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Logistics

Ref No: APSEZL/SECT/2019-20/150

January 3, 2020

**BSE Limited**

Floor 25, P J Towers,  
Dalal Street,  
Mumbai – 400 001

**Scrip Code: 532921**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Scrip Code: ADANI PORTS**

**Sub: Acquisition of 75% stake of Krishnapatnam Port Company Limited**

Dear Sir,

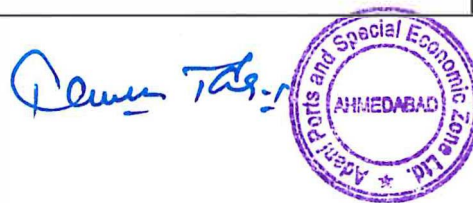
We would like to inform that the Company intends to acquire 75% stake of Krishnapatnam Port Company Limited ("KPCL") from the existing shareholders of KPCL.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 are given as under:-

SN	Particulars	Details
a)	Name of the target entity, details in brief such as size, turnover etc.	Krishnapatnam Port Company Limited ("KPCL") is engaged in the business of handling containers, coal, break bulk and other bulk cargo including liquid cargo.  KPCL is a multi-cargo facility and handled 54 MMT of cargo in FY 19. It has a capacity of 64 MMT. The revenue for financial year 2018-19 was Rs. 2394 Crores.
b)	Whether the acquisition would fall within related party transaction(s)	No

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	and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?  If yes, nature of interest and details thereof and whether the same is done at "arm's length"	
c)	Industry to which the entity being acquired belongs	KPCL belongs to Port Sector.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The Investment is in line with Company's strategy to increase its footprint in Andhra Pradesh
e)	Brief details of any governmental or regulatory approvals required for the acquisition	The acquisition is subject to approvals under applicable laws, including approval of the Competition Commission of India.
f)	Indicative time period for completion of the acquisition	The transaction is expected to be completed within 120 days
g)	Nature of consideration - whether cash consideration or share swap and details of the same	The consideration is in the form of cash.
h)	Cost of acquisition or the price at which the shares are acquired	Estimated Enterprise Value for the proposed acquisition is Rs. 13,572 crores
i)	Percentage of shareholding / control acquired and / or number of shares acquired	75% shares of KPCL.
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3	KPCL was incorporated on 15 <sup>th</sup> March, 1996 and is engaged in the business of handling containers, coal, break bulk and other bulk cargo including

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years turnover, country in which the acquired entity has presence and any other significant information (in brief);	liquid cargo. Revenue for FY 2016 – 17 : Rs. 1755 crores Revenue for FY 2017 – 18 : Rs. 1969 crores Revenue for FY 2018 – 19 : Rs. 2394 crores
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A copy of the press release dated January 3, 2020 is enclosed herewith. The Investor Presentation on the same is being uploaded on our website. Further, the company will hold conference call with the Investors today.

This is for your information and records.

Thanking you,

Yours faithfully,

**For Adani Ports and Special Economic Zone Limited**

**Kamlesh Bhagia**  
Company Secretary



## Media Release

# Adani Ports and SEZ Ltd. to acquire controlling stake of 75% in Krishnapatnam Port Company Ltd. (KPCL), the second largest private sector port in India

### Editor Synopsis

- Krishnapatnam Port is located on southern part of Andhra Pradesh coast line.
- Krishnapatnam Port is the second largest private sector port in India, after Mundra, and handled 54 MMT of cargo in FY 19.
  - We expect the port to grow to 100 MMT in around 7 years.
- This acquisition will accelerate APSEZ's path to 400 MMT.
- This is the largest acquisition by APSEZ till date and is valued at approx. Rs.13,500 cr. with an FY19 EBITDA of approx. Rs.1,350 cr.
  - We expect the EBITDA to double in around 4 years.
- APSEZ's market share will increase from 22% to 27% on pan India basis.
- The purchase consideration will be funded through internal accruals and existing cash balance.

**Ahmedabad, 3<sup>rd</sup> January, 2020:** Adani Ports and Special Economic Zone Limited ("APSEZ"), India's largest port developer, operator and the logistics arm of the Adani Group will be acquiring a controlling stake of 75% from the existing shareholders of KPCL.

KPCL is located in the southern part of Andhra Pradesh, the state with the second largest coastline of in India, and is a multi-cargo facility which handled 54 MMT in FY19.

This acquisition will accelerate APSEZ's stride towards 400 MMT by 2025.

Acquisition value of KPCL is approximately Rs.13,500 cr. The purchase consideration will be funded through internal accruals and existing cash balance.

The credit metrics of APSEZ consolidated are not expected to change with this transaction. The net debt to EBIDTA of consolidated APSEZ Ltd. including KPCL in FY 21 is expected to be around 3.2x. (which is in line with the pre-acquisition of net debt to EBIDTA of 3.1x in FY19)

The acquisition is subject to regulatory approvals. The transaction is expected to be completed in 120 days.

**Mr. Karan Adani, Chief Executive Officer and Whole Time Director of APSEZ** said, "KPCL is a crown jewel to join APSEZ's string of pearls, our network of 10 economic gateways to India and this acquisition would accelerate our stride towards FY2025 vision of handling 400 MMT of cargo. Given the best-in-class infrastructure and the distinct hinterland catered by KPCL, this acquisition will not just increase our market share to 27% but also add remarkable value to our pan-India footprint.

**Adani Ports and Special Economic Zone Ltd.**

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With the experience of successfully turning around acquisitions of Dhamra and Kattupalli ports, we are confident of harnessing the potential of KPCL and improve returns to stakeholders.”

Mr. Adani added that APSEZ will target to enhance cargo volume at KPCL to 100 MMT in around 7 years and will double its EBIDTA in around 4 years through its process improvements and industry best practices.

### **About Adani Ports and Special Economic Zone**

Adani Ports and Special Economic Zone (APSEZ), a part of globally diversified Adani Group, is the largest port developer and operator in India. In less than two decades, the company has built a formidable presence in port infrastructure and logistics services. APSEZ's 11 strategically located ports and terminals — Mundra, Dahej, Kandla and Hazira in Gujarat, Dhamra in Odisha, Mormugao in Goa, Visakhapatnam in Andhra Pradesh, and Kattupalli and Ennore in Chennai — represent 24% of the country's total port capacity, handling vast amounts of cargo from both coastal areas and the vast hinterland. The company is also developing a transshipment port at Vizhinjam, Kerala and a container Terminal at Myanmar. **For more information please visit [www.adaniports.com](http://www.adaniports.com)**

### **For further information on this release, please contact**

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