previous quarter ended September 30, 2021, the Group concluded the divestment on July 14, 2021.
- ii) During the current quarter, the Company has divested its investment in subsidiary company MPSEZ Utilities Limited ("MUL") on December 15, 2021 pursuant to which MUL ceased to be subsidiary of the Company. The Company has recorded a gain of ₹ 59.70 crore on disposal of investment in subsidiary.
- 19 Key Numbers of Standalone Financial Results of the Company are as under :

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		(₹ in crore)
		December 31, 2021	September 30, 2021 (refer note 9(iii))	December 31, 2020	December 31, 2021	December 31, 2020	Year Ended March 31, 2021
		Unaudited			Unaudited		Audited
i	Revenue from Operations	1,078.51	976.43	1,305.18	3,148.44	3,184.86	4,377.15
ii	Profit Before Tax	664.66	402.19	944.24	1,246.44	2,434.33	2,909.64
iii	Profit After Tax	483.37	278.27	622.55	900.05	1,604.85	1,927.93

The Standalone Financial results are available at the Company's website www.adaniports.com and on the website of the stock exchanges www.bseindia.com and www.nseindia.com.



For and on behalf of the Board of Directors

Gautam S Adani
Gautam S Adani
Chairman & Managing Director

A

Place : Ahmedabad
Date : February 01, 2022



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to:

- (i) Note 5 to the Statement regarding the management's assessment of its investment of Rs. 115.89 crore and outstanding loans aggregating Rs. 444.51 crore (including accrued interest of Rs. 22.36 crore) in Adani Murmugao Port Terminal Private Limited ("AMPTPL") and investment of Rs. 370.05 crore and outstanding loans aggregating Rs. 915.42 crore (including interest accrued Rs. 86.65 crore) in Adani Kandla Bulk Terminal Private Limited ("AKBTPL"), as at December 31, 2021, subsidiaries of the Company, being considered recoverable based on the various judgements and estimates related to cargo traffic, port tariffs, inflation, discount rates, and operational benefits over the balance concession period to determine the cashflows for AMPTPL and AKBTPL and receipt of future relaxation of revenue share in case of AMPTPL. Accordingly, for the reasons stated in the said Note, no provision towards impairment of carrying values of the aforesaid investments and loans is considered necessary at this stage.
- (ii) Note 6 to the Statement, which describes the matter relating to delay in achievement of scheduled commercial operation date ("COD" i.e. December 03, 2019) of the development of international deep-water multipurpose seaport being constructed by Adani Vizhinjam Port Private Limited ("AVPPL") at Vizhinjam, Kerala (the "Project"), as stipulated under the relevant concession agreement ("Agreement") and matter subject to arbitration proceedings thereof, initiated by the AVPPL, to resolve disputes with the Government authorities relating to various matters pertaining to development of the Project, which AVPPL represent led to delay in achieving scheduled COD, as at reporting date, detailed in the said note.

Our conclusion on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN:22106189AAAACG2175)

Ahmedabad, February 01, 2022

Adani Ports and Special Economic Zone Limited

Registered Office : Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad-382421

CIN : L63090GJ1998PLC034182

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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2021	September 30, 2021 (refer note 7(i))	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited			Unaudited		Audited
1	Income						
	a. Revenue from Operations	1,078.51	976.43	1,305.18	3,148.44	3,184.86	4,377.15
	b. Other Income	777.47	656.29	611.77	1,952.93	1,787.98	2,266.31
	Total Income	1,855.98	1,632.72	1,916.95	5,101.37	4,972.84	6,643.46
2	Expenses						
	a. Operating Expenses	209.17	217.30	274.74	632.03	681.26	919.47
	b. Employee Benefits Expense	58.44	63.83	60.92	181.15	179.50	235.01
	c. Finance Costs						
	- Interest and Bank Charges	652.38	634.45	575.83	1,820.39	1,529.63	2,201.15
	- Derivative Loss/(Gain) (net)	7.42	(4.04)	38.37	2.69	136.19	125.70
	d. Depreciation and Amortisation Expense	153.68	148.02	155.92	450.31	465.91	619.18
	e. Foreign Exchange Loss/(Gain) (net)	34.81	(33.70)	(214.83)	357.05	(730.47)	(718.48)
	f. Other Expenses	75.42	84.07	81.76	290.71	276.49	351.79
	Total Expenses	1,191.32	1,109.93	972.71	3,734.33	2,538.51	3,733.82
3	Profit before exceptional item and tax (1-2)	664.66	522.79	944.24	1,367.04	2,434.33	2,909.64
4	Exceptional item (refer note 11)	-	(120.60)	-	(120.60)	-	-
5	Profit before tax (3+4)	664.66	402.19	944.24	1,246.44	2,434.33	2,909.64
6	Tax Expense (net)	181.29	123.92	321.69	346.39	829.48	981.71
	- Current Tax	168.40	107.37	311.29	338.95	802.42	948.74
	- Deferred Tax	12.89	16.55	10.40	7.44	27.06	32.97
7	Profit for the period / year (5-6)	483.37	278.27	622.55	900.05	1,604.85	1,927.93
8	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss :						
	-Re-measurement (Loss)/Gain on defined benefit plans (net of tax)	(0.17)	0.27	(1.08)	(0.49)	(3.23)	(2.38)
	-Net Gains on FVTOCI Equity Securities (net of tax)	-	-	-	-	-	10.56
	Total Other Comprehensive (Loss)/Income (net of tax)	(0.17)	0.27	(1.08)	(0.49)	(3.23)	8.18
9	Total Comprehensive Income for the period / year (7+8)	483.20	278.54	621.47	899.56	1,601.62	1,936.11
10	Paid-up Equity Share Capital (Face Value of ₹ 2 each)	408.35	408.35	406.35	408.35	406.35	406.35
11	Other Equity excluding revaluation reserve as at 31 st March						21,394.93
12	Earnings per Share (Face Value of ₹ 2 each) Basic and Diluted (in ₹) (Not Annualised for the quarter and nine months) (refer note 7 (i))	2.29	1.32	3.06	4.26	7.90	9.49
13	Debt Equity Ratio	1.75	1.66	1.98	1.75	1.98	1.53
14	Debt Service Coverage Ratio	2.03	1.62	2.05	1.93	1.91	1.86
15	Interest Service Coverage Ratio	2.03	1.62	2.05	1.95	1.91	1.86
16	Current Ratio	1.13	1.20	1.53	1.13	1.53	1.56
17	Long Term Debt to Working Capital	11.43	13.48	2.99	11.43	2.99	8.93
18	Bad debts to Account receivable Ratio	-	-	-	-	-	-
19	Current liability Ratio	0.24	0.22	0.30	0.24	0.30	0.14
20	Total Debts to Total Assets	0.65	0.64	0.68	0.65	0.68	0.63
21	Debtors Turnover (annualised)	4.99	4.18	5.20	4.24	3.36	3.35
22	Inventory Turnover	NA	NA	NA	NA	NA	NA
23	Operating margin (%)	68.19%	62.60%	68.02%	64.94%	64.29%	65.59%
24	Net profit margin (%)	44.82%	28.50%	47.70%	28.59%	50.39%	44.05%



Notes :

- 1 The aforesaid standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 01, 2022.
- 2 The Statutory Auditors have carried out limited review of standalone financial results of the Company for the quarter and nine months ended on December 31, 2021.
- 3 The listed Non-Convertible Debentures of the Company aggregating to ₹ 8,681.33 crore as on December 31, 2021 (₹ 7,981.33 crore as on March 31, 2021) are secured by way of first pari passu charge on certain identified property, plant and equipment and intangible assets of the Company and its certain subsidiaries whereby value of underlying assets exceeds hundred percent of the principal amount of the said debentures.
- 4 Formulae for computation of ratios are as follows

Sr No	Ratio	Formulae
1	Debt Equity Ratio	Total Debt / Shareholder's Equity
2	Debt Service Coverage Ratio	Earnings available for debt service (PAT + Interest cost + Foreign Exchange Loss or (Gain) (net) + Depreciation) / Debt Service (Interest cost & lease payments + repayment of non current debt made during the period excluding refinanced loans))
3	Interest Service Coverage Ratio	Earnings available for debt service (PAT + Interest cost+ Foreign Exchange Loss or (Gain) (net)+Depreciation) / Interest Cost
4	Current Ratio	Current Assets / Current Liabilities
5	Long term debt to working capital	Non Current Debt + Current Maturities of Non Current Debt ("CM") / Current Assets ((incl. Bank Deposits having maturity more than 1 year) - Current Liabilities (excl. CM)
6	Bad debts to Account receivable	Bad Debt / Average Trade receivable
7	Current liability Ratio	Current Liabilities / Total Liabilities
8	Total debts to total assets	Total Liabilities (including Trade and Other liabilities) / Total Assets
9	Debtors turnover (Annualised)	Revenue from operations / Average Accounts Receivable
10	Inventory turnover	NA
11	Operating margin (%);	EBITDA (Excluding Foreign Exchange Loss or (Gain) (net) and exceptional item) / Revenue from Operations
12	Net profit margin (%);	Profit After Tax / Revenue from Operations

- 5 The carrying amounts of long-term investments in equity shares and perpetual securities of wholly owned subsidiary companies viz. Adani Kandla Bulk Terminal Private Limited ("AKBTPL") and Adani Marmugao Port Terminal Private Limited ("AMPTPL") aggregates to ₹ 485.94 crore as at December 31, 2021 and non-current loans given to AKBTPL and AMPTPL aggregates to ₹ 1,359.93 crore (including interest accrued ₹ 109.01 crore) as at December 31, 2021. The said individual subsidiary companies have incurred losses in the recent years and individually have negative net worth which aggregates to ₹ 668.61 crore as at December 31, 2021. The Company has been providing financial support to these entities to meet its financial obligations as and when required in the form of loans, which are recoverable at the end of the concession period associated with these subsidiaries. AKBTPL has received relaxation in the form of rationalization on revenue share on storage income from July 2018 to February 2021 from the authorities in accordance with guidelines of Ministry of Shipping ("MoS"). AKBTPL has already filed application for similar rationalization for subsequent period and awaiting approval. AMPTPL has received relief in terms of rationalized tariff on storage charges up to March 2020 from authorities and has filed application for similar relief for Financial Year 2020-21 & 2021-22.

The Company has determined the recoverable amounts of its investments and loans in these subsidiaries as at December 31, 2021 by considering a discounted cash flow model. Such determination is based on significant estimates & judgements made by the management as regards the benefits of the rationalization of revenue share on storage income received / expected to be received, cargo traffic, port tariffs, inflation, discount rates which have been considered over the remaining concession period and are considered reasonable by the Management. On a careful evaluation of the aforesaid factors, the Company's management has concluded that no provision for impairment in respect of such investments and loans is considered necessary at this stage.



- 6 Adani Vizhinjam Port Private Limited ("AVPPL") was awarded Concession Agreement ("CA") dated August 17, 2015 by Government of Kerala for development of Vizhinjam International Deepwater Multipurpose Seaport ("Project"). In terms of the CA the scheduled Commercial Operation Date ("COD") of the Project was December 03, 2019 extendable to August 30, 2020 with certain conditions. As at reporting date, the Project development is still in progress although COD is past due in terms of CA. In respect of delay in COD, AVPPL has made several representations to Vizhinjam International Sea Port Limited ("VISL", the Implementing Agency on behalf of the Government) and Department of Ports, Government of Kerala in respect of difficulties faced by AVPPL including reasons attributable to the government authorities and Force Majeure events such as Ockhi Cyclone, High Waves, National Green Tribunal Order and COVID 19 pandemic etc. which led to delay in development of the project and AVPPL not achieving COD.

Considering the above reasons and authority's rights to terminate the CA on completion of extendable COD, AVPPL issued a Notice of Disputes to Secretary and Principle Secretary of Ports, Government of Kerala under Clause 45.1 of the CA on July 26, 2020 followed by a Notice of Conciliation on August 04, 2020 under Clause 45.2 of the CA. On November 07, 2020, AVPPL issued a Notice of Arbitration in terms of Clause 45.3 of the CA which led to commencement of the arbitration proceedings through appointment of the nominee arbitrator on behalf of the Authorities and presiding arbitrator respectively in the matter w.e.f. February 05, 2021 and February 25, 2021 respectively. As at December 31, 2021 the arbitration proceedings are continuing and AVPPL and the Government of Kerala has filed their respective statement of claim along with supporting affidavit before the arbitral tribunal on June 04, 2021 and August 19, 2021. On September 17, 2021 AVPPL has also filed their reply to the counter claim filed by the Government of Kerala. The first three procedural hearing on the arbitration matters held on March 13, 2021, October 06, 2021 and November 19, 2021 wherein terms of arbitration, finalization of summary of disputes, schedule of trial hearings and course of action has been discussed and agreed between the parties and the matter is presently sub judice.

Pending resolution of disputes with the VISL, authorities and arbitration proceedings still in progress, the Government Authorities continue to have right to take certain adverse action including termination of the Concession Agreement and levying liquidated damages at a rate of 0.1% of the amount of performance security for each day of delay in project completion in terms of the CA.

AVPPL's management represents that the project development is in progress with revised timelines which has to be agreed with authorities. AVPPL's management represents that it is committed to develop the project and has tied up additional equity and debt fund and also received extension in validity of the environmental clearance from the Government for completion of the Project. Based on the above developments and on the basis of legal advice from the external legal counsel in respect of likely outcome of the arbitration proceedings, the management believes it is not likely to have significant financial impact on account of the disputes which are required to be considered for the purpose of these financial results.

- 7 i) On March 03, 2021, the board of directors have approved the Composite Scheme of Arrangement between the Company and Brahmi Tracks Management Services Private Limited ("Brahmi") and Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors (the 'Scheme') under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder ("the Act"). As per order of Hon'ble National Company Law Tribunal ("NCLT"), the NCLT convened meeting of Equity Shareholders, Secured and Unsecured creditors were held on September 20, 2021, wherein, the said Scheme was approved by Equity shareholders, Secured and Unsecured creditors in overwhelming majority. Subsequent to the quarter ended on December 31, 2021, NCLT has approved the scheme vide order dated January 27, 2022 and hence the effect of the same has been given as subsequent adjusting event.

Consequent to above, Brahmi got amalgamated with the company w.e.f. appointed date April 1, 2021. Further, Mundra rail business ("Divestment Business undertaking") is being transferred to Sarguja on Slump sale basis at a consideration of ₹ 188.65 crore with appointed date April 2, 2021. Accordingly, the company has derecognized the carrying value of assets and liabilities of the divestment business undertaking and recognized the difference between the carrying value and consideration in other equity.

Considering appointed date of April 1, 2021, financial results for the current quarter, current nine months and quarter ended on September 30, 2021 of the Company has been restated and given effect thereto. Further, transaction costs pertaining to such scheme has been charged off to P&L on the same date.

Considering above, the results of current quarter and nine months ended on December 31, 2021 are not comparable with those of the corresponding periods included in the aforesaid statement.

Equity consideration on account of above scheme is yet to be issued and pending for allotment, however the same has been considered while calculating the Basic and Diluted Earnings Per Share.

The reconciliation of the reported and restated results after giving effect of scheme of arrangement for quarter ended September 30, 2021 is given as below: -

(₹ in crore)			
Income	As reported in September 30, 2021	Effect of scheme	Restated September 30, 2021
Revenue from Operations	1,090.02	(113.59)	976.43
Profit Before Tax	482.44	(80.25)	402.19
Profit After Tax	328.74	(50.47)	278.27
Total Comprehensive Income for the period	329.01	(50.47)	278.54

- ii) During the current year, the Company completed acquisition of 41.90% equity stake of Gangavaram Port Limited ("GPL") and has been accounted as an associate entity.

On September 22, 2021, the board of directors have approved the Composite Scheme of Arrangement between the Company, Gangavaram Port Limited ("GPL"), Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors (the 'Scheme') under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder ("the Act"). The said scheme will be effective upon receipt of approval from shareholder, creditors, Hon'ble National Company Law Tribunal with an appointed date of April 01, 2021.

- 8 The Company had entered into preliminary agreement dated September 30, 2014 with a party for development and maintenance of Liquefied Natural Gas ("LNG") terminal infrastructure facilities at Mundra ("the LNG Project").

During the year ended March 31, 2020, due to the disputes between the Company and Customer with respect to construction, operation and maintenance of the LNG Project, Interim settlement and Arbitration Agreement dated December 24, 2019 was executed. Pursuant thereto, ₹ 666 crore has been received and arbitration has been invoked by the Company. On July 08, 2020, the Company has filed its claim before Arbitral Tribunal. On October 07, 2020, the customer has also filed counter claim before Arbitral Tribunal. Pending further developments, no revenue or expenses has been recorded till December 31, 2021.



- 9 The Company's management has made assessment of likely impact from the COVID-19 pandemic on business and financial risks based on internal and external sources. The Company has also considered the possible effects of COVID-19 on the carrying amounts of its financial and non-financial assets and debt covenants using reasonably available information, estimates and judgments and has determined that none of these balances require a material adjustment to their carrying values. Further, the management does not see any medium to long term risks in the ability of the Company to meet its liabilities as and when they fall due.
- 10 The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.
- 11 On September 23, 2021 DGFT issued a notification, which restricts the Company's eligibility for SETS benefits and also restricts the benefit up to ₹ 5 crore per entity for FY 2019-20, pursuant to which the SEIS receivable amounting to ₹ 120.60 crore pertaining to FY 2019-20 has been provided during the previous quarter ended September 30, 2021 and is shown as exceptional item. However, the Company has contested the legality and retrospective application of the said notification.
- 12 The Company is primarily engaged in one business segment, namely developing, operating & maintaining the Ports Services and Ports related Infrastructure development activities at Special Economic Zone at Mundra, as determined by the chief operating decision maker in accordance with Ind-AS 108 "Operating Segments".
- 13 The Company's subsidiary in Singapore through its wholly owned subsidiary in Myanmar had signed Build, Operate and Transfer (BOT) agreement in May 2019 with Myanmar Economic Corporation (MEC) for setting up an International Container Terminal, in Ahlone Port situated in Yangon region, Myanmar in May 2019 and has invested USD 169 Million on the project up to December 31, 2021. In light of subsequent Military coup in Myanmar and continuity of sanctions imposed by the United States on MEC since February 2021, the Board, based on the recommendation of risk committee, has decided on October 27, 2021 to exit its investment in Myanmar. The divestment is expected to be completed within few months and management is confident of recovery of its investment.
- 14 i) On December 14, 2021, EZR Technologies Private Limited has been incorporated as a joint venture entity of Adani Port Technologies Private Limited (wholly owned subsidiary of the Company) and Empezar Software Labs Private Limited.
ii) During the current quarter, the Company has divested its investment in subsidiary company MPSEZ Utilities Limited ("MUL") on December 15, 2021 pursuant to which MUL ceased to be subsidiary of the Company. The Company has recorded a gain of ₹ 63.76 crore on disposal of investment in subsidiary.
iii) During the quarter ended on December 31, 2021, the company has invested its surplus accruals in funds with designated investment themes.
- 15 In compliance with Ministry of Corporate Affairs notification w.r.t. to amendment in Schedule III to the Companies Act, 2013 effective from April 01, 2021, figures for comparative previous periods have been regrouped/ reclassified, wherever necessary.

Place : Ahmedabad
Date : February 01, 2022



For and on behalf of the Board of Directors

Gautam S Adani

Gautam S Adani
Chairman & Managing Director



Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Adani Gangavaram Port Private Limited

Report on the Audit of the Special Purpose Condensed Interim Financial Statements

1. Opinion

We have audited the accompanying special purpose condensed interim financial statements (the "Special Purpose Condensed Interim Financial Statements") of Adani Gangavaram Port Private Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period from July 14, 2021 to December 31, 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Interim Financial Statements is prepared, in all material respects, in accordance with the basis set out in Note 2 to the Special Purpose Condensed Interim Financial Statements.

2. Basis for Opinion

We conducted our audit of the Special Purpose Condensed Interim Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Condensed Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Condensed Interim Financial Statements.

3. Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Condensed Interim Financial Statements, which describes the basis of accounting. The Special Purpose Condensed Interim Financial Statements have been prepared, and this report thereon has been issued pursuant to the terms of requirement of SEBI ICDR Regulations 2018, Part E (Abridged Prospectus) for finalisation of Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement between the Company and Adani Ports and Special Economic Zone Limited and Gangavaram Port Limited and their respective shareholders and creditors. As a result, the financial statements may not be suitable for any other purpose. Our report is intended solely for this purpose and should not be used for any other purpose, except with our prior consent in writing.

Our opinion is not modified in respect of this matter.



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LLP Registration No. AAB-8737

4. Responsibilities of Management and Those Charged with Governance for the Special Purpose Condensed Interim Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Condensed Interim Financial Statements in accordance with the basis of preparation as stated in Note 2 to the Special Purpose Condensed Interim Financial Statements, to the terms of SEBI ICDR Regulations 2018, Part E (Abridged Prospectus) for finalisation of the Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement between the Company and Adani Ports and Special Economic Zone Limited and Gangavaram Port Limited and their respective shareholders and creditors.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Condensed Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Condensed Interim Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Special Purpose Condensed Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Condensed Interim Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Condensed Interim Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Condensed Interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**Deloitte
Haskins & Sells LLP**

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Condensed Interim Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Condensed Interim Financial Statements, including the disclosures, and whether the Special Purpose Condensed Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Condensed Interim Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Condensed Interim Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Condensed Interim Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)



Kartikanya Raval

Kartikanya Raval

Partner

(Membership No. 106189)

UDIN-22106189AAJVER9329

Place: Ahmedabad

Date: February 04, 2022

Adani Gangavaram Port Private Limited
Special Purpose Condensed Interim Balance-Sheet
as at 31st December, 2021

adani

Ports and
Logistics

Amount in ₹

Particulars	Notes	As at December 31, 2021
Assets		
Non-Current assets		
Total Non-current Assets		-
Current assets		
Financial Assets		
(i) Cash and Cash Equivalents	4	500,000.00
Total Current Assets		500,000.00
Total Assets		500,000.00
Equity and Liabilities		
Equity		
Equity Share Capital	5	500,000.00
Other Equity		-
Total Equity		500,000.00
Non-Current Liabilities		
Total Non-current Liabilities		-
Current Liabilities		
Total Current Liabilities		-
Total Liabilities		-
Total Equity And Liabilities		500,000.00

The accompanying notes forming part of the Special Purpose Condensed Interim Financial Statements

As per our report of even date

For Deloitte Haskins and Sells LLP

Chartered Accountants

Kartik Raval
Kartik Raval
Partner



For and on behalf of Board of Directors

M. Adani
M. Adani
Director
DIN: 03088095

Subrat Tripathy
Subrat Tripathy
Director
DIN: 06890393

Place: Ahmedabad
Date: February 4, 2022

Place: Ahmedabad
Date: February 4, 2022



Adani Gangavaram Port Private Limited
Special Purpose Condensed Interim Statement of Profit and Loss



		Amount in ₹
Particulars	Notes	For the period 14th July, 2021 to 31st December, 2021
Income		
	Total Income	-
Expenses		
	Total Expense	-
Profit before exceptional items and tax		-
Exceptional items		-
Profit Before Tax		-
Tax Expense:		-
Profit for the period	(A)	-
Other Comprehensive Income / (Loss)		
Total Other Comprehensive Income / (Loss) for the period net of tax	(B)	-
Total Comprehensive Income for the period	(A)+(B)	-
Earnings per Share (EPS) - (Face value of ₹ 10 each)		
Basic and Diluted (in ₹)		-

The accompanying notes forming part of the Special Purpose Condensed Interim Financial Statements

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Kartikeya Raval
Partner



Karan Adani
Karan Adani
Director
DIN: 03088095

Subrat Tripathy
Subrat Tripathy
Director
DIN: 06890393

Place: Ahmedabad
Date: February 4, 2022

Place: Ahmedabad
Date: February 4, 2022



Adani Gangavaram Port Private Limited
Special Purpose Condensed Interim Statement of changes in Equity



Amount in ₹

Particulars	Equity Share Capital	Reserves		Total
		Securities Premium	Surplus in the statement of profit and loss	
Balance as on July 14, 2021	-	-	-	-
Issued during the period	500,000.00	-	-	500,000.00
Profit for the period	-	-	-	-
Other Comprehensive Income	-	-	-	-
As on December 31, 2021	500,000.00	-	-	500,000.00

The accompanying notes forming part of the Special Purpose Condensed Interim Financial Statements

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

For and on behalf of Board of Directors

Naran Adani

Naran Adani
Director
DIN: 03088095

Subrat Tripathy

Subrat Tripathy
Director
DIN: 06890393



Place: Ahmedabad
Date: February 4, 2022

Place: Ahmedabad
Date: February 4, 2022



Adani Gangavaram Port Private Limited
Special Purpose Condensed Interim Statement of Cash Flows

adani
Ports and
Logistics

Amount in ₹

For the period 14th
July, 2021 to 31st
December, 2021

Particulars	
A. Cash Flow From Operating Activities	
Net Cash Inflow From Operating Activities	-
B. Cash Flows From Investing Activities	
Net Cash (Outflow) from Investing Activities	-
C. Cash Flows From Financing Activities	
Proceeds from Issuance of Equity Share Capital	500,000.00
Net Cash (Outflow) from Financing Activities	500,000.00
D. Net (Decrease) / Increase in Cash & Cash Equivalents (A + B + C)	500,000.00
E. Cash & Cash Equivalents at the beginning of the period	-
F. Cash & Cash Equivalents at the end of the period	500,000.00
Component of Cash and Cash Equivalents	
Balances with Scheduled Bank	
- On Current Accounts	500,000.00
Cash and Cash Equivalents at the end of the period	500,000.00

The accompanying notes forming part of the Special Purpose Condensed Interim Financial Statements

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants

Kartikaya Raval
Kartikaya Raval
Partner



For and on behalf of Board of Directors

Karan Adani
Karan Adani
Director
DIN: 03088095

Subrat Tripathy
Subrat Tripathy
Director
DIN: 06890398

Place: Ahmedabad
Date: February 4, 2022

Place: Ahmedabad
Date: February 4, 2022



1 Corporate information

Adani Gangavaram Port Private Limited ('AGPPL') is a private Company by shares incorporated on July 14, 2021 under the Companies Act, 2013 in the state of Gujarat. The CIN of Adani Gangavaram Port Private Limited is U61100GJ2021PTC124091 and registered office is situated at Adani Corporate House, Shantigram, S G Highway, Ahmedabad - 382 421, Gujarat, India. AGPPL is wholly owned subsidiary of APSEZ.

AGPPL is authorized by its memorandum to carry on business of construct, develop, maintain, build, equip, hire or otherwise deal with ports, shipyard, jetties, harbours, docks, ship breaking, ship repair, ship building etc at any port in India or elsewhere.

The Audited Condensed Interim Financial Information as at period December 31, 2021 were authorised for issue in accordance by the board of directors on February 4, 2022.

2 Basis of preparation and presentation

The Special Purpose Condensed Interim Financial Statements of the Company presented herein reflect the Company's assets and liabilities as at December 31, 2021, and its results of operations, changes in equity and cash flows for the period from July 14, 2021 to December 31, 2021.

These Special Purpose Condensed Interim Financial Statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies, Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

These Special Purpose Condensed Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Further, these Special Purpose Condensed Interim Financial Statements is not a complete set of financial statements of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act.

The Special Purpose Condensed Interim Financial Statements have been prepared, and this report thereon has been issued pursuant to the terms of requirement of SEBI ICDR Regulations 2018, Part E (Abridged Prospectus) for finalisation of Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement between the Company and Adani Ports and Special Economic Zone Limited and Gangavaram Port Limited and their respective shareholders and creditors. As a result, the financial statements may not be suitable for any other purpose.

(This space has been intentionally left blank)



3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

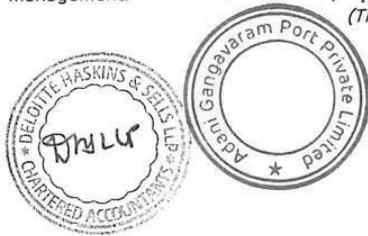
The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(This space has been intentionally left blank)



Adani Gangavaram Port Private Limited
Notes to Special Purpose Condensed Interim Financials Statements
as at December 31, 2021



4 Cash and cash equivalents

Balances with banks:
 Balance in current accounts

As at December 31, 2021 Amount in ₹
500,000.00
500,000.00

5 Equity Share Capital

Authorised
 50,000 Equity shares of Rs. 10 Each

As at December 31, 2021 Amount in ₹
500,000.00

Issued, subscribed and fully paid up shares
 50,000 Equity shares of Rs. 10 Each

500,000.00

Notes:

(A) Reconciliation of the number of shares outstanding at the beginning and end of the period:

At the beginning of the period	-
New shares issued during the year	50,000.00
At the end of the period	50,000.00

(B) Terms/Rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the share holders.

(C) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as under :

Particulars	As at 31st December, 2021
Adani Ports and Special Economic Zone Limited	500,000.00
50,000 shares of Rs.10/- each	

(E) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs.10/- fully paid:

Holding Company	Particulars	As at 31st December, 2021
Adani Ports and Special Economic Zone Limited and its nominees	Nos in Lakhs % of Holding	50,000.00 100%

6 Related Party Transactions

The Management has identified the following entities as related parties of the Company for the period ended 31st December, 2021 for the purposes of reporting as per IND AS 24 – Related Party Transactions, which are as under:

Holding Company	Adani Ports and Special Economic Zone Limited
Key management personnel	Mr. Gudena Jagannadha Rao Mr. Karan Gautam Adani Mr. Subrat Tripathy

Note

A. The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

B. Aggregate of transactions for the year ended with these parties have been given below:

Particulars	For the period ended December 31, 2021
Issuance of Equity Shares	
Adani Ports and Special Economic Zone Limited	500,000.00



7 Events occurring after the Reporting Period

There were no events occurred subsequent to the reporting period requires any adjustments / disclosures.

8 There are no contingent liabilities and capital Commitments as on reporting date.

9 The Board of Directors of AGPPL at their meeting held on 4th February, 2022 has approved the composite scheme of arrangement between the Company, APSEZ and Gangavaram Port Limited ("GPL").

The proposed composite scheme of arrangement ("Scheme") is for amalgamation of GPL with APSEZ with effect from the Appointed Date¹ i.e. 01 April 2021, pursuant to the provisions of Sections 230 to 232 of the Companies act, 2013 and to transfer Divestment business undertaking (Business of GPL), together with its assets and liabilities, transferred to and vested in APSEZ as a going concern on a slump sale basis with effect from the Appointed Date 2 i.e. 02 April 2021 from APSEZ to AGPPL for a lumpsum consideration under section 230 to 232 of the Companies Act, 2013.

Pursuant to the above Scheme, the Company has prepared these Special Purpose Condensed Interim Financial Statements.

10 Since the company is incorporated as on July 14, 2021 there are no Comparatives figures for the previous period.



For and on behalf of Board of Directors


Karan Adani
Director

DIN: 03088095


Subrat Tripathy
Director

DIN: 06890393

Place: Ahmedabad
Date: February 4, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Gangavaram Port Limited**

Report on the Audit of the Special purpose Nine months period ended Condensed Standalone Ind AS financial statements

Opinion

We have audited the accompanying Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements of Gangavaram Port Limited ("the Company"), which comprise the nine months period ended condensed standalone Balance Sheet as at 31 December 2021, the nine months period ended condensed standalone Statement of Profit and Loss, including other comprehensive income, nine months period ended condensed standalone cash flow statement and condensed standalone statement of changes in equity for the nine-month period then ended, and a summary of significant accounting policies and select notes.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements have been prepared, in all material respects, in accordance with the basis of preparation as stated in Note 2 to the Special purpose Nine months period ended Condensed Ind AS Financial Statements pursuant to the terms of requirement of SEBI ICDR Regulations 2018, Part E (Abridged Prospectus) for finalization of the Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement between the Company and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective shareholders and creditors.

Basis for Opinion

We conducted our audit of the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements.

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements, which describes the basis of accounting.

The Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements are prepared, and this report thereon has been issued pursuant to the terms of requirement of SEBI ICDR Regulations 2018, Part E (Abridged Prospectus) for finalization of the Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement between the Company

and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective shareholders and creditors. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for this purpose and should not be used for any other purpose or provided to other parties. Our opinion is not modified in respect of this matter.

Responsibility of Management for the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements in accordance with the basis of preparation as stated in Note 2 to the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements, to the terms of requirement of SEBI ICDR Regulations 2018, Part E (Abridged Prospectus) for finalization of the Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement between the Company and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective shareholders and creditors. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose Nine months period ended condensed standalone Ind AS financial statements, Board of Directors is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform

audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative financial information for the period ended 31 December 2020 presented in the accompanying Special purpose Nine months period ended Condensed Standalone Ind AS Financial Statements have not been subjected to an audit or independent review by a firm of Chartered accountants and is based on management certified accounts. Our conclusion is not modified in respect of this matter.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**Akshay
Jhawar**

Digitally signed by
Akshay Jhawar
Date: 2022.02.01
19:45:42 +05'30'

per Akshay Jhawar

Partner

Membership No.: 061918

UDIN: 22061918AAAAAN3184

Place: Hyderabad

Date: 01 February 2022

Gangavaram Port Limited
Special Purpose Nine Months Period ended Condensed Standalone Balance Sheet as at 31 December 2021

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

	As at 31 December 2021 (Audited)	As at 31 March 2021 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	1,29,093.54	1,37,267.30
Capital work-in-progress	708.07	29.89
Other intangible assets	92.86	56.75
Right-of-use assets	2,706.99	2,795.67
Financial assets		
Investments	100.00	100.00
Other financial assets	95,372.30	8,210.45
Deferred tax assets (net)	38,008.13	29,618.86
Other tax assets	1,560.99	1,407.19
Other non-current assets	827.13	411.77
	2,68,470.01	1,79,897.88
Current assets		
Inventories	1,126.76	1,084.77
Financial assets		
Trade receivables	5,332.31	4,358.60
Cash and cash equivalents	2,574.45	13,163.07
Bank balances other than cash and cash equivalents	6,256.34	43,374.00
Loans	9.09	8.10
Other financial assets	10,907.29	4,167.39
Other current assets	3,992.69	2,484.03
	30,198.93	68,639.96
Total assets	2,98,668.94	2,48,537.84
Equity and liabilities		
Equity		
Equity share capital	51,700.00	51,700.00
Other equity	2,35,371.70	1,82,889.39
	2,87,071.70	2,34,589.39
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3,078.47	3,047.76
Provisions	95.07	79.70
	3,173.54	3,127.46
Current liabilities		
Financial liabilities		
Lease liabilities	144.22	186.30
Trade payables		
- Total outstanding dues to micro enterprises and small enterprises	588.30	974.95
- Total outstanding dues to creditors other than micro enterprises and small enterprises	2,187.54	1,718.46
Other financial liabilities	2,513.12	3,177.45
Other current liabilities	2,688.60	4,733.09
Provisions	301.92	30.74
	8,423.70	10,820.99
Total liabilities	11,597.24	13,948.45
Total equity and liabilities	2,98,668.94	2,48,537.84

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration No. 101049W / E300004

Chartered Accountants

 Akshay
Jhawar

 Digitally signed by
Akshay Jhawar
Date: 2022.02.01
19:47:08 +05'30'

 per Akshay Jhawar
Partner
Membership No.061918

For and on behalf of the Board of Directors of

Gangavaram Port Limited

CIN No : U63032TG2001PLC037861

 DANDU
VENKATA
SATYANARAY
ANA RAJU

D.V.S. Raju
Executive Chairman
DIN:00142417

 HANUMANTH
A RAO
MURALIDHAR

H Muralidhar
Chief Financial Officer

 DANDU
RAJGOPA
LA RAJU

D. Rajgopala Raju
Managing Director
DIN:01679892

 ASHISH
KUMAR

Ashish Kumar
Company Secretary
FCS: 8151

 Place: Hyderabad
Date: 01 February 2022

 Place: Hyderabad
Date: 01 February 2022

Gangavaram Port Limited
Special Purpose Condensed Standalone Statement of Profit and loss for the Nine Months period ended 31 December 2021

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

	For the Nine Months Period ended 31 December 2021 (Audited)	'For the Nine Months Period ended 31 December 2020 (Unaudited)
Income		
Revenue from contracts with customers	89,908.12	75,603.31
Other income	4,346.35	3,299.56
Total income	94,254.47	78,902.87
Expenses		
Operating expenses	20,247.69	22,041.23
Employee benefits expense	5,381.73	4,676.63
Finance costs	261.97	229.89
Depreciation and amortisation expense	10,403.69	10,416.45
Other expenses	4,522.88	3,806.78
Total expenses	40,817.96	41,170.98
Profit before tax	53,436.51	37,731.89
Tax expense		
Current tax	1,473.17	1,091.73
Deferred tax (credit)	(522.44)	(398.25)
Income tax expense	950.73	693.48
Profit for the period	52,485.79	37,038.41
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or loss in subsequent period:		
Remeasurement (loss) on defined benefit plans	(5.35)	(2.23)
Income tax effect of remeasurement on defined benefit plans	1.87	0.78
Net other comprehensive income not to be reclassified to profit or loss in subsequent period:	(3.48)	(1.45)
Total comprehensive income for the period, net of taxes	52,482.30	37,036.96
Earning per share - (face value of share INR 10 each)		
Basic and diluted earning per share	10.15	7.16

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

 ICAI Firm registration No. 101049W / E300004
Chartered Accountants

 Akshay
Jhawar

 Digitally signed by
Akshay Jhawar
Date: 2022.02.01
19:47:51 +05'30'

per Akshay Jhawar

Partner

Membership No.061918

For and on behalf of the Board of Directors of

Gangavaram Port Limited
CIN No : U63032TG2001PLC037861

 DANDU
VENKATA
SATYANARA
YANA RAJU

D.V.S. Raju

Executive Chairman

DIN:00142417

 HANUMANT
HA RAO
MURALIDH
AR

H Muralidhar

Chief Financial Officer

 DANDU
RAJGOPALA
RAJU

D. Rajgopala Raju

Managing Director

DIN:01679892

 ASHISH
KUMAR

Ashish Kumar

Company Secretary

FCS: 8151

Place: Hyderabad

Date: 01 February 2022

Place: Hyderabad

Date: 01 February 2022

Gangavaram Port Limited
Special Purpose Condensed Standalone Statement of Cash Flow for the the Nine Months Period 31 December 2021

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

Particulars	For the Nine Months Period ended 31 December 2021 (Audited)	For the Nine Months Period ended 31 December 2020 (Unaudited)
Cash flow from operating activities		
Profit before tax	53,436.51	37,731.89
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	10,403.69	10,416.45
Interest income	(4,214.91)	(3,124.22)
Rental income	(0.90)	-
Allowance for doubtful debts written back	(35.24)	-
Interest expense and other borrowing costs	206.27	220.26
Operating profits before working capital changes	59,795.42	45,244.38
Movement in working capital:		
(Increase) in inventories	(41.99)	(307.16)
(Increase)/Decrease in trade receivables	(938.46)	6,088.89
Decrease/(Increase) in other financial assets	83.79	(94.56)
(Increase)/Decrease in other assets	(1,472.98)	806.44
(Increase)/Decrease in loans	(0.99)	11.00
Increase/(Decrease) in trade payables	82.25	(397.06)
(Decrease) in provisions	(0.90)	(237.50)
(Decrease)/Increase in other financial liabilities	(585.21)	195.99
(Decrease)/Increase in other liabilities	(2,044.49)	7,003.60
Cash generated from operations	54,876.45	58,314.02
Income taxes paid (net of refunds)	(9,210.00)	(5,862.00)
Net cash flows from operating activities	45,666.45	52,452.02
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work-in-	(3,405.70)	(6,824.00)
Proceeds from sale of property, plant and equipment	21.25	-
Interest income received	7,262.60	479.93
(Investment in) bank deposits	(59,915.58)	(13,134.13)
Net cash flow (used in) investing activities	(56,037.43)	(19,478.20)
Cash flow from financing activities		
Repayment of borrowings	-	(198.69)
Payment of lease liabilities	(217.64)	(160.11)
Interest and other borrowing costs incurred	-	(11.80)
Dividends paid (including tax thereon)	-	(20,680.00)
Net cash flows used in financing activities	(217.64)	(21,050.60)
Net (decrease) in cash and cash equivalents	(10,588.62)	11,923.22
Cash and cash equivalents at the beginning of the period	13,163.07	471.34
Cash and cash equivalents at the end of the period	2,574.45	12,394.56
Components of cash and cash equivalents		
Cash on hand	10.00	3.69
Balance with banks		
- in current accounts	1,614.45	7,494.87
- in deposit accounts (with original maturity of 3 months or less)	950.00	4,896.00
	2,574.45	12,394.56

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration No. 101049W / E300004

Chartered Accountants

**Akshay
Jhawar**

 Digitally signed by
Akshay Jhawar
Date: 2022.02.01
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per Akshay Jhawar

Partner

Membership No.061918

For and on behalf of the Board of Directors of

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CIN No : U63032TG2001PLC037861

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Managing Director

DIN:01679892

 ASHISH
KUMAR

Ashish Kumar

Company Secretary

FCS: 8151

Place: Hyderabad

Date: 01 February 2022

Place: Hyderabad

Date: 01 February 2022

Gangavaram Port Limited
Special Purpose Condensed Standalone Statement of Changes in Equity for the the Nine Months Period 31 December 2021

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

A. Equity share capital

	No of shares	Amount
Equity share of INR 10 each issued, subscribed and fully paid		
Balance as at 1 April 2020	51,70,00,000	51,700.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	51,70,00,000	51,700.00
Changes in equity share capital during the period	-	-
Balance as at 31 December 2021	51,70,00,000	51,700.00

B. Other equity

Particulars	Other equity		Total
	Reserves and surplus Retained earnings	Items of other comprehensive income	
Balance as at 1 April 2020	1,69,640.26	52.98	1,69,693.24
Profit for the year	49,389.05	-	49,389.05
Other comprehensive income for the year, net of tax	-	(2.90)	(2.90)
Appropriations:			
- Dividend	(36,190.00)	-	(36,190.00)
Total comprehensive income for the year	13,199.05	(2.90)	13,196.15
Balance as at 31 March 2021	1,82,839.31	50.08	1,82,889.39
Particulars	Other equity		Total
	Reserves and surplus Retained earnings	Items of other comprehensive income	
Balance as at 1 April 2021	1,82,839.31	50.08	1,82,889.39
Profit for the period	52,485.79	-	52,485.79
Other comprehensive income for the period, net of tax	-	(3.48)	(3.48)
Total comprehensive income for the period	52,485.79	(3.48)	52,482.31
Balance as at 31 December 2021	2,35,325.10	46.60	2,35,371.70

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration No. 101049W / E300004

Chartered Accountants

Akshay
Jhavar

Digitally signed by
Akshay Jhavar
Date: 2022.02.01
19:48:52 +05'30'

per Akshay Jhavar

Partner

Membership No.061918

For and on behalf of the Board of Directors of

Gangavaram Port Limited
CIN No : U63032TG2001PLC037861

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D. Rajgopala Raju

Managing Director

DIN:01679892

ASHISH
KUMAR

Ashish Kumar

Company Secretary

FCS: 8151

Place: Hyderabad

Date: 01 February 2022

Place: Hyderabad

Date: 01 February 2022

Gangavaram Port Limited**Notes to Special Purpose Condensed Standalone Financial statements for the Nine Months Period Ended 31 December 2021**

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

1. Company overview

Gangavaram Port Limited ("GPL" or "the Company") was incorporated on 27 September 2001 in the state of Andhra Pradesh, India in accordance with the provisions of the Companies Act, 1956 ("the Act"). The Company has entered into a Concession Agreement with the Government of Andhra Pradesh ("GoAP") on 7 August 2003 for the Development of Gangavaram Port ("the Port") on Built, Own, Operate and Transfer ("BOOT") basis. Pursuant to the terms and conditions of the said agreement, the Company has been granted an exclusive right and authority for designing, financing, building, owning, maintaining, operating and transferring a green-field, all-weather, deep water, multipurpose port at Gangavaram together with a right to levy, collect and retain appropriate charges for Port services rendered to Port users during the Concession Period of thirty years from the date of commercial operations. The Company is entitled for extension for a further period of twenty years (two ten years periods) on completion of certain conditions / obligations as per the said agreement. At the end of the Concession Agreement, all the assets of the Company at Gangavaram port would be transferred to the GoAP subject to the provisions of the Concession Agreement. The Commercial operations of the Company have commenced with effect from 17 April 2009.

The Special Purpose Condensed Standalone Financial statements Nine Months Period ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 01 February 2022.

2. Significant accounting policies**2.1 Basis of preparation**

The Special purpose Condensed Ind AS Standalone Financial Statements for the Nine months period ended 31 December 2021 comprising the Nine Months Period ended condensed standalone Balance Sheet as at 31 December 2021, the Nine Months Period ended condensed standalone Statement of Profit and Loss, including other comprehensive income, Nine Months Period ended condensed standalone cash flow statement and Nine Months Period ended condensed standalone statement of changes in equity for the Nine-month period then ended, and a summary of significant accounting policies and select notes (together hereinafter referred to as "Special purpose Nine Months Period ended condensed Ind AS standalone financial statements") have been prepared in accordance with the Ind AS 34 Nine Months Period ended Financial Reporting as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (as amended).

The special purpose Nine Months Period condensed Ind AS standalone financial statements have been prepared pursuant to the terms of requirement of SEBI ICDR Regulations, Part E (Abridged Prospectus) for finalization of the Abridged Prospectus for unlisted entities, in relation to the proposed composite scheme of arrangement the Company and Adani Ports & Special Economic Zone Limited ("APSEZ") and Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors.

The Special purpose Condensed Ind AS Standalone Financial Statements for the Nine Months period ended have been prepared on a historical cost basis, are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

The Company has followed the same accounting policies, accounting judgments, estimates and assumptions in preparation of these special purpose Nine Months Period ended condensed Ind AS financial statements as those followed in preparation of the annual financial statements as at the year ended 31 March 2021.

The Special purpose Condensed Ind AS Standalone Financial Statements, for the Nine Months period ended 31 December 2021, do not include all the information and disclosures normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with annual financial statements for the year ended 31 March 2021.

Gangavaram Port Limited
Notes to Special Purpose Condensed Standalone Financial statements for the Nine Months Period Ended 31 December 2021

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

3 Earnings per share (EPS)

The computation of EPS is set out below:

	For the period ended 31 December 2021 (Audited)	For the period ended 30 December 2020 (Unaudited)
Profit attributable to equity shareholders	52,482.30	37,036.96
Weighted average number of equity shares for Basic and Diluted EPS	517,000,000	517,000,000
Basic and Diluted EPS (In INR)	10.15	7.16

The Company has no potentially dilutive equity shares outstanding during the period.

4 Segment information

The Company's business relates to development of port and providing port operation services. The risk and returns of the Company are predominantly determined by its principal activity and the Company's activities fall within a single business and geographical segment. Accordingly, the disclosure requirements of Ind AS 108 "Segment Reporting" specified under Section 133 of the Companies Act, 2013 are not applicable.

5(a) Contingent liabilities
(i) Particulars

	As at 31 December 2021 (Audited)	As at 31 March 2021 (Audited)
Claims against the Company not acknowledged as debts :		
- Customer/contractor claims	1,791.71	1,791.71
- Claims towards land lease/license charges	2,925.07	2,925.07
- Service tax claims towards concession fee and others	1,065.28	1,065.28

Based on the Company's assessment of the contractual terms, applicable legal provisions and legal advice taken, the Management is confident that no material adverse financial implications would arise on the Company on account of above claims.

(ii) There are certain pending litigations including allotment of land, where the Company is also a party to such cases along with other parties. The amount involved is unascertainable and the Management is confident that no material financial implications would arise on the Company on account of such cases.

5(b) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated 28 February, 2019. The matter is presently pending for review of the Supreme Court. Based on the preliminary review and subject to final outcome of the matter, the Company does not expect any material impact on account of the same.

6 Related parties
(a) Names of the related parties and their relationship:

Names of the related party	Nature of relationship
Subsidiary	
Gangavaram Port Services (India) Private Limited	Wholly owned subsidiary
Shareholders having substantial interest	
Dandu Corporate Services Private Limited	Shareholders having substantial interest
(on behalf of Dandu Holdings Discretionary Trust)	
Windy Lakeside Investment Limited	Shareholders having substantial interest (up to 16 April 2021)
Adani Ports and Special Economic Zone Ltd	Shareholders having substantial interest (W.e.f. 16 April 2021)
Key Managerial Personnel (KMP)	
D.V.S Raju	Executive Chairman
D. Rajgopala Raju	Managing Director
N. Sambasiva Rao	Chief Executive Officer (up to 18 October 2021)
H. Muralidhar	Chief Financial Officer
Ashish Kumar	Company Secretary
Vuppalapati Raju Sitaram	Independent Director
Sureddi Vinaya Kumar	Independent Director
R. KarikalValaven	Nominee Director (up to 22 September 2021)
Gudena Jagannadha Rao	Nominee Director (w.e.f. 16 April 2021)
Vishal Mahadevia	Nominee Director (up to 16 April 2021)
Relative of KMP	
D. Padma	Non-Executive Director
Enterprises where KMP (Executive Chairman and Managing Director) along with their relatives exercise significant control or influence	
	Newwave Infrastructure Projects LLP
	Dandu Energy Private Limited
	Dandu Infratech Private Limited
	Dandu Agro Products Private Limited
	Unudurru Enterprises Private Limited
	Udnad Farms Private Limited
	DEKR India LLP
	DRGR India LLP
	Dandu Corporate Services Private Limited

Gangavaram Port Limited**Notes to Special Purpose Condensed Standalone Financial statements for the Nine Months Period Ended 31 December 2021**

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

Subsidiaries of entities having significant influence

Adani Enterprises Limited
Adani Harbour Services Limited**(b) Transactions with key managerial personnel****(i) Key managerial personnel compensation**

	For the period ended 31 December 2021 (Audited)	For the period ended 30 December 2020 (Unaudited)
D.V.S Raju	1,340.99	967.75
D. Rajgopala Raju	1,340.99	967.75
N. Sambasiva Rao	194.63	359.66
H Muralidhar	48.94	44.48
Ashish Kumar	36.24	32.72
Vuppalapati Raju Sitaram	8.25	5.75
Sureddi Vinaya Kumar	8.25	5.75
R. Karikal Valaven	1.00	3.00

Does not include travel expenses, Medical expenses, reimbursement of expenses and also gratuity & leave encashment (as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined).

(c) Transactions with related parties, excluding applicable taxes (other than (b) above)

	For the period ended 31 December 2021 (Audited)	For the period ended 30 December 2020 (Unaudited)
Gangavaram Port Services (India) Private Limited		
Availment of manpower services (grouped under Cargo handling expenses)	3,350.02	3,086.39
Rental income (grouped under Other miscellaneous income)	0.90	0.90
Adani Ports and Special Economic Zone Ltd		
Transfer of Equity shares from Lakeside Investment Limited	16,285.50	-
Adani Enterprises Limited		
Revenue from operations	13,599.57	-
Adani Harbour Services Limited		
Operating expenses (Tugboat hire charges)	1,004.64	-

(d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	As at 31 December 2021 (Audited)	As at 31 March 2021 (Audited)
Balance payable		
D.V.S Raju	223.56	626.16
D. Rajgopala Raju	223.56	626.16
H Muralidhar	-	3.36
N. Sambasiva Rao	-	25.40
Ashish Kumar	-	1.64
Adani Enterprises Limited-Advance from customer	253.79	-
Balance Receivable		
Gangavaram Port Services (India) Private Limited	164.58	3.52
N Samba Siva Rao (KMP) - Salary advance	5.43	-
Ashish Kumar Company Secretary (KMP) - Salary advance	-	9.00

All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date. All outstanding balances are unsecured and are repayable in cash.

Gangavaram Port Limited**Notes to Special Purpose Condensed Standalone Financial statements for the Nine Months Period Ended 31 December 2021**

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

- 7 M/s Adani Ports & Special Economic Zone Limited ("APSEZ"), Ahmedabad, a public limited Company incorporated in India and listed on BSE Ltd ("BSE") and National Stock Exchange of India Limited ("NSE") has acquired 31.50% of stake held by M/s Windy Lakeside Investment Ltd, Mauritius (formerly known as Lakeside Investment Ltd) in Gangavaram Port Limited ("GPL" or "the Company") on 16 April 2021 and appointed Mr. Gudena Jagannadha Rao as its nominee director in the Board of the Company.

APSEZ has acquired 10.39% of stake from GOAP on 22 September 2021, the Board of directors of GPL at their meeting held on 22 September 2021 has passed resolution to transfer of equity shares of GOAP to APSEZ basis transfer request received by the Company.

The Board of Directors of GPL at their meeting held on 22 September 2021, has approved the scheme of arrangement of Company with APSEZ and Adani Gangavaram Port Private Limited ("AGPPL"). The GOAP has vide its G.O.Ms. No.12 dated 23 August 2021 approved the merger of the Company with APSEZ pursuant to the provisions of the Concession agreement dated 07 August 2003.

The proposed scheme of arrangement ("Scheme") is to amalgamate GPL with APSEZ with effect from the Appointed Date1 i.e. 01 April 2021, pursuant to the provisions of Sections 230 to 232 of the Companies act, 2013 and to transfer GPL business, together with its assets and liabilities, transferred to and vested in APSEZ (Divestment business undertaking) as a going concern on a slump sale basis with effect from the Appointed Date2 i.e. 02 April 2021 by APSEZ to AGPPL for a lumpsum consideration under section 230 to 232 of the Companies Act, 2013.

Pursuant to the above scheme of arrangement, the Company has prepared these Special Purpose Nine Months Period ended Condensed Standalone Financial Statements as on 31 December 2021.

- 8 The comparative financial information for the period ended 31 December 2020 presented in the accompanying Special Purpose Nine Months Period ended Condensed Standalone financial statements have not been subjected to an audit or independent review by a firm of Chartered accountants and is based on management certified accounts.
- 9 No material subsequent event has been occurred which requires an adjustment to the balance sheet.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration No. 101049W / E300004

Chartered Accountants

**Akshay
Jhawar**

Digitally signed by Akshay
Jhawar
Date: 2022.02.01 19:49:25
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per Akshay Jhawar

Partner

Membership No.061918

DANDU
VENKATA
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ANA RAJU

D.V.S. Raju
Executive Chairman
DIN:00142417

HANUMANTH
A RAO
MURALIDHAR

H Muralidhar
Chief Financial Officer

Place: Hyderabad
Date: 01 February 2022

DANDU
RAJGOPA
LA RAJU

D. Rajgopala Raju
Managing Director
DIN:01679892

ASHISH
KUMAR

Ashish Kumar
Company Secretary
FCS: 8151

Place: Hyderabad
Date: 01 February 2022

VIVRO

Vivro Financial Services Private Limited

Regd. Office :

Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 4040 4242

www.vivro.net

February 05, 2022

To,

The Board of Directors and Shareholders,

Adani Gangavaram Port Private Limited

Adani Corporate House, Shantigram,

Near Vaishno Devi Circle, S. G. Highway,

Khodiyar, Ahmedabad – 382p421, Gujarat, India.

Dear Sirs/Madams,

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Adani Gangavaram Port Private Limited in the format of abridged prospectus in relation to the composite scheme of arrangement proposed between Gangavaram Port Limited ("GPL"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme" or "Scheme of Arrangement")

This is with reference to our engagement letter dated September 16, 2021 entered with Adani Ports and Special Economic Zone Limited ("APSEZ") for certifying the adequacy and accuracy of disclosure of information pertaining to Adani Gangavaram Port Private Limited ("AGPPL") prepared by AGPPL and to be sent to the shareholders of APSEZ at the time of seeking their approval for the Scheme.

The Scheme of Arrangement, inter alia, provides for a) Amalgamation of GPL with APSEZ, b) Transfer of Divestment Business Undertaking (as defined in Scheme) as going concern on slump sale by APSEZ to AGPPL for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 read with SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of AGPPL ('**Abridged Prospectus**') as prepared by AGPPL and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders APSEZ at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.



Page 1 of 2

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by AGPPL and APSEZ and as well discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of AGPPL is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by AGPPL and APSEZ, explanations provided by the management of AGPPL and APSEZ and information available in public domain. Wherever required, appropriate representations from AGPPL and APSEZ have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares and/or secured and/or unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the Scheme or as to the financial performance of AGPPL and APSEZ following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in APSEZ or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
SVP – Capital Markets



Place: Ahmedabad

Encl.: As above

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement between Gangavaram Port Limited (“GPL”), Adani Ports and Special Economic Zone Limited (“APSEZ”), and Adani Gangavaram Port Private Limited (“AGPPL”) and their respective shareholders and creditors in terms of requirement specified in SEBI Circular - CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 read with SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“SEBI Circular”).

THIS DOCUMENT CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

ADANI GANGAVARAM PORT PRIVATE LIMITED		
Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India.		
Telephone: +91 79 2656 5555; Email: kamlesh.bhagia@adani.com ; Website: www.adaniports.com		
CIN: U61100GJ2021PTC124091		
Contact Person: Mr. Kamlesh Bhagia		
PROMOTER		
Adani Ports and Special Economic Zone Limited		
DETAILS OF THE SCHEME		
The Composite Scheme of Arrangement is proposed between Gangavaram Port Limited (“GPL”), Adani Ports and Special Economic Zone Limited (“APSEZ”), Adani Gangavaram Port Private Limited (“AGPPL”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Composite Scheme of Arrangement, <i>inter alia</i> , provides for a) Amalgamation of GPL with APSEZ, b) Transfer of Divestment Business Undertaking (as defined in Scheme) as going concern on slump sale by APSEZ to AGPPL for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.		
STATUTORY AUDITOR		
Deloitte Haskins & Sells LLP		
19 th Floor, Shapath - V, S. G. Highway, Ahmedabad – 380015, Gujarat, India.		
Telephone: +91-079-6682 7300; Email: kanandjiwala@deloitte.com		

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PROMOTER OF AGPPL

Adani Ports and Special Economic Zone Limited (APSEZ)

Adani Ports and Special Economic Zone Limited is a public company limited by shares incorporated on May 26, 1998 under the Companies Act, 1956 in the State of Gujarat. The Registered Office of APSEZ is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India. The Corporate Identity Number (CIN) of APSEZ is L63090GJ1998PLC034182. The Issued, subscribed and paid-up share capital of APSEZ as on December 31, 2021 is ₹408,35,03,522/- divided into 204,17,51,761 equity shares of ₹2/- each and 25,01,824 Non-Cumulative Redeemable Preference Shares of ₹10/- each. The Equity Shares of APSEZ are listed on National Stock Exchange of India Limited and BSE Limited. The secured non-convertible debentures issued by APSEZ from time to time are listed on wholesale debt market segment of BSE Limited. Further, the commercial paper issued by APSEZ from time to time are also listed on BSE Limited. The unsecured senior notes issued by APSEZ from time to time are listed on Singapore Exchange Securities Trading Limited. Some of the unsecured senior notes issued by APSEZ are also listed on India International Exchange (IFSC) Limited.

APSEZ is engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 13 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha.

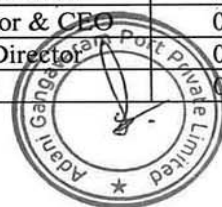
Promoters and Promoter Group of APSEZ

Sr. No.	Name of Promoters & Promoter Group	No. of Shares Held (as on December 31, 2021)	% of Holding
1.	Gautambhai Shantilal Adani	1	0.00
2.	Rajeshbhai Shantilal Adani	1	0.00
3.	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust)	79,93,53,935	39.15
4.	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust)	-	-
5.	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust)	30,000	0.00
6.	Adani Tradeline LLP	13,81,93,549	6.77
7.	Adani Properties Private Limited	16,85,000	0.08
8.	Adani Rail Infra Private Limited	-	-
9.	Worldwide Emerging Market Holding Limited	8,60,92,798	4.22
10.	Afro Asia Trade and Investments Limited	8,99,45,212	4.41
11.	Emerging Market Investment DMCC	8,41,79,195	4.12
12.	Flourishing Trade and Investment Limited	10,38,47,944	5.09
13.	Infinite Trade and Investment Limited	-	-
Total Shareholding		1,30,33,27,635	63.83

(Source – www.bseindia.com)

Board of Directors of APSEZ

Sr. No.	Name of Directors	Designation	DIN
1.	Mr. Gautam Shantilal Adani	Chairperson and MD	00006273
2.	Mr. Rajesh Shantilal Adani	Non-Executive Director	00006322
3.	Mr. Karan Gautam Adani	Whole Time Director & CEO	03088095
4.	Dr. Malay Ramesh Mahadevia	Non-Executive Director	00064110
5.	Mrs. Avantika Singh Aulakh, IAS	Director	07549438



Sr. No.	Name of Directors	Designation	DIN
6.	Mr. Bharat Kanaiyalal Sheth	Independent Director	00022102
7.	Prof. Ganesan Raghuram	Independent Director	01099026
8.	Mr. Palamadai Sundararajan Jayakumar	Independent Director	01173236
9.	Mr. Gopal Krishna Pillai	Independent Director	02340756
10.	Mrs. Nirupama Rao	Independent Director	06954879

APSEZ is holding 50,000 Equity Shares (including 6 Equity Shares held through nominee members) constituting 100% of the total equity share capital of AGPPL.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

AGPPL is private limited company by shares incorporated on July 14, 2021 under the Companies Act, 2013 in state of Gujarat. The CIN of AGPPL is U61100GJ2021PTC124091. The registered office of AGPPL is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India. AGPPL is a wholly owned subsidiary of APSEZ.

AGPPL is authorized by its memorandum to carry on the business of port and port related activities.

Pursuant to the Scheme, GPL is proposed to be amalgamated with APSEZ and the Divestment Business Undertaking (*as defined in Scheme*) of APSEZ is proposed to be transferred to AGPPL as going concern on slump sale for a lump sum consideration.

BOARD OF DIRECTORS OF AGPPL

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1.	Karan Gautam Adani	03088095	Director	<p>Karan Gautam Adani, aged 34 years, is the director of the company. He holds a bachelor's degree in economics from Purdue University. Having accumulated experience throughout various divisions of Adani Ports and Special Economic Zone Limited's operations since 2009, he is responsible for the strategic development of the Adani Group and overlooks its day to day operations. He aims to build the Adani Group's identity around an integrated business model, backed by his understanding of new processes, systems and macro-economic issues, coupled with his growing experience.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Adani Ports and Special Economic Zone Limited 2. Adani Krishnapatnam Port Limited 3. Adani Vizhinjam Port Private Limited 4. Adani Hazira Port Limited 5. Marine Infrastructure Developer Private Limited 6. Adani Total Private Limited 7. The Dhamra Port Company Limited 8. Adani Petronet (Dahej) Port Private Limited



Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
				9. Adani Airport Holdings Limited
2.	Gudena Jagannadha Rao	01724002	Director	<p>Gudena Jagannadha Rao, aged 68 years, is the director of the company. He has over 43 years of experience in building and directing integrated port management/ inter-modal operations including planning, purchase, finance, marketing, maritime security and operating expertise and has exposure in relation to business of ports situated in different countries of Europe, East Asia and North America</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Adani Kattupalli Port Limited 2. Adani Vizag Coal Terminal Private Limited 3. Gangavaram Port Limited 4. Gangavaram Port Services (INDIA) Private Limited
3.	Subrat Tripathy	06890393	Director	<p>Subrat Tripathy, aged 56 years, is the director of the company. He holds a Master's degree in Arts from the University of Hyderabad and a Master's degree in Philosophy from the Jawaharlal Nehru University, New Delhi. He has 24 years of experience in the operations of railway and port connectivity projects, and the construction and project management of new lines, gauge conversions and doublings projects for Indian Railways.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Dhamra LNG Terminal Private Limited 2. Dighi Port Limited 3. Adani Krishnapatnam Port Limited 4. The Dhamra Port Company Limited 5. Adani Hazira Port Limited 6. Inland Waterways Consortium of Odisha Limited 7. Adani Petronet (Dahej) Port Private Limited 8. Adani Kandla Bulk Terminal Private Limited 9. EZR Technologies Private Limited 10. Marine Infrastructure Developer Private Limited 11. GCP Advisory Services (OPC) Private Limited

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2021

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	50,000	100%
Public	-	-
Total	50,000	100%



AUDITED FINANCIALS

Standalone Financials

(₹ in lakhs, unless as stated otherwise)

Particulars	For the period ended December 31, 2021*
Total income from operations (net)	-
Net Profit / (Loss) before tax and extraordinary items	-
Net Profit / (Loss) after tax and extraordinary items	-
Equity Share Capital	5.00
Reserves and Surplus / Other Equity	-
Net Worth	5.00
Basic Earnings per share (₹)	-
Diluted Earnings per share (₹)	-
Return on Net Worth (%)	-
Net Asset value per share (₹)	10.00

*for the period from July 14, 2021 to December 31, 2021.

Note:

- (1) Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.
- (2) Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.
- (3) Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by total number of outstanding Equity Shares as at the end of the respective period.

Consolidated Financials – Not Applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme;
2. AGPPL, presently, does not carry on any business activity.
3. AGPPL is a private company and its equity shares are not listed on any stock exchange and hence not available for trading;
4. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected;
5. The success of business of AGPPL is largely dependent upon the knowledge and experience of the senior management and key management personnel of APSEZ and an inability to attract and retain key personnel may have an adverse effect on its business prospects;

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against AGPPL and amount involved – Nil
- B. Brief details of top 5 material outstanding litigations against AGPPL and amount involved – Nil



C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against APSEZ, the Promoter of AGPPL in last 5 financial years including outstanding action, if any:

- a. During the financial year 2018-19, BSE Limited and National Stock Exchange of India Limited have imposed fine of ₹9.44 Lakhs each on APSEZ for non-compliance of provisions of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to composition of board of directors in relation to appointment of one independent director during the quarter ended December 31, 2018 and March 31, 2019.

D. Brief details of outstanding criminal proceedings against APSEZ, the Promoter of AGPPL:

A criminal complaint was filed on September 6, 2018 before the Judicial Magistrate at Mundra, Kutch ("Court") by the Agriculture Officer, Mundra (the "Complainant") against Mosaic India Private Limited and its representative (the "Importer") and APSEZ and its representative (the "Handling Agent" and together with the Importer, the "Respondents") alleging import of non-certified chemical fertilizers by the Importer in violation of the provisions of the Fertilizers Control Order, 1985 and the Essential Commodities Act, 1955. APSEZ has filed a discharge application before the Court and the matter is currently pending.

RATIONALE OF SCHEME OF ARRANGEMENT

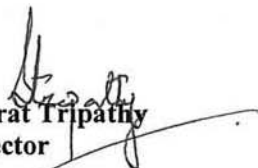
- a) GPL is operating an all-weather, deep-water, multi-purpose port located at Gangavaram, Andhra Pradesh, under 30 year (extendable for a period of another 20 years in 2 blocks of 10 years each) Build-Own-Operate-Transfer concession from GoAP.
- b) The Scheme will result in catering to a large hinterland forming part of Visakhapatnam and Gangavaram Ports in the State of Andhra Pradesh. The State of Andhra Pradesh is progressive and growth focussed with investor friendly policies. It has a great potential of industrial development with in turn would require new ports and facilities. With this Scheme, APSEZ would be able to expand its presence in the State of Andhra Pradesh and contribute to the progress of the state's economy by upgrading and further developing the state's marine infrastructure through its wholly owned subsidiary company, viz. AGPPL.
- c) The Scheme will help in creating synergies and would benefit from the combined resources, experience and expertise in developing and operating ports in India. This would lead to reduction in logistic cost to customers and trade as a whole as a part of the same APSEZ group. Additionally, development of Gangavaram port would also create value for APSEZ and its shareholders.
- d) This Scheme will result increase in strength of APSEZ group. The Scheme will help in garnering new clients and extended geography in the State of Andhra Pradesh.
- e) Cost savings are expected to flow from more focussed operational efforts, rationalisation, standardization and simplification of business processes as both APSEZ and AGPPL are part of the same group.
- f) APSEZ will use its enhanced information technology management system and infrastructural facilities to improve the efficiencies which lead to business process transformation of Gangavaram port. This will eventually lead to reduction in time and consequently costs for the customers.
- g) The Scheme, is in compliance with the GoAP, Infrastructure & Investment Department, order dated May 25, 2021 ('approval order') issued, *inter alios*, to APSEZ providing, *inter alia*, approval to the Scheme subject to fulfilment of the conditions prescribed therein. The Scheme is undertaken in strict compliance of these conditions as laid down in the approval order especially in terms of manner of carrying out the operation of the Disinvestment Business Undertaking.



DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Adani Gangavaram Port Private Limited


Subrat Tripathy
Director



Place: Ahmedabad

Date: February 05, 2022

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.


Vivro Financial Services Private Limited
Regd. Office :

 Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
 Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 4040 4242

www.vivro.net

February 05, 2022

To,
 The Board of Directors and Shareholders,
Gangavaram Port Limited
 Hansa Plaza, 2nd to 4th Floor,
 Plot No. 798 Road No.36, Jubilee Hills,
 Hyderabad – 500033, Telangana, India

Dear Sirs/Madams,

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Gangavaram Port Limited in the format of abridged prospectus in relation to the composite scheme of arrangement proposed between Gangavaram Port Limited ("GPL"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Gangavaram Port Private Limited ("AGPPL") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme" or "Scheme of Arrangement")

This is with reference to our engagement letter dated September 16, 2021 entered with Adani Ports and Special Economic Zone Limited ("**APSEZ**") for certifying the adequacy and accuracy of disclosure of information pertaining to Gangavaram Port Limited ("**GPL**") prepared by GPL and to be sent to the shareholders of APSEZ at the time of seeking their approval for the Scheme.

The Scheme of Arrangement, inter alia, provides for a) Amalgamation of GPL with APSEZ, b) Transfer of Divestment Business Undertaking (as defined in Scheme) as going concern on slump sale by APSEZ to AGPPL for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 read with SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Circular**") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of GPL ("**Abridged Prospectus**") as prepared by GPL and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders APSEZ at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.



Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by GPL and APSEZ and as well discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of GPL is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by GPL and APSEZ, explanations provided by the management of GPL and APSEZ and information available in public domain. Wherever required, appropriate representations from GPL and APSEZ have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares and/or secured and/or unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the Scheme or as to the financial performance of GPL and APSEZ following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in APSEZ or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
SVP – Capital Markets



Place: Ahmedabad

Encl.: As above

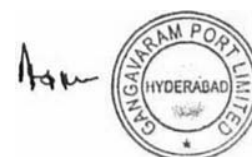
**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement between Gangavaram Port Limited (“**GPL**”), Adani Ports and Special Economic Zone Limited (“**APSEZ**”), and Adani Gangavaram Port Private Limited (“**AGPPL**”) and their respective shareholders and creditors in terms of requirement specified in SEBI Circular - CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, read with SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021 (“**SEBI Circular**”).

THIS DOCUMENT CONTAINS 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

GANGAVARAM PORT LIMITED Registered Office: Hansa Plaza, 2 nd to 4 th Floor, Plot No.798 Road No.36, Jubilee Hills, Hyderabad – 500033, Telangana, India Telephone: +91 40 2351 9999; Email: ashishkumar@gangavaram.com ; Website: www.gangavaram.com ; CIN: U63032TG2001PLC037861 Contact Person: Ashish Kumar, Company Secretary
PROMOTERS
Newwave Infrastructure Projects LLP, Dandu Venkata Satyanarayana Raju, Dandu Rajgopala Raju, Dandu Padma, Dandu Corporate Services Private Limited (on behalf of Dandu Holdings Discretionary Trust)
DETAILS OF THE SCHEME
The Composite Scheme of Arrangement is proposed between Gangavaram Port Limited (“ GPL ”), Adani Ports and Special Economic Zone Limited (“ APSEZ ”), Adani Gangavaram Port Private Limited (“ AGPPL ”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Composite Scheme of Arrangement, <i>inter alia</i> , provides for a) Amalgamation of GPL with APSEZ, b) Transfer of Divestment Business Undertaking (<i>as defined in Scheme</i>) as going concern on slump sale by APSEZ to AGPPL for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.
STATUTORY AUDITOR
S.R. Batliboi & Associates LLP The Skyview, 10, Zone B, 18th Floor, Survey 83/1, Raidurgam, Hyderabad - 500 032 Telangana, India. Telephone: +91 40 6141 6000; Email: akshay.jhawar@srb.in

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PROMOTERS OF GPL

1. Newwave Infrastructure Projects LLP

Newwave Infrastructure Projects LLP (“Newwave”) is a limited liability partnership incorporated via Certificate of Registration on Conversion dated on February 05, 2016 issued by Registrar of Hyderabad under the limited Liability Partnership Act 2008 in the state of Telangana. Originally Newwave Infrastructure Projects LLP was incorporated as Newwave Securities & Industrial Credits Limited as a public limited company limited by shares vide Certificate of Incorporation dated December 15, 1993 in the state of Andhra Pradesh (Now Telangana). The Registered Office of Newwave is situated at Door No: 8-2-293/82/F/A/18, Plot No.18 Film Nagar Hyderabad - 500096, Telangana, India. The Limited Liability Identity Number (LLPIN) of Newwave is AAF-6454. As on December 31, 2021, Newwave holds 9.59% of the paid-up capital of GPL.

Designated Partners of Newwave

Sr. No.	Name Designated Partners	Amount of Contribution (₹) (as on December 31, 2021)	% of Contribution
1.	Dandu Venkata Satyanarayana Raju	13,74,57,000	99.78%
2.	Padma Dandu	3,00,000	0.22%
Total Contribution			100.00%

2. Dandu Holdings Discretionary Trust

Dandu Holdings Discretionary Trust (“Trust”), is formed via Deed of Trust dated July 23, 2015 and the office of the Trust is situated at Door No: 8-2-293/82/F/A/18, Plot No.18 Film Nagar, Hyderabad - 500096, Telangana, India. As on December 31, 2021, Dandu Corporate Services Private Limited holds on behalf of Trust 32.33% of the paid-up capital of GPL.

3. **Dandu Venkata Satyanarayana Raju**, aged 62 years is Promoter and Executive Chairman of GPL. Under his leadership Gangavaram Port has been developed as a deep water private sector port on the east coast of India. He has been instrumental in development of Gangavaram Port over the years and is the driving force behind the Company's strategy & initiatives. He is actively involved in strategic and operational management of the port because of his wide-continuum of knowledge in all areas of business and has been instrumental in streamlining the processes at all levels in the organization.
4. **Dandu Rajgopala Raju**, aged 36 years is Promoter and Managing Director of GPL. He is actively involved in strategic and operational management of the Port. Under his supervision and leadership the Port has achieved a number of operational milestones. He was instrumental in stabilizing the operations of the Port during the initial stage.
5. **Dandu Padma**, aged 57 years is Promoter and Non-Executive Director of GPL.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Gangavaram Port Limited is a public company limited by shares incorporated as Visual Infrastructure Projects Limited under the Companies Act, 1956 vide Certificate of Incorporation dated September 27, 2001 in the state of Andhra Pradesh (Now Telangana). The Certificate of Commencement of Business is granted on October 03, 2001. Further, the name of company was changed to Gangavaram Port Limited vide Fresh Certificate of Incorporation consequent to change of name dated March 25, 2003. The Registered Office of GPL is situated at Hansa Plaza, 2nd to 4th Floor, Plot No.798 Road No.36, Jubilee Hills, Hyderabad – 500033, Telangana, India.

GPL is authorized by its Memorandum of Association to carry on the business of:-

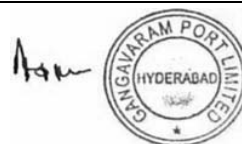


- i. Designing, developing, building, maintaining and operating seaport terminals for bulk, break bulk, liquids, chemicals, gas, petroleum products and containerized cargo.
- ii. construct and maintain for the company or for letting out on hire, graving and other docks and other conveniences for the building, repairing or docking of ships or other vessels
- iii. manufacture, produce, assemble, alter, build, break, construct, convert, commercialise, control, design, develop, dismantle, distribute, display, establish, exchange, erect, equip, fitting up, fabricate, hire, handle, let on hire, release, install, maintain, operate, organise, prepare, promote, supply, import, export, buy, sell and to act as agent, broker, consultant, collaborator, job worker, transporter.
- iv. establishment, development, construction, operation, maintenance of infrastructure projects in India and abroad in the fields of road, highways, power generation and for power distribution and for power transmission.
- v. consultants and contractors in setting up of all the above referred infrastructure projects and to undertake logistic services and also to undertake research and development programmes in the above fields.

Pursuant to the Scheme, GPL is proposed to be amalgamated with APSEZ and the Divestment Business Undertaking (*as defined in Scheme*) of APSEZ is proposed to be transferred to AGPPL as going concern on slump sale for a lump sum consideration.

BOARD OF DIRECTORS OF GPL

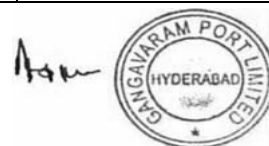
Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1.	Dandu Venkata Satyanarayana Raju	00142417	Executive Chairman	<p>Dandu Venkata Satyanarayana Raju, aged 62 years is Promoter and Executive Chairman of GPL. Under his leadership Gangavaram Port has been developed as a deep water private sector port on the east coast of India. He has been instrumental in development of Gangavaram Port over the years and is the driving force behind the Company's strategy & initiatives. He is actively involved in strategic and operational management of the port because of his wide-continuum of knowledge in all areas of business and has been instrumental in streamlining the processes at all levels in the organization.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Dandu Energy Private Limited 2. Udnad Farms Private Limited 3. Dandu Biosciences Private Limited 4. Dandu Life Sciences Private Limited 5. Dandu Pharma Private Limited
2.	Dandu Rajgopala Raju	01679892	Managing Director	<p>Dandu Rajgopala Raju, aged 36 years is Promoter and Managing Director of GPL. He is actively involved in strategic and operational management of the Port. Under his supervision and leadership the Port has achieved a number of operational milestones. He was instrumental in stabilizing the operations of the Port during the initial stage.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Dandu Infratech Private Limited 2. Dandu Corporate Services Private Limited 3. Dandu Biosciences Private Limited



Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
				4. Dandu Life Sciences Private Limited 5. Dandu Pharma Private Limited
3.	Vuppalapati Raju Sitarama	00101405	Independent Director	Vuppalapati Raju Sitarama, aged 80 years is Independent Director of GPL. He is a well-known Corporate Lawyer and has to his credit more than 50 years of diverse experience in the fields of Corporate and other allied laws. <i>Other current Directorship in Indian companies:</i> 1. The Andhra Sugars Limited 2. JOCIL Limited 3. NCL Industries Limited
4.	Dandu Padma	00156898	Non-Executive Director	Dandu Padma, aged 57 years is Promoter and Non-Executive Director of GPL. <i>Other current Directorship in Indian companies:</i> 1. Dandu Agro Products Private Limited 2. Dandu Energy Private Limited 3. Unudurru Enterprises Private Limited 4. Udnad Farms Private Limited 5. Dandu Infratech Private Limited 6. Dandu Corporate Services Private Limited
5.	Sureddi Vinaya Kumar	01172569	Independent Director	Sureddi Vinaya Kumar, aged 76 years is Independent Director of GPL. He is a well-known Practicing General Physician. <i>Other current Directorship in Indian companies:</i> Nil
6.	Gudena Jagannadha Rao	01724002	Nominee Director of APSEZ	Gudena Jagannadha Rao, aged 68 years is the Non-Executive Director of the company. He has over 43 years of experience in building and directing integrated port management/ inter-modal operations including planning, purchase, finance, marketing, maritime security and operating expertise and has exposure in relation to business of ports situated in different countries of Europe, East Asia and North America. <i>Other current Directorship in Indian companies:</i> 1. Adani Kattupalli Port Limited 2. Adani Vizag Coal Terminal Private Limited 3. Gangavaram Port Services (India) Private Limited 4. Adani Gangavaram Port Private Limited

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2021

Particulars	Number of Equity Shares held	% of total share capital
Promoter and Promoter Group	30,04,13,300	58.11%



Public	21,65,86,700	41.89%
Total	51,70,00,000	100.00%

AUDITED FINANCIALS

Standalone Financials

(₹ in lakhs, unless as stated otherwise)

Particulars	For the period ended December 31, 2021*	For the Financial year				
		2020-21*	2019-20*	2018-19*	2017-18 [#]	2016-17*
Total income from operations (net)	94,254.47	110,332.69	1,15,420.84	1,00,350.34	81,272.10	62,676.52
Net Profit / (Loss) before tax and extraordinary items	53,436.51	52,839.32	53,549.45	40,250.68	27,358.70	10,656.98
Net Profit / (Loss) after tax and extraordinary items	52,485.79	49,389.05	51,630.80	40,912.35	27,065.79	9,184.60
Equity Share Capital	51,700.00	51,700.00	51,700.00	51,700.00	51,700.00	51,700.00
Reserves and Surplus / Other Equity	2,35,371.70	1,82,889.39	1,69,693.24	1,49,186.46	1,17,415.12	96,681.16
Net Worth	2,87,071.70	2,34,589.39	2,21,393.24	2,00,886.46	1,69,115.12	1,48,381.16
Basic Earnings per share (₹)	10.15	9.55	9.99	7.91	5.24	1.78
Diluted Earnings per share (₹)	10.15	9.55	9.99	7.91	5.24	1.78
Return on Net Worth (%)	18.28%	21.05%	23.32%	20.37%	16.00%	6.19%
Net Asset value per share (₹)	55.53	45.38	42.82	38.86	32.71	28.70

*As per Ind AS

Note:

- (1) Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.
- (2) Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.
- (3) Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by total number of outstanding Equity Shares as at the end of the respective period.

Consolidated Financials

(₹ in lakhs, unless as stated otherwise)

Particulars	For the period ended December 31, 2021*	For the Financial year				
		2020-21*	2019-20*	2018-19*	2017-18 [#]	2016-17*
Total income from operations (net)	94,253.88	1,10,337.57	1,15,421.20	1,00,349.90	81,271.42	62,680.70



Particulars	For the period ended December 31, 2021*	For the Financial year				
		2020-21*	2019-20*	2018-19*	2017-18 [#]	2016-17*
Net Profit / (Loss) before tax and extraordinary items	53,403.86	52,819.45	53,534.77	40,243.37	27,183.13	10,648.97
Net Profit / (Loss) after tax and extraordinary items	52,461.63	49,374.68	51,619.62	40,906.93	26,936.37	9,173.31
Equity Share Capital	51,700.00	51,700.00	51,700.00	51,700.00	51,700.00	51,700.00
Reserves and Surplus / Other Equity	2,35,083.43	1,82,625.28	1,69,439.46	1,48,990.27	1,17,065.45	96,417.23
Net Worth	2,86,783.43	2,34,325.28	2,21,139.46	2,00,690.27	1,68,765.45	1,48,117.23
Basic Earnings per share (₹)	10.15	9.55	9.98	7.91	5.21	1.77
Diluted Earnings per share (₹)	10.15	9.55	9.98	7.91	5.21	1.77
Return on Net Worth (%)	18.29%	21.07%	23.34%	20.38%	15.96%	6.19%
Net Asset value per share (₹)	55.47	45.32	42.77	38.82	32.64	28.65

*As per Ind AS

Note:

- (4) Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.
- (5) Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.
- (6) Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by total number of outstanding Equity Shares as at the end of the respective period.

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme;
2. GPL is an unlisted public company and its equity shares are not listed on any stock exchange and hence not available for trading;
3. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected;
4. The success of business of GPL is largely dependent upon the knowledge and experience of the senior management and key management personnel and an inability to attract and retain key personnel may have an adverse effect on its business prospects;
5. AGPPL has entered into related party transactions and may continue to do so in the future.

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SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against GPL and amount involved – **2 cases involving an aggregate amount of ₹ 17.91 Crores (to the extent quantifiable)**

B. Brief details of top 5 material outstanding litigations against GPL and amount involved –

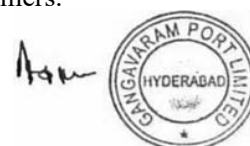
Sr. No.	Particulars	Amount Involved (in ₹ Crores)
1	GPL awarded a Contract for providing Marine Operation Services at Gangavaram Port, Visakhapatnam to M/s. Kei-Rsos Maritime Limited (“ Contractor / Keirsos ”) for an initial period of 10 years commencing from July 1, 2008 and ending on June 30, 2018. GPL Arbitrator Shri V Suri Appa Rao issued letter dated February 22, 2019, to Kaveti Raghuramiah (Kei-Rsos Arbitrator) proposing name(s) of third Arbitrator. The matter is pending till date.	3.00
2.	Subsequent to the Order of the High Court of Andhra Pradesh at Amravati dated November 25, 2019, with order no CRP.No.2378 of 2019, GPL has filed a suit with Special Judge for Trial and Disposal of Commercial Disputes, at Vishakhapatnam for inclusion of National Insurance Company Limited as one of the respondent to the case which was allowed by the Honourable Court vide its order dated October 20, 2021. The matter is pending till date.	14.91

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoter of GPL in last 5 financial years including outstanding action, if any: **Nil**

D. Brief details of outstanding criminal proceedings against the Promoters of GPL: **Nil**

RATIONALE OF SCHEME OF ARRANGEMENT

- a) GPL is operating an all-weather, deep-water, multi-purpose port located at Gangavaram, Andhra Pradesh, under 30 year (extendable for a period of another 20 years in 2 blocks of 10 years each) Build-Own-Operate-Transfer concession from GoAP.
- b) The Scheme will result in catering to a large hinterland forming part of Visakhapatnam and Gangavaram Ports in the State of Andhra Pradesh. The State of Andhra Pradesh is progressive and growth focussed with investor friendly policies. It has a great potential of industrial development with in turn would require new ports and facilities. With this Scheme, APSEZ would be able to expand its presence in the State of Andhra Pradesh and contribute to the progress of the state’s economy by upgrading and further developing the state’s marine infrastructure through its wholly owned subsidiary company, viz. AGPPL.
- c) The Scheme will help in creating synergies and would benefit from the combined resources, experience and expertise in developing and operating ports in India. This would lead to reduction in logistic cost to customers and trade as a whole as a part of the same APSEZ group. Additionally, development of Gangavaram port would also create value for APSEZ and its shareholders.
- d) This Scheme will result increase in strength of APSEZ group. The Scheme will help in garnering new clients and extended geography in the State of Andhra Pradesh.
- e) Cost savings are expected to flow from more focussed operational efforts, rationalisation, standardization and simplification of business processes as both APSEZ and AGPPL are part of the same group.
- f) APSEZ will use its enhanced information technology management system and infrastructural facilities to improve the efficiencies which lead to business process transformation of Gangavaram port. This will eventually lead to reduction in time and consequently costs for the customers.

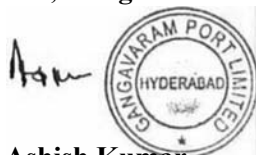


- g) The Scheme, is in compliance with the GoAP, Infrastructure & Investment Department, order dated May 25, 2021 ('approval order') issued, *inter alios*, to APSEZ providing, *inter alia*, approval to the Scheme subject to fulfilment of the conditions prescribed therein. The Scheme is undertaken in strict compliance of these conditions as laid down in the approval order especially in terms of manner of carrying out the operation of the Disinvestment Business Undertaking.

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Gangavaram Port Limited



Ashish Kumar
Company Secretary

Place: Hyderabad

Date: February 05, 2022

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.