

NOTICE-UNSECURED CREDITORS

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Registered Office	Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India
Tel No	+91-79-2555 5500
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**MEETING OF THE UNSECURED CREDITORS
OF**

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

**(convened pursuant to final order dated 18th day of May 2017 passed by
the National Company Law Tribunal, Bench at Ahmedabad)**

MEETING

Day	Tuesday
Date	27 th day of June 2017
Time	1.00 p.m. (1300 hours)
Venue	J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India

INDEX

Sr. No.	Contents	Page No.
1.	Notice convening the meeting of the unsecured creditors of Adani Ports and Special Economic Zone Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	3
2.	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	6
3.	Annexure 1 Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services Private Limited and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013	23
4.	Annexure 2 Valuation Report dated 14 th day of February 2017 issued by BSR & Associates, LLP, Chartered Accountants	36
5.	Annexure 3 Fairness Opinion dated 14 th day of February 2017 issued by JM Financial Institutional Securities Limited to the Board of Directors of Adani Ports and Special Economic Zone Limited	47

INDEX

Sr. No.	Contents	Page No.
6.	Annexure 4 Copy of Observation letter dated 25 th day of April 2017 from BSE Limited to Adani Ports and Special Economic Zone Limited	50
7.	Annexure 5 Copy of Observation letter dated 24 th day of April 2017 from National Stock Exchange of India Limited to Adani Ports and Special Economic Zone Limited	52
8.	Annexure 6 Complaint Reports dated 4 th day of April 2017 submitted by Adani Ports and Special Economic Zone Limited to BSE Limited and the National Stock Exchange of India Limited, respectively	54
9.	Annexure 7 Summary of the Valuation Report including the basis of valuation	56
10.	Annexure 8 Report adopted by the Board of Directors of Adani Ports and Special Economic Zone Limited in its meeting held on 14 th day of February 2017 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	58
11.	Annexure 9 Report adopted by the Board of Directors of The Adani Harbour Services Private Limited in its meeting held on 14 th day of February 2017 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	61
12.	Annexure 10 Unaudited Financial Results of Adani Ports and Special Economic Zone Limited for the period ended 31 st December 2016	64
13.	Annexure 11 Unaudited Financial Results of The Adani Harbour Services Private Limited for the period ended 31 st December 2016	67
14.	Proxy Form	77
15.	Attendance Slip	79

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH, AT AHMEDABAD

CA (CAA) NO. 53/NCLT/AHM/2017

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 Adani Ports and Special Economic Zone Limited

And

In the matter of Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services 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 having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India. } **Applicant Company**

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY

To,

The unsecured creditors of Adani Ports and Special Economic Zone Limited (the "Applicant Company"):

TAKE NOTICE that by a final order made on the 18th day of May 2017 in the abovementioned Company Application (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad ("**NCLT**") has directed that a meeting of the unsecured creditors of the Applicant Company, be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services Private Limited and their respective shareholders and creditors ("**Scheme**").

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the unsecured creditors of the Applicant Company, will be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours), at which place, day, date and time you are requested to attend. 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 rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, dated 25th day of April 2017 and 24th day of April 2017, respectively, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Ahmedabad ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by 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 Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and

The Adani Harbour Services Private Limited and their respective shareholders and creditors (“Scheme”) placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, 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 this 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 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 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 you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and of the 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, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Prof. G. Raghuram, an Independent Director of the Applicant Company and in his absence, Mrs. Radhika Haribhakti, an Independent Director of the Applicant Company and in her absence Dr. Malay Mahadevia, Whole Time Director of the Applicant Company to be the Chairman/Chairperson of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the 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, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-
Radhika Haribhakti
Chairperson appointed for the meeting

Dated this 18th day of May 2017

Registered office: Adani House,
Near Mithakhali Six Roads,
Navrangpura,
Ahmedabad- 380 009,
Gujarat, India.

Notes:

1. All alterations made in the form of proxy should be initialed.
2. Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an unsecured creditors of the Applicant Company) or in the case of a body corporate by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorised representative of a body corporate which is unsecured creditors of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company.
3. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
4. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 5 (five) unsecured creditors of the Applicant Company, present in person.
5. Unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed
6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
7. NCLT by its said Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.
8. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
9. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors either by courier service or electronically by e-mail. The Notice will be displayed on the website of the Applicant Company www.adaniports.com
10. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely, (i) Indian Express (All Editions) in the English language; and (ii) translation thereof in Gujarat Samachar (Ahmedabad Edition) in the Gujarati language.
11. Mr. Ravi Kapoor, Practicing Company Secretary (Membership No. FCS 2587/COP 2407) has been appointed as the scrutinizer to conduct the voting process through ballot or polling at the venue of the meeting in a fair and transparent manner.
12. The scrutinizer will submit his report to the Chairman/Chairperson of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through ballot or polling paper at the venue of the meeting will be announced on or before 29th day of June 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.adaniports.com

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 53/NCLT/AHM/2017**

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 Adani Ports and Special Economic Zone Limited

And

In the matter of Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services 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 having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India. } **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 final order dated 18th day of May 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (the "**NCLT**"), in CA(CAA) No. 53/NCLT/AHM/2017 ("**Order**"), a meeting of the unsecured creditors of Adani Ports and Special Economic Zone Limited (hereinafter referred to as the "**Applicant Company**" or the "**Transferor Company**" or "**APSEZ**" as the context may admit) is being convened at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between the Applicant Company and The Adani Harbour Services Private Limited (hereinafter referred to as the "**Transferee Company**") and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). The Transferor Company and the Transferee Company are together referred to as the "**Companies**". A copy of the Scheme, which has been, inter alios, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 14th day of February 2017, 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. In terms of the said Order, the quorum for the said meeting shall be 5 (five) unsecured creditors present in person. Further in terms of the said Order, NCLT, has appointed Prof. G. Raghuram, an Independent Director of the Applicant Company and in his absence, Mrs. Radhika Haribhakti, an Independent Director of the Applicant Company and in her absence Dr. Malay Mahadevia, Whole Time Director of the Transferor Company as the Chairman/Chairperson of the meeting of the unsecured creditors of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").

4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy.
5. 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 unsecured creditors, or class of unsecured creditors, of the Applicant Company, as the case may be, voting in person or by proxy agree to the Scheme.
6. In terms of the Order dated 18th day of May 2017, passed by the NCLT, in CA(CAA) No. 53/NCLT/AHM/2017, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the unsecured creditors are disputed, the Chairman/Chairperson of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting.

Particulars of the Transferor Company

7. The Transferor Company is a company incorporated on 26th day of May 1998 under the provisions of the Companies Act, 1956 in the name of Gujarat Adani Port Limited. Subsequently, the name of Gujarat Adani Port Limited was changed to Mundra Port and Special Economic Zone Limited with effect from 7th day of July 2006. The name was further changed to Adani Ports and Special Economic Zone Limited with effect from 6th day of January 2012. The Transferor Company is a listed public limited company. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'); that the Secured Redeemable Non-Convertible Debentures ("NCDs") of the Transferor Company, which had been issued and allotted from time to time and are privately placed, are listed on BSE; and the Foreign Currency Bond USD 1150 million issued by the Transferor Company are listed on Singapore Exchange Securities Trading Limited. There has been no change in the name of the Transferor Company in the last five (5) years. The Corporate Identification Number of the Transferor Company is L63090GJ1998PLC034182. The Permanent Account Number of the Transferor Company is AAACG7917K.
8. The registered office of the Transferor Company is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is investor.apsezi@adani.com
9. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main object of the Transferor Company 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.*
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, lending 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.”

There has been no change in the object clause of the Transferor Company in the last 5 years.

10. The Transferor Company 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. The Transferor Company is also carrying on marine business operations involving piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transshipment within in-land waterways, in coastal waters and sea (“Marine Business”).
11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 30th day of April 2017 was as follows:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
4,97,50,00,000 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
Issued, Subscribed and Paid-Up Share Capital	
2,07,09,51,761 fully paid up Equity Shares of Rs. 2 each	414,19,03,522
28,11,037 0.01% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up	2,81,10,370
TOTAL	417,00,13,892

12. Subsequent to 30th day of April 2017 there has been no change in the share capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company is a company incorporated on 2nd day of September 2009 under the provisions of the Companies Act, 1956 in the State of West Bengal in the name of TM Harbour Services Private Limited. The name of TM Harbour Services Private Limited was changed to The Adani Harbour Services Private Limited with effect from 22nd day of December 2016. The registered office of the Transferee Company was shifted from the State of West Bengal to the State of Gujarat vide Certificate of Registration dated 24th day of February 2017. The Transferee Company is an unlisted public limited company. The Transferee Company is a wholly owned subsidiary of APSEZ. Except as stated hereinabove, there has been no change in the name of the Transferee Company in the last five (5) years. The Corporate Identification Number of the Transferee Company is U61100GJ2009FTC095953. The Permanent Account Number of the Transferee Company is AADCT2719D.

14. The registered office of the Transferee Company is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat. Before 24th February 2017, the registered office of the Transferee Company was situated at Tata Centre, 43, Jawahar Lal Nehru Road, Kolkata-700071, West Bengal. Except the aforesaid, there has been no change in the registered office address of the Transferee Company in the last five (5) years. The e-mail address of the Transferee Company is tahspl_secretarial@adani.com
15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are as follows:

“III. (A)

1. *To own, acquire, purchase, charter, hire, equip, operate and maintain ships, tugs, barges, boats, supply vessels, offshore support vessels, etc. and barges for river and provide marine services for ports, harbours, oil installations, and other industries.*
2. *To provide all kinds of marine services viz. pilotage and mooring, laying and maintenance of pipelines and buoys including SBMs etc., to the off-shore oil industries, marine logistics support services, towage, lighterage, transshipment etc.*
3. *To transport and convey cargo within harbours, rivers, coastal waters etc. including heavy lift cargoes, project cargo, bulk and break bulk cargoes.*
4. *To carry on the business of marine salvage, wreck removal, debris removal, under water work, scrapping and recycling.”*

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

16. The Transferee Company is carrying on marine business operations at Dhamra, Odisha, involving piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transshipment within in-land waterways, in coastal waters and sea.
17. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 30th day of April 2017 was as follows:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
8,00,00,000 Equity Shares of Rs. 10 each	80,00,00,000
TOTAL	80,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
5,76,92,155 fully paid up Equity Shares of Rs. 10 each	57,69,21,550
TOTAL	57,69,21,550

18. Subsequent to 30th day of April 2017 there has been no change in the share capital of the Transferee Company.

Description and Rationale for the Scheme

19. The Scheme provides for transfer and vesting of the Marine Business Undertaking of the Transferor Company with effect from the Appointed Date, as a going concern, on Slump Sale basis, and for which a lump sum consideration shall be paid by the Transferee Company to the Transferor Company, in accordance with Section 2 (42C) of the IT Act and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.
20. The rationale for the Scheme is as under:
- Both, the Transferor Company and the Transferee Company are carrying on marine business. Consolidating the similar businesses within one company would enable the business activities to be carried out with greater focus and specialization for sustained growth. It is expected that the proposed consolidation will allow more focused strategy, standardization in operations, operating cost optimization, better monitoring and utilization of assets, effective co-ordination with customers which in turn would enhance shareholder's value.

Corporate Approvals

21. The proposed Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on 14th day of February 2017. The Audit Committee of the Transferor Company took into account the Valuation Report, dated 14th day of February 2017, issued by B S R & Associates LLP, Chartered Accountants (the "**Valuation Report**") and the fairness opinion, dated 14th day of February 2017, provided by JM Financial Institutional Securities Limited, a Category I Merchant Banker ("**Fairness Opinion**"), appointed for this purpose by the Transferor Company. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company for its approval.
22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at its meeting held on 14th day of February 2017. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on 14th day of February 2017, was attended by 7 (seven) directors (namely, Mr. Gautam S. Adani, Mr. Rajesh S. Adani, Dr. Malay Mahadevia, Mr. G. K. Pillai, Prof. G. Raghuram, Mrs. Radhika Haribhakti in person and by Mr. Sanjay Lalbhai through video conference). Mr. Sanjay Lalbhai who had participated through video conferencing, did not participate on the voting of the resolution. None of the directors of the Transferor Company who attended the meeting, voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.
23. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at its meeting held on 14th day of February 2017. The report of the Audit Committee was also submitted to the Board of Directors of the Transferee Company. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on 14th day of February 2017, was attended by 5 (five) directors (namely, Capt. Unmesh Abhyankar, Mr. Ennarasu Karunesan, Mr. Subrat Tripathy, Mr. Mukesh Shah and Dr. Chitra Bhatnagar in person). None of the directors of the Transferee Company 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

24. BSE was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the Securities and Exchange Board of India ("**SEBI**"), pursuant to Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 (the "**SEBI Circular**") issued by SEBI. The Transferor Company has received observation letters regarding the Scheme from BSE and NSE, on 25th day of April 2017 and 24th day of April 2017, respectively. In terms of the observation letters of BSE and NSE dated 25th day of April 2017 and 24th day of April 2017, respectively, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the NCLT. Copies of the observation letters dated 25th day of April 2017 and 24th day of April 2017, received from BSE and NSE, respectively, are enclosed as **Annexure 4 and Annexure 5**.
25. As required by the SEBI Circular, the Transferor Company had filed the complaint reports with BSE and NSE on 4th day of April 2017. These reports indicate that the Transferor Company received nil complaints. Copy of the complaint reports submitted by the Transferor Company to BSE and NSE, both dated 4th day of April 2017 is enclosed as **Annexure 6**.
26. The Companies or any of them would obtain such 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.
27. The applications along with the annexures thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 1st day of May 2017.

Salient extracts of the Scheme

28. The salient extracts of the Scheme are as under:
 - A. "Appointed Date" means 1st April 2016.

- B. "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 23 of the Scheme have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.
- C. "Encumbrance" or "Encumber" shall mean any: (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by the third person; (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation 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; (iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any person; and/or (iv) any adverse claim as to title, possession or use.
- D. "IT Act" means the Income-tax Act, 1961 and rules made thereunder and shall include any statutory modification, amendment, or re-enactment thereof for the time being in force.
- E. "LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- F. "Marine Business Employees" shall mean all the employees of the Transferor Company employed in the Marine Business Undertaking.
- G. "Marine Business Liabilities" shall have the meaning set forth in Clause 7.1 of the Scheme.
- H. "Marine Business Undertaking" means all the business, undertakings, activities, operations, properties and liabilities pertaining to the Marine Business, on a going concern basis, and shall mean and include, without limitation:
- (a) all the assets and properties of Marine Business, tangible or intangible, real or personal, in possession or reversion, including tugs, associated equipments, fire fighting systems, equipments for fighting oil spill along with oil spill dispersion and spray boom, stores, benefits of use of premises, current assets (including inventories, loans and advances), supplies, computers, communication facilities, installations, tools and plants, furniture, fixtures, office equipments, appliances, accessories, insurances, actionable claims, bank balances, deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, customers and other persons, provisions and tax related assets/credits appertaining or relatable to Marine Business;
 - (b) all permits, licences, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates (including Cargo Ship Safety Radio Certificate issued under the provisions of the International Convention for the Safety of Life at Sea, 1974 as modified by the Protocol of 1988; Record of Equipment for the Cargo Ship Safety Radio Certificate; Cargo Ship Construction Certificate issued under the provisions of Merchant Shipping (Cargo Ship Construction and Survey) Rules, 1991; International Oil Pollution Prevention Certificate issued under the provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978; Cargo Ship Equipment Certificate issued under the provisions of the Merchant Shipping Act, 1958; Record of Equipment for the Cargo Ship Equipment Certificate; International Sewage Pollution Prevention Certificate issued under the provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978; Statement of Compliance issued under the International Convention on the Control of Harmful Anti-Fouling Systems on Ships together with Record of Anti-Fouling Systems; Ships Security Certificate (Coastal) issued under the provisions of the Director General of Shipping M. S. Notice No. 19 of 2011; Minimum Safe Manning Document issued under the provisions of International Convention for the Safety of Life at Sea, 1974; Certificate of Indian Registry along with Certificate of survey issued under the provisions of Merchant Shipping Act, 1958; and International Tonnage Certificate issued under the provisions of the International Convention on Tonnage Measurement of Ships, 1969, International air pollution prevention certificate along with their record, Certificate of class issued by Indian register of shipping, General trading/Specific Period Licence, Indian river sea safety certificate issued by Indian

register of shipping as per River Sea Vessel Type rules, International Load Line Certificate issued by Indian Register of Shipping, International Ship Security Certificate issued by Mercantile Marine Department (MMD)/Director General (DG) of Shipping, Continuous Synopsis record issued by MMD/DG of Shipping, Documents of Compliance for the tug Recruitment of Placement of Seafarer Licence holder, International Safety Management Certificate issued by MMD/DG of shipping, Maritime Mobile Station issued by Wireless Planning Commission, Hull & Machinery Insurance Certificate, and Personal & Indemnity Cover for wreck removal & oil spill recovery), awards, sanctions, allotments, no objection certificates, exemptions, concessions, liberties and advantages (including licences/permits granted/issued/given by any Governmental Authority for the purpose of carrying on the Marine Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the Marine Business;

- (c) all contracts, agreements, purchase/service orders, operation and maintenance contract, memorandum of understanding, memorandum of undertakings, memorandum of agreed points, minutes of meetings, expression of interest, arrangements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, undertakings, deeds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all the rights, title, interests, claims and benefits thereunder pertaining to the Marine Business;
- (d) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, 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 the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the Marine Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the Marine Business;
- (e) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Marine Business;
- (f) advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company in relation to the Marine Business, including all intellectual property rights used in relation to the Marine Business;
- (g) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the Marine Business and/or arising out of and/or relatable to the Marine Business;
- (h) all the Transferor Company Employees employed in the Marine Business as on the Effective Date;
- (i) all legal or other proceedings of whatsoever nature that pertain to the Marine Business;

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Marine Business or whether it arises out of the activities or

operations of the Marine Business, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

- I. "NCLT" means the National Company Law Tribunal, Bench, at Ahmedabad.
- J. "Remaining Business" shall mean all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those comprised in the Marine Business Undertaking.
- K. "SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- L. "SEBI Circular" means Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 issued by the SEBI, as amended or replaced from time to time.
- M. "Slump Sale" means Slump Sale as defined under Section 2(42C) of the IT Act.
- N. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Marine Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Marine Business Undertaking) shall, subject to the provisions of the Clause 5 of the Scheme in relation to the mode of transfer and vesting and pursuant to Section 232(4) of the Act and without any further act or deed, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in the Transferee Company as a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- O. In respect of such of the assets of the Marine Business Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Transferor Company, upon the coming into effect of this Scheme, and shall become the property of the Transferee Company as an integral part of the Marine Business Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of the Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- P. Without prejudice to the generality of the foregoing, upon the effectiveness of this Scheme, the Transferee Company will be entitled to all the intellectual property rights of the Transferor Company in relation to the Marine Business Undertaking. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.
- Q. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme including Clause 7 of the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Marine Business Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which is subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- R. Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Marine Business Undertaking) of the Transferor Company as on the Appointed Date and relating to the Marine Business Undertaking ("Marine Business Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Transferee Company which shall meet, discharge and satisfy the same.
- S. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Transferor Company and relating to the Marine Business Undertaking, under any statute, whether

- pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Transferee Company after the Effective Date. The Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Transferee Company. The Transferee Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company.
- T. Upon the coming into effect of this Scheme, the Marine Business Employees in relation to the Marine Business Undertaking (the "Transferred Employees") shall become the employees of the Transferee Company with effect from the Effective Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Marine Business Undertaking and without any interruption of, or break in, service as a result of the transfer of the Marine Business Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
 - U. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or lenders.
 - V. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Marine Business Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 231-232 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum consideration of INR 200 crores (Rupees Two Hundred Crores only) to the Transferor Company as adjusted by the loans and interests accrued thereon.
 - W. Upon the coming into effect of the Scheme and with effect from the Appointed Date:
 - (a) The Transferor Company shall de-recognize from its books, the book value of assets and liabilities of the Marine Business Undertaking, transferred to the Transferee Company including the rights, interests and obligations of the Transferor Company in such assets and liabilities under the Scheme.
 - (b) In compliance with the Indian Accounting Standards (Ind AS), the difference between the lump sum consideration as per Clause 17 of the Scheme and the book value of the net assets, if any pertaining to the Marine Business Undertaking, shall be recognized in the statement of profit and loss of the Transferor Company.
 - (c) For the purpose of sub-clause (b) above, the book value of net assets shall be computed as the value of assets less the value of the liabilities of the Transferor Company, pertaining to the Marine Business Undertaking transferred to and vested in the Transferee Company.
 - X. The Transferee Company shall account for the transfer and vesting of the Marine Business Undertaking in its books of account as per the "Pooling of Interest Method" prescribed under Indian Accounting Standard 103 – "Business Combinations" notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.
 - Y. All the assets and liabilities of the Transferor Company pertaining to Marine Business Undertaking shall stand transferred to, and the same shall be recorded by, the Transferee Company at their respective carrying amount and in the same form as appearing in the books of the account of the Transferor Company.
 - Z. The amount of inter-company balances, transactions or investments, if any, between the Transferor Company pertaining to the Marine Business Undertaking and the Transferee Company, appearing in the books of accounts of the Transferor Company and the Transferee Company, shall stand cancelled without any further act or deed.
 - AA. If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in the Capital Reserve Account of the Transferee Company.

- BB. The coming into effect of this Scheme is conditional upon and subject to:
- (a) obtaining observation letter or no-objection letter from the Stock Exchanges by the Transferor Company in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;
 - (b) this Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies as required under the Act and the requisite orders of the NCLT, or dispensation having been received from the NCLT in relation to obtaining such approval from the shareholders and/or creditors;
 - (c) the NCLT having accorded its sanction to the Scheme; and
 - (d) the certified copies of the orders of the NCLT approving this Scheme being filed with the registrar of companies.
- CC. Upon the coming into effect of this Scheme, the accounts of the Transferor Company and the Transferee Company, as and from the Appointed Date, shall be reconstructed in accordance with and pursuant to the terms of this Scheme.

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.

Other matters

29. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7**.
30. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
31. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (i.e. promoter shareholders and non-promoter shareholders) as the Marine Business Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

Under the Scheme, no arrangement is sought to be entered into between the Transferor Company and its preference shareholders. No rights of the preference shareholders of the Transferor Company are being affected pursuant to the transfer of Marine Business Undertaking.

In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees do not arise.

Under the Scheme, no arrangement is sought to be entered into between the Transferor Company and its debentureholders. No rights of debentureholders of the Transferor Company are being affected pursuant to the transfer of Marine Business Undertaking. The debenture trustee(s) appointed for the different series of NCDs shall continue to remain the debenture trustee(s).

Under clause 9 of Part II of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the Marine Business Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the same manner as provided under clause 9 of Part II of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the Marine Business Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.

There is no effect of the Scheme on the Key Managerial Personnel and/or the Directors of the Transferor Company.

Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of preference shares held by them in the Transferor Company 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 the Transferor Company. Save as aforesaid, none of the said Directors, Key Managerial Personnel have any material interest in the Scheme.

32. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders (i.e. promoter shareholders). No rights of the equity shareholders of the Transferee Company are being affected pursuant to transfer of the Marine Business Undertaking.

Further, no arrangement is sought to be entered into between the Transferee Company and its creditors and that no liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme. As on date, the Transferee Company has no creditors and therefore, the effect of the Scheme on any such creditors do not arise.

As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debentureholders or deposit trustees or debenture trustees do not arise.

The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

There is no effect of the Scheme on the Key Managerial Personnel and/or the Directors of the Transferee Company.

Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the company that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors, Key Managerial Personnel have any material interest in the Scheme.

33. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Transferor Company and the Transferee Company, in their separate meetings, both held on, 14th day of February 2017, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company are enclosed as **Annexure 8 and Annexure 9**, respectively.

34. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.

35. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

36. The Board of Directors of the Transferee Company has approved two separate schemes of arrangement, namely, (i) scheme of arrangement between Adani Hazira Port Private Limited and the Transferee Company and their respective shareholders and creditors; and (ii) scheme of arrangement between Adani Petronet (Dahej) Port Private Limited and the Transferee Company and their respective shareholders and creditors, for transfer and vesting of the respective Marine Business of Adani Hazira Port Private Limited and Adani Petronet (Dahej) Port Private Limited to the Transferee Company on Slump Sale basis so as to consolidate the similar businesses within one company which would, inter alia, enable the business activities to be carried out by the Transferee Company with greater focus and specialisation for sustained growth. The said companies including the Transferee Company had filed separate applications before NCLT, seeking necessary directions, being CA (CAA) No. 23/230-232/NCLT/2017 and CA (CAA) No. 24/230-232/NCLT/AHM/2017 filed by Adani Hazira Port Private Limited and the Transferee Company, respectively and CA (CAA) No. 25/230-232/NCLT/AHM/2017 and CA (CAA) No. 26/230-232/NCLT/AHM/2017 filed by Adani Petronet (Dahej) Port Private Limited and the Transferee Company, respectively. NCLT vide its separate orders, all dated 18th day of April 2017, has issued necessary directions for convening/dispensing with the meetings in respect of the aforesaid companies. Please note that the present Scheme and the two aforesaid proposed schemes are separate and distinct.

37. The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies on 1st day of May 2017.

38. The Unaudited Financial Results of the Transferor Company and the Transferee Company for the period ended 31st December 2016 are enclosed as **Annexure 10 and Annexure 11**, respectively.
39. As per the books of accounts (as on 30th day of April 2017) of the Transferor Company, the amount due to the unsecured creditors are Rs. 142,95,69,57,149/-. As per the books of accounts (as on 28th day of April 2017) of the Transferee Company, there is no amount due and payable to its unsecured creditors.
40. The name and addresses of the promoters of the Transferor Company including their shareholding in the Companies as on 30th day of April 2017 are as under:

Sr. No.	Name and address of Promoters	Transferor Company		Transferee Company	
		No. of shares of Rs. 2 each	%	No. of shares of Rs. 10 each	%
1	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust) 9th Floor, "Shikhar", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009	87,73,17,807	42.36	Nil	Nil
2	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust) Shantivan Farm House, B/h. Karnavati Club, Gandhinagar Sarkhej Highway, Ahmedabad - 380057	1,24,80,142	0.60	Nil	Nil
3	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust) Shantisagar, Near Kantam Party Plot Cross Road, Rajpath to Bopal Road Bodakdev, Ahmedabad - 380059	30,000	0.00	Nil	Nil
4	Parsa Kente Rail Infra LLP 801, Shikhar Complex, Srimali Society, Navrangpura, Ahmedabad-380009	14,05,12,153	6.78	Nil	Nil
5	Worldwide Emerging Market Holding Limited 6th Floor, Tower I, Nexteracom, Building, Ebene, Mauritius.	7,90,46,818	3.82	Nil	Nil
6	Universal Trade And Investments Limited 6th Floor, Tower I, Nexteracom, Building, Ebene, Mauritius.	8,08,61,339	3.90	Nil	Nil
7	Pan Asia Trade & Investment Private Limited Suite 501, St. James Court, St. Denis Street, Port Louis, Mauritius.	52,08,562	0.25	Nil	Nil
8	Afro Asia Trade and Investments Limited 6th Floor, Tower I, Nexteracom, Building, Ebene, Mauritius.	7,63,44,056	3.69	Nil	Nil

41. The name and addresses of the promoters of the Transferee Company including their shareholding in the Companies as on 30th day of April 2017 are as under:

Sr. No.	Name and address of Promoters	Transferee Company	
		No. of shares of Rs. 10 each	%
1	Adani Ports and Special Economic Zone Limited and its nominees Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009.	5,76,92,155	100

42. The details of the directors of the Transferor Company as on 30th day of April 2017 are as follows:

S.N.	Name of the Directors	Address	DIN
1	Mr. Gautam S. Adani	Shantivan Farm House, B/h. Karnavati Club, Mohemadpura Village, Ahmedabad – 380057	00006273
2	Mr. Rajesh S. Adani	Shanti Sagar Bungalow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad – 380059	00006322
3	Dr. Malay Mahadevia	12-B, Gyankunj Society Opp. St. Xavier's College Navrangpura, Ahmedabad – 380009	00064110
4	Prof. G. Raghuram	504, Indian Institute of Management, Vastrapur, Ahmedabad – 380015	01099026
5	Mr. G. K. Pillai	D-241, 2 nd Floor, Sarvodaya Enclave, New Delhi – 110017	02340756
6	Mr. Sanjay S. Lalbhai	Lalbaug, Shahibaug, Ahmedabad – 380004	00008329
7	Mrs. Radhika Haribhakti	51, Maker Tower-B, Cuffee Parade, Mumbai - 400005	02409519

43. The details of the directors of the Transferee Company as on 30th day of April 2017 are as follows:

S.N.	Name of Director	Address	DIN
1	Capt. Unmesh Abhyankar	Bungalow No. 1, Shantivan Colony, Nr. Dav School, Nana Kapaya, Mundra - 370421.	03040812
2	Mr. Subrat Tripathy	4-Satya Nagar, Bhubaneshwar, Khurda -751007.	06890393
3	Mr. Ennarasu Karunesan	Block 1, 8-B, Rani Meyyammai Towers, M R C Nagar, R A Puram, Chennai – 600028.	00200432
4	Mr. Mukesh Shah	Ojas, Opp. H L College, Old Hostel, Navrangpura, Ahmedabad-380009.	00084402
5	Dr. Chitra Bhatnagar	Flat No - B/92, Shaligram-3, Vejalpur, Prahladnagar Road, Ahmedabad-380051.	07146185

44. The details of the shareholding of the Directors and the Key Managerial Personnel of the Transferee Company in the Companies as on 30th day of April 2017 are as follows:

Name of Director and KMP	Position	Equity Shares held in	
		Transferor Company	Transferee Company
Mr. Gautam S. Adani	Chairman & Managing Director	Nil	Nil
Mr. Rajesh S. Adani	Director	Nil	Nil
Dr. Malay Mahadevia	Whole Time Director	Nil	Nil
Prof. G. Raghuram	Independent Director	Nil	Nil
Mr. G. K. Pillai	Independent Director	Nil	Nil
Mr. Sanjay S. Lalbhai	Independent Director	Nil	Nil
Mrs. Radhika Haribhakti	Independent Director	Nil	Nil
Mr. Karan Adani	Chief Executive Officer	Nil	Nil
Mr. B. Ravi	Chief Financial Officer	1075	Nil
Ms. Dipti Shah	Company Secretary	3600	Nil

45. The details of the shareholding of the Directors and the Key Managerial Personnel of the Transferee Company in the Companies as on 30th day of April 2017 are as follows:

Name of Director and KMP	Position	Equity Shares held in	
		Transferee Company	Transferor Company
Capt. Unmesh Abhyankar	Chairman & Managing Director	Nil	Nil
Mr. Subrat Tripathy	Director	Nil	Nil
Mr. Ennarasu Karunesan	Director	Nil	Nil
Mr. Mukesh Shah	Independent Director	Nil	Nil
Dr. Chitra Bhatnagar	Independent Director	Nil	Nil
Mr. Azad Somani	Chief Financial Officer	Nil	Nil
Mr. Abhishek Bansal	Company Secretary	Nil	Nil

46. There would be no change in the shareholding pattern of the Transferor Company and the Transferee Company pursuant to the present Scheme. The pre Scheme shareholding pattern of the Transferor Company and the Transferee Company as on 30th day of April 2017 and the post Scheme shareholding pattern of the Transferor Company and the Transferee Company (assuming the continuing shareholding pattern as on 30th day of April 2017) are as under:

Pre & Post Scheme shareholding pattern of Transferor Company is as under :

Sr. No.	Category of shareholder	Pre & Post Scheme shareholding pattern	
		No. of shares of Rs. 2 each	%
(A)	Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	-	-
(b)	Central Government/State Government(s)	-	-
(c)	Bodies Corporate	14,05,12,153	6.78
(d)	Financial Institutions/ Banks	-	-
(e)	Any Other (specify) Held by respective trustees (Beneficiary holders Family Trusts)	88,98,27,949	42.97
	Sub-Total (A)(1)	1,03,03,40,102	49.75
2	Foreign		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-
(b)	Bodies Corporate	24,14,60,775	11.66
(c)	Institutions	-	-
(d)	Any Other (specify)	-	-
	Sub-Total (A)(2)	24,14,60,775	11.66
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	1,27,18,00,877	61.41
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds	7,60,67,899	3.67
(b)	Venture Capital Funds	-	-
(c)	Alternate Investment Funds	-	-

Sr. No.	Category of shareholder	Pre & Post Scheme shareholding pattern	
		No. of shares of Rs. 2 each	%
(d)	Foreign Venture Capital Investors	-	-
(e)	Foreign Portfolio Investor	49,84,47,056	24.07
(f)	Financial Institutions/ Banks	46,58,530	0.23
(g)	Insurance Companies	8,82,43,669	4.26
(h)	Provident Funds/ Pension Funds	-	-
(i)	Any Other (Specify)		
	Foreign Institutional Investors	3,03,22,943	1.46
	Sub-Total (B)(1)	69,77,40,097	33.68
2	Central Government/ State Government(s)/ President of India	10,54,010	0.05
	Sub-Total (B)(2)	10,54,010	0.05
3	Non-institutions		
(a)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	4,77,72,800	2.31
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	88,24,842	0.43
(b)	NBFCs registered with RBI	-	-
(c)	Employee Trusts	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-
(e)	Any Other (specify)		
	Trusts	1,11,769	0.01
	Foreign Nationals	14,273	0.00
	Hindu Undivided Family	33,70,595	0.16
	Foreign Company	59,679	0.00
	Non Resident Indian (Non Repat)	2,86,749	0.01
	Non Resident Indian (Repat)	84,72,668	0.41
	Clearing Member	20,56,804	0.10
	Bodies Corporate	2,93,92,246	1.43
	Sub-Total (B)(3)	10,03,56,777	4.86
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	79,91,50,884	38.59
	TOTAL Shareholding (A)+(B)	2,07,09,51,761	100.00

Pre & Post Scheme shareholding pattern of Transferee Company is as under :

Sr. No.	Name of Shareholders	Pre & Post Scheme Shareholding pattern	
		No. of shares of Rs. 10 each	%
1.	Adani Ports and Special Economic Zone Limited and its nominee	5,76,92,155	100

47. There would be no change in the capital structure of the Transferor Company and the Transferee Company post sanctioning of the Scheme.
48. 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.
49. The following documents will be open for inspection by the unsecured creditors of the Transferor Company at its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
 - (i) Copy of the final order passed by NCLT in CA(CAA) No. 53/NCLT/AHM/2017, dated 18th day of May 2017 directing the Transferor Company to, inter alia, convene the meetings of its equity shareholders, preference shareholders, secured creditors (including debentureholders) and unsecured creditors;
 - (ii) Copy of the final order passed by NCLT in CA(CAA) No. 54/NCLT/AHM/2017, dated 18th day of May 2017, inter alia, dispensing with the meeting of the equity shareholders of the Transferee Company;
 - (iii) Copy of the CA(CAA) No. 53/NCLT/AHM/2017 along with annexures filed by the Transferor Company before NCLT;
 - (iv) Copy of the CA(CAA) No. 54/NCLT/AHM/2017 along with annexures filed by the Transferee Company before NCLT;
 - (v) Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company, respectively;
 - (vi) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial years ended 31st March 2015 and 31st March 2014, respectively;
 - (vii) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial year ended 31st March 2016;
 - (viii) Copy of the Unaudited Financial Results of the Transferor Company and the Transferee Company, respectively, for the period ended 31st December 2016;
 - (ix) Statement showing assets and liabilities of the Marine Business Undertaking of the Transferor Company as on 31st March 2016 proposed to be transferred to the Transferee Company;
 - (x) Copy of the Register of Directors' shareholding of each of the Companies;
 - (xi) Copy of Valuation Report, dated 14th day of February 2017, submitted by BSR & Associates LLP, Chartered Accountants;
 - (xii) Copy of the Fairness Opinion, dated 14th day of February 2017, issued by JM Financial Institutional Securities Limited, to the Board of Directors of the Transferor Company;
 - (xiii) Copies of the Audit Committee Reports, both dated 14th day of February 2017, of the Transferor Company and the Transferee Company;
 - (xiv) Copy of the resolutions, dated 14th day of February 2017, passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;
 - (xv) Copy of the extracts of the minutes of the meetings, held on 14th day of February 2017, of the Board of Directors of the Transferor Company and the Transferee Company, respectively, in respect of the approval of the Scheme;
 - (xvi) Copy of the Statutory Auditors' certificate dated 14th day of February 2017 issued by M/s. S R B C & Co. LLP, Chartered Accountants to the Transferor Company;
 - (xvii) Copy of the Statutory Auditors' certificate dated 14th day of February 2017 issued by M/s. Delloite Haskins & Sells, Chartered Accountants to the Transferee Company;
 - (xviii) Copy of the complaint reports, dated 4th day of April 2017, submitted by the Transferor Company to BSE and NSE;
 - (xix) Copy of the no adverse observations/no objection letter issued by BSE and NSE dated 25th day of April 2017 and 24th day of April 2017, respectively, to the Transferor Company;
 - (xx) Summary of the Valuation Report including the basis of valuation;
 - (xxi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 1st day of May 2017, evidencing filing of the Scheme;

- (xxii) Copy of the certificate, dated 8th day of May 2017, issued by M/s. Dharmesh Parikh & Co., Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferor Company as on 30th day of April 2017;
- (xxiii) Copy of the certificate, dated 29th day of April 2017, issued by M/s. Dharmesh Parikh & Co., Chartered Accountants, certifying that no amount is due and payable to the unsecured creditors of the Transferee Company as on 28th day of April 2017;
- (xxiv) Copy of the Scheme; and
- (xxv) Copy of the Reports, both dated 14th day of February 2017, adopted by the Board of Directors of the Transferor Company and the Transferee Company, respectively, pursuant to the provisions of Section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (vii), (xvi) and (xvii) above.

- 50. 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. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its shareholders/creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of the Transferor Company.
- 51. After the Scheme is approved by the equity shareholders, preference shareholders, secured creditors (including debentureholders) and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.

Sd/-
Radhika Haribhakti
 Chairperson appointed for the meeting

Dated this 18th day of May 2017

Registered office: Adani House,
 Near Mithakhali Six Roads,
 Navrangpura,
 Ahmedabad- 380 009,
 Gujarat, India.

**SCHEME OF ARRANGEMENT
BETWEEN
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED ...Transferor Company
AND
THE ADANI HARBOUR SERVICES PRIVATE LIMITED ... Transferee Company
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 of the Act (*as defined hereinafter*) and other relevant provisions of the Act for the transfer and vesting of the Marine Business Undertaking (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) to the Transferee Company (*as defined hereinafter*) with effect from the Appointed Date (*as defined hereinafter*), as a going concern, on Slump Sale (*as defined hereinafter*) basis, and for which lump sum cash considerations shall be paid by the Transferee Company to the Transferor Company on the agreed terms and conditions as set out herein, in accordance with Section 2(42C) of the IT Act (*as defined hereinafter*) and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith.

PART I- GENERAL

1. INTRODUCTION

- 1.1. Adani Ports and Special Economic Zone Limited (the **"Transferor Company"**) is a company incorporated on 26th day of May 1998 under the provisions of the Companies Act, 1956 in the name of Gujarat Adani Port Limited. Subsequently, the name of Gujarat Adani Port Limited was changed to Mundra Port and Special Economic Zone Limited with effect from 7th day of July 2006. The name was further changed to Adani Ports and Special Economic Zone Limited with effect from 6th day of January 2012. The Transferor Company is a listed public limited company having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').
- 1.2. The Transferor Company 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. The Transferor Company is also carrying on marine business operations involving piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transshipment within in-land waterways, in coastal waters and sea (**"Marine Business"**).
- 1.3. The Adani Harbour Services Private Limited (the **"Transferee Company"**) is a company incorporated on 2nd day of September 2009 under the provisions of the Companies Act, 1956 in the State of West Bengal in the name of TM Harbour Services Private Limited. The name of TM Harbour Services Private Limited was changed to The Adani Harbour Services Private Limited with effect from 22nd day of December 2016. The registered office of the Transferee Company was shifted from the State of West Bengal to the State of Gujarat vide Certificate of Registration dated 24th day of February 2017. The Transferee Company is an unlisted public limited company, having its registered office at. Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat. The Transferee Company is a wholly owned subsidiary of the Transferor Company.
- 1.4. The Transferee Company is carrying on marine business operations at Dhamra, Odisha, involving piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transshipment within in-land waterways, in coastal waters and sea.
- 1.5. Rationale for restructuring:
Both, the Transferor Company and the Transferee Company are carrying on marine business. Consolidating the similar businesses within one company would enable the business activities to

be carried out with greater focus and specialization for sustained growth. It is expected that the proposed consolidation will allow more focused strategy, standardization in operations, operating cost optimization, better monitoring and utilization of assets, effective co-ordination with customers which in turn would enhance shareholder's value.

1.6. This Scheme is divided into the following parts:

- (i) **Part I**, which deals with the introduction, definitions, date of taking effect and share capital;
- (ii) **Part II**, which deals with the transfer and vesting of the Marine Business Undertaking; and
- (iii) **Part III**, which deals with general terms and conditions applicable to the Scheme.

2. DEFINITIONS

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

"Act" or **"the Act"** means the Companies Act, 2013;

"Appointed Date" means 1st April 2016;

"Board" or **"Board of Directors"** in relation to the Companies means the board of directors of such company and, unless it be repugnant to the context, includes a duly authorised committee of directors;

"Companies" shall mean the Transferor Company and the Transferee Company;

"Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 23 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or **"effectiveness of this Scheme"** shall mean the Effective Date;

"Employee Benefit Funds" shall have the meaning set forth in Clause 9.2;

"Encumbrance" or **"Encumber"** shall mean any: (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by the third person; (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation 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; (iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any person; and/or (iv) any adverse claim as to title, possession or use;

"Governmental Authority" shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of Law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, or any stock exchange of India or any other country;

"IT Act" means the Income-tax Act, 1961 and rules made thereunder and shall include any statutory modification, amendment, or re-enactment thereof for the time being in force;

"Law" shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

"LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Marine Business Employees" shall mean all the employees of the Transferor Company employed in the Marine Business Undertaking;

"Marine Business Liabilities" shall have the meaning set forth in Clause 7.1;

"Marine Business Undertaking" means all the business, undertakings, activities, operations, properties and liabilities pertaining to the Marine Business, on a going concern basis, and shall mean and include, without limitation:

- (a) all the assets and properties of Marine Business, tangible or intangible, real or personal, in possession or reversion, including tugs, associated equipments, fire fighting systems, equipments for fighting oil spill along with oil spill dispersion and spray boom, stores, benefits of use of premises, current assets (including inventories, loans and advances), supplies, computers, communication facilities, installations, tools and plants, furniture, fixtures, office equipments, appliances, accessories, insurances, actionable claims, bank balances, deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, customers and other persons, provisions and tax related assets/credits appertaining or relatable to Marine Business;
- (b) all permits, licences, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates (including Cargo Ship Safety Radio Certificate issued under the provisions of the International Convention for the Safety of Life at Sea, 1974 as modified by the Protocol of 1988; Record of Equipment for the Cargo Ship Safety Radio Certificate; Cargo Ship Construction Certificate issued under the provisions of Merchant Shipping (Cargo Ship Construction and Survey) Rules, 1991; International Oil Pollution Prevention Certificate issued under the provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978; Cargo Ship Equipment Certificate issued under the provisions of the Merchant Shipping Act, 1958; Record of Equipment for the Cargo Ship Equipment Certificate; International Sewage Pollution Prevention Certificate issued under the provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978; Statement of Compliance issued under the International Convention on the Control of Harmful Anti-Fouling Systems on Ships together with Record of Anti-Fouling Systems; Ships Security Certificate (Coastal) issued under the provisions of the Director General of Shipping M. S. Notice No. 19 of 2011; Minimum Safe Manning Document issued under the provisions of International Convention for the Safety of Life at Sea, 1974; Certificate of Indian Registry along with Certificate of survey issued under the provisions of Merchant Shipping Act, 1958; and International Tonnage Certificate issued under the provisions of the International Convention on Tonnage Measurement of Ships, 1969, International air pollution prevention certificate along with their record, Certificate of class issued by Indian register of shipping, General trading/Specific Period Licence, Indian river sea safety certificate issued by Indian register of shipping as per River Sea Vessel Type rules, International Load Line Certificate issued by Indian Register of Shipping, International Ship Security Certificate issued by Mercantile Marine Department (MMD)/Director General (DG) of Shipping, Continuous Synopsis record issued by MMD/DG of Shipping, Documents of Compliance for the tug Recruitment of Placement of Seafarer Licence holder, International Safety Management Certificate issued by MMD/DG of shipping, Maritime Mobile Station issued by Wireless Planning Commission, Hull & Machinery Insurance Certificate, and Personal & Indemnity Cover for wreck removal & oil spill recovery), awards, sanctions, allotments, no objection certificates, exemptions, concessions, liberties and advantages (including licences/permits granted/issued/given by any Governmental Authority for the purpose of carrying on the Marine Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the Marine Business;
- (c) all contracts, agreements, purchase/service orders, operation and maintenance contract, memorandum of understanding, memorandum of undertakings, memorandum of agreed points, minutes of meetings, expression of interest, arrangements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/ service providers, undertakings, deeds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all the rights, title, interests, claims and benefits thereunder pertaining to the Marine Business;
- (d) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, 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 the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the Marine Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the Marine Business;

- (e) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Marine Business;
- (f) advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company in relation to the Marine Business, including all intellectual property rights used in relation to the Marine Business;
- (g) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the Marine Business and/or arising out of and/or relatable to the Marine Business;
- (h) all the Transferor Company Employees employed in the Marine Business as on the Effective Date;
- (i) all legal or other proceedings of whatsoever nature that pertain to the Marine Business;

Explanation:

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

"NCLT" means the National Company Law Tribunal, Bench, at Ahmedabad;

"Remaining Business" shall mean all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those comprised in the Marine Business Undertaking;

"Scheme" or "the Scheme" or "this Scheme" shall mean this scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;

"SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

"SEBI Circular" means Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 issued by the SEBI, as amended or replaced from time to time;

"Slump Sale" means Slump Sale as defined under Section 2(42C) of the IT Act;

"Stock Exchanges" shall mean National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), collectively;

"Transferee Company" shall have the meaning set forth in Clause 1.3;

"Transferor Company" shall have the meaning set forth in Clause 1.1.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1 The authorised, issued, subscribed and paid up share capital of the Transferor Company as at 31st day of January 2017 was as under:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
4,97,50,00,000 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
Issued, Subscribed and Paid-Up Share Capital	
2,07,09,51,761 fully paid up Equity Shares of Rs. 2 each	414,19,03,522
28,11,037 0.01% Non-Cumulative Redeemable reference Shares of Rs. 10 each fully paid up	2,81,10,370
TOTAL	417,00,13,892

- 4.2 The authorised, issued, subscribed and paid up share capital of the Transferee Company as at 31st day of January 2017 was as under:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
8,00,00,000 Equity Shares of Rs. 10 each	80,00,00,000
TOTAL	80,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
5,76,92,155 fully paid up Equity Shares of Rs. 10 each	57,69,21,550
TOTAL	57,69,21,550

PART-II TRANSFER AND VESTING OF THE MARINE BUSINESS UNDERTAKING

SECTION 1 - TRANSFER AND VESTING OF THE MARINE BUSINESS UNDERTAKING

5. Transfer of Assets

- 5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Marine Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Marine Business Undertaking) shall, subject to the provisions of this Clause 5 in relation to the mode of transfer and vesting and pursuant to Section 232(4) of the Act and without any further act or deed, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in the Transferee Company as a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 5.2. In respect of such of the assets of the Marine Business Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Transferor Company, upon the coming into effect of this Scheme, and shall become the property of the Transferee Company as an integral part of the Marine Business Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

- 5.3. In respect of movables other than those dealt with in Clause 5.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority, quasi-governmental authority, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- 5.4. In respect of such of the assets belonging to the Marine Business Undertaking other than those referred to in Clauses 5.2 and 5.3 above, the same shall, as more particularly provided in Clause 5.1 above, without any further act, instrument or deed, be transferred to and vested in and deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 5.5. All assets, rights, title, interest and investments of the Transferor Company in relation to the Marine Business Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 5.6. Without prejudice to the generality of the foregoing, upon the effectiveness of this Scheme, the Transferee Company will be entitled to all the intellectual property rights of the Transferor Company in relation to the Marine Business Undertaking. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.
- 5.7. Any assets acquired by the Transferor Company after the Appointed Date but prior to the Effective Date pertaining to the Marine Business Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.
- 5.8. For the avoidance of doubt, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/licensed properties in relation to the Marine Business Undertaking shall, pursuant to Section 232 (4) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed.
- 5.9. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in relation to or in connection with the Marine Business Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the Marine Business Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Marine Business Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 5.10. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Transferor Company, in relation to or in connection with the Marine Business Undertaking, has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank account of the Transferor Company, in relation to or in connection with the Marine Business Undertaking, in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which is in the name of the Transferor Company, in relation to or in connection with the Marine Business Undertaking, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank

accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company, in relation to or in connection with the Marine Business Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company, in relation to or in connection with the Marine Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which is in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of this Scheme.

6. Transfer of contracts, deeds, etc.

- 6.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme including Clause 7, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Marine Business Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which is subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Marine Business Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 6.3. 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, all approvals, consents, benefits, registrations, entitlements, credits, permissions, licenses, certificates, no objection certificates, exemptions, concessions, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Marine Business Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.
- 6.4. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Marine Business Undertaking which the Transferor Company own or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, insofar as it is permissible so to do, till such time as the transfer is effected.

7. Transfer of Liabilities

- 7.1. Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Marine Business Undertaking) of the Transferor Company as on the Appointed Date and relatable to the Marine Business Undertaking ("**Marine Business Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Transferee Company which shall meet, discharge and satisfy the same.

- 7.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company has been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 7.3. Upon the coming into effect of this Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Transferor Company for the operations of the Marine Business Undertaking with effect from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company.
- 7.4. In so far as the existing Encumbrances, if any, in respect of the Marine Business Liabilities 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 Marine Business Undertaking which has been Encumbered in respect of the Marine Business Liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in the Marine Business Undertaking which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the Marine Business Liabilities, 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 absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 7.5. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business is concerned, subject to Clause 7.4, the Encumbrances, if any, over such assets relating to the Marine Business Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Marine Business Undertaking is concerned, the Encumbrances over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such liabilities.
- 7.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the registrar of companies to give formal effect to the above provisions, if required.
- 7.7. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Marine Business Liabilities, which have been transferred to it in terms of this Scheme, and the Transferor Company shall not have any obligations in respect of such Marine Business Liabilities.
- 7.8. It is expressly provided that, save as mentioned in this Clause 7, no other term or condition of the liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 7.9. The provisions of this Clause 7 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 or writings shall stand modified and/or superseded by the foregoing provisions.

8. Legal, taxation and other proceedings

- 8.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Transferor Company and relating to the Marine Business Undertaking, under any statute, whether

pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Transferee Company after the Effective Date. The Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Transferee Company. The Transferee Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company.

- 8.2. If proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 8.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 8.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 8.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Companies shall make relevant applications in that behalf.

9. Employees

- 9.1. Upon the coming into effect of this Scheme, the Marine Business Employees in relation to the Marine Business Undertaking (the **"Transferred Employees"**) shall become the employees of the Transferee Company with effect from the Effective Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Marine Business Undertaking and without any interruption of, or break in, service as a result of the transfer of the Marine Business Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- 9.2. In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company inter alia for its employees (including employees of the Marine Business Undertaking) are concerned (collectively referred to as the **"Employee Benefit Funds"**), such proportion of the investments made in the Employee Benefit Funds and liabilities which are referable to the Transferred Employees shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Employee Benefit Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Marine Business Undertaking or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute in respect of the Transferred Employees to the Employee Benefit Funds or discharge such liabilities of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Employee Benefit Funds, investments, contributions and liabilities pertaining to the Transferred Employees shall be transferred to the funds created by the Transferee Company.
- 9.3. 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 employees being transferred to the Transferee Company, the Transferee Company shall stand substituted for the Transferor Company, 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 Transferred Employees.
- 9.4. In so far as the existing benefits or funds created by the Transferor Company for the employees of the Remaining Business are concerned, the same shall continue and the Transferor Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held inter alia for the benefit of the employees of the Remaining Business and the Transferee Company shall have no liability in respect thereof.

SECTION 2 – CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

10. The Transferor Company, with effect from the Appointed Date and up to and including the Effective Date:
- (i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Marine Business Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Marine Business Undertaking for and on account of, and in trust for, the Transferee Company;
 - (ii) all profits and income accruing to the Transferor Company from the Marine Business Undertaking, and losses and expenditure incurred by it (including taxes), relating to the Marine Business Undertaking for the period from the Appointed Date based on the accounts of the Transferor Company shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company, except those specifically forming part of the Remaining Business; and
 - (iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Marine Business Undertaking exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Marine Business Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company.
11. The Transferor Company undertakes that it shall preserve and carry on the business of the Marine Business Undertaking with business prudence.
12. The transfer and vesting of the assets, liabilities and obligations of the Marine Business Undertaking and the continuance of the proceedings by or against the Transferee Company under this Scheme shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that, subject to the provisions of this Section 2, the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

SECTION 3 - REMAINING BUSINESS

13. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or lenders.
14. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company after the Effective Date, which shall keep the Transferee Company fully indemnified in that behalf.
15. If proceedings are taken against the Transferee Company in respect of the matters referred to in Clause 14 above, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.
16. Up to and including the Effective Date:
- (i) the Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (ii) all profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company; and
 - (iii) all assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

SECTION 4 – CONSIDERATION BY THE TRANSFeree COMPANY

17. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Marine Business Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 231-232 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum consideration of INR 200 crores (Rupees Two Hundred Crores only) to the Transferor Company as adjusted by the loans and interests accrued thereon.

SECTION 5 - ACCOUNTING TREATMENT

18. Accounting treatment in the books of the Transferor Company

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 18.1. The Transferor Company shall de-recognize from its books, the book value of assets and liabilities of the Marine Business Undertaking, transferred to the Transferee Company including the rights, interests and obligations of the Transferor Company in such assets and liabilities under the Scheme.
- 18.2. In compliance with the Indian Accounting Standards (Ind AS), the difference between the lump sum consideration as per Clause 17 of this Scheme and the book value of the net assets, if any pertaining to the Marine Business Undertaking, shall be recognized in the statement of profit and loss of the Transferor Company.
- 18.3. For the purpose of Clause 18.2 above, the book value of net assets shall be computed as the value of assets less the value of the liabilities of the Transferor Company, pertaining to the Marine Business Undertaking transferred to and vested in the Transferee Company.

19. Accounting treatment in the books of the Transferee Company

- 19.1. The Transferee Company shall account for the transfer and vesting of the Marine Business Undertaking in its books of account as per the "Pooling of Interest Method" prescribed under Indian Accounting Standard 103 – "Business Combinations" notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.
- 19.2. All the assets and liabilities of the Transferor Company pertaining to Marine Business Undertaking shall stand transferred to, and the same shall be recorded by, the Transferee Company at their respective carrying amount and in the same form as appearing in the books of the account of the Transferor Company.
- 19.3. The amount of inter-company balances, transactions or investments, if any, between the Transferor Company pertaining to the Marine Business Undertaking and the Transferee Company, appearing in the books of accounts of the Transferor Company and the Transferee Company, shall stand cancelled without any further act or deed.
- 19.4. If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in the Capital Reserve Account of the Transferee Company.

PART III – GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II of this Scheme.

20. Applications

- (i) The Companies shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230-232 of the Act.
- (ii) The Transferee Company shall be entitled, pending the effectiveness of this Scheme, to apply to any Governmental Authority, if required, under any Law for such consents and approvals which the Transferee Company may require to carry on the business transferred to it pursuant to this Scheme.

21. Modifications to the Scheme

- 21.1. The Companies (by their respective Board of Directors), may jointly and as mutually agreed in writing:

- (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which NCLT may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to any change in regulatory or compliance requirements being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (ii) to give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under Law);
- (iii) in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time; and
- (iv) to determine whether any asset, liability, employee, legal or other proceedings pertains to the Marine Business Undertaking, or not, on the basis of any evidence that they may deem relevant for this purpose.

21.2. Any modification to the Scheme by the Transferor Company and/or the Transferee Company, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

22. Scheme as an integral whole and Severability

- (i) The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.
- (ii) If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies in writing, affect the validity or implementation of the other parts and/or provisions of this Scheme.

23. Scheme conditional on

The coming into effect of this Scheme is conditional upon and subject to:

- (i) obtaining observation letter or no-objection letter from the Stock Exchanges by the Transferor Company in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;
- (ii) this Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies as required under the Act and the requisite orders of the NCLT, or dispensation having been received from the NCLT in relation to obtaining such approval from the shareholders and/or creditors;
- (iii) the NCLT having accorded its sanction to the Scheme; and
- (iv) the certified copies of the orders of the NCLT approving this Scheme being filed with the registrar of companies.

24. Reconstruction of accounts

Upon the coming into effect of this Scheme, the accounts of the Transferor Company and the Transferee Company, as and from the Appointed Date, shall be reconstructed in accordance with and pursuant to the terms of this Scheme.

25. Taxes

25.1. All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Marine Business Undertaking before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, service tax, VAT, etc. but excluding any income tax, payment by way of deduction at source and advance tax, by the Transferor Company in respect of the profits or activities or operation of the Marine Business Undertaking after the Appointed Date, the same shall be deemed

to be the corresponding item paid by the Transferee Company (except as specifically provided in relation to the Remaining Business) and shall, in all proceedings, be dealt with accordingly.

- 25.2. Upon the coming into effect of this Scheme, the Transferee Company and the Transferor Company shall file/revise their income tax returns, TDS certificates, TDS returns, and other statutory returns, if required, and shall have the right to claim refunds, credit of tax deducted at source, credit of foreign taxes paid/ withheld etc., if any (except as specifically provided in relation to the Remaining Business), as may be required consequent to implementation of this Scheme. Such returns shall be revised and filed based on reconstructed accounts drawn up with effect from Appointed Date and any tax including Minimum Alternate Tax shall be computed accordingly, notwithstanding that the statutory period for such revision and filing may have expired.

26. Effect of non-receipt of approvals

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 Board of Directors 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.

27. Costs

Subject to Clause 26 above, all costs, charges, levies and expenses (including, but not limited to, stamp duty, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of this Scheme shall be borne and paid by the Transferee Company.

VALUATION REPORT

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Chartered Accountants

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Ravi B
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380009

14 February 2017

Sub: Valuation for the proposed transfer of tug vessels operations of Adani Ports and Special Economic Zone Limited under a court scheme by B S R & Associates LLP

Dear Sir,

We refer to the engagement letter dated 11 January 2017 with B S R & Associates LLP (hereinafter referred to as "B S R" or "us" or "we") wherein Adani Ports and Special Economic Zone Limited ("APSEZ", the "Client", "Company", or "You") has requested B S R to carry out valuation of tug vessel operations of APSEZ ("Target operations") proposed to be transferred to The Adani Harbour Services Private Limited ("TAHSPL") under a court scheme ("Proposed Transfer").

SCOPE AND PURPOSE OF THE VALUATION REPORT

Adani Ports and Special Economic Zone Limited (APSEZ) is an India-based port infrastructure company engaged in the business of developing, operating and maintaining the port and port-based related infrastructure facilities, including multi-product Special Economic Zone. APSEZ owns and operates 13 tugs to facilitate port operations at Mundra Port ("Target operations").

APSEZ, on 7th December 2016, acquired TM Harbour Services Private Limited (TMHSPL), a company engaged in business of chartering of tug vessel to The Dharma Port Company Limited (DPCL) – also subsidiary of APSEZ. Post-acquisition, TMHSPL has been rechristened as The Adani Harbour Services Private Limited (TAHSPL) with effect from 22nd December, 2016.

We understand that APSEZ wants to consolidate its tug vessels operations in TAHSPL and transfer the Target operations to TAHSPL within a court scheme.

The Appointed Date for the Proposed Transfer is 1st April 2016. This is proposed to be achieved by way of a scheme of arrangement under Section 230 – 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for transfer and vesting of the Target operations to TAHSPL as a going concern, on slump sale basis ("Scheme"). Under the Scheme of Proposed Transfer, lump sum cash consideration shall be paid by TAHSPL to APSEZ, in accordance with Section 2(42C) of the IT Act.



B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8192) with effect from October 14, 2013

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B S R has been requested by the management of APSEZ ("Management") to carry out valuation of the Target operations and submit a Valuation Report ("Valuation Report") in connection with the Proposed Transfer.

We understand that this Valuation Report will be used by the Client for the above mentioned purpose only and may be produced before judicial, regulatory or government authorities, for the purpose of the Proposed Transfer.

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

SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report. Further, based on the carved out balance sheet of the Target operations as on 31 December 2016 ("Period end Balance Sheet").

A valuation of this nature is necessarily based on (a) representations from the Management, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

This Valuation Report only represents our recommendation based upon information received from the Company till 14 February 2017 and other sources and the said recommendation shall be considered to be in the nature of non-binding advice. Further, Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided our recommendation of the Valuation of the Target operations based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Valuation. You acknowledge and agree that you have the final responsibility for the determination of the valuation at which the Proposed Transfer shall take place and factors other than our Valuation Report will need to be taken into account in determining the Valuation.

In the course of the Valuation, we were provided with both written and verbal information/guidance, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Company. We have not carried out a due diligence or audit of the Target operations for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory



advisors with respect to legal and regulatory matters for the Proposed Transfer. We do not express any form of assurance that the financial information or other information as prepared and provided by the Company is accurate. Also, with respect to explanations and information sought from the Company, we have been given to understand by the Company that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Company. The Management has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Company and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Company. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, their directors, employees or agents. In no circumstances shall the liability of a B S R, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to B S R in respect of the fees charged by it for these services.

The Valuation Report assumes that the Company and Target operation comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Target operations will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in Period end Balance Sheets of the Target operations. Our conclusion of value assumes that the assets and liabilities of the Target operations, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

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

No investigation of the Company's claim to title of assets has been made for the purpose of this Valuation Report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to the Company which has retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This



Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Proposed Transfer, without out prior consent. In addition, this Valuation Report does not in any manner address the prices at which Proposed Transfer will take place and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders meeting(s) to be held in connection with the Proposed Transfer.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the Management:

- Unaudited carved out costs pertaining to the Target operations for FY 2014, FY 2015, FY 2016 and nine month period ending 31 December 2016;
- Projected cash flows for the Target operations from 1 Jan 2017 to 31 March 2031 (Management Business Plan);
- Interviews and discussions with the Management to augment our knowledge of the Target operations;
- Draft Court Scheme of Arrangement;
- Certificate for Replacement value of Tugs dated 11 January 2017 issued by UBA Insurance Surveyors and loss assessors LLP provided to us by the Management;
- Other information, explanations and representations that were required and provided by the Management;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by Management. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquires, as we considered necessary.

OVERVIEW OF TARGET OPERATIONS

APSEZ owns a fleet of 13 tugs to facilitate port operations at APSEZ's port at Mundra. The Target operations involves piloting and mooring of vessels using tugs, berthing and de-berthing, marine logistic support services, towage and transshipment within in-land waterways and in coastal waters.

APSEZ owns five 55 bollard pull with an average used life of 8 years and eight 70 bollard pull tugs with an average of 7 years. Typically a tug has a useful life of 15 years and the charter rates of a tug is dependent on the age of a tug.



APPROACH - BASIS OF TRANSFER

The Proposed Transfer contemplates the transfer of Target operations to TAHSPL pursuant to the Scheme.

There are several commonly used and accepted methods for determining the valuation of Target operations, which have been considered in the present case, to the extent relevant and applicable, including:

1. Replacement Cost method
2. Discounted Cash Flows method
3. Comparable Companies' Multiples and Transaction multiples method
4. Market Price method

It should be understood that the valuation of any business 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 Company/Target operations. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Target operations, and other factors which generally influence the valuation of companies and their assets.

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 Proposed Transfer of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Replacement Cost Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

The Replacement cost estimates the value of an asset based on the current cost to purchase or replace that asset. The Replacement cost method reflects the idea that the fair value of an asset should not exceed the cost to obtain a substitute asset of comparable features and functionality. This method is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or re-create an asset with similar utility.

Given that the Target operations are asset intensive, we have considered replacement cost method as primary method for our analysis. The estimate of replacement cost of the tugs based on tug type and the years in operations is as per the report dated 11 January 2017 provided by "UBA Insurance surveyors and loss Assessors LLP", as provided by the Management. (Refer Annexure 1)

Discounted Cash Flows ("DCF") Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.



We understand that currently no revenue is directly attributable to the Target operations and the Target operations is a cost center for APSEZ. Accordingly, the Management Business Plan has been prepared assuming the Proposed Transfer will be effective and tugs will be chartered to APSEZ at prevailing market rates. We understand that the contract between APSEZ and TAHSPL for the same will be entered into post the Proposed Transfer.

Further, the Target operations are asset intensive and its value is primarily from the underlying asset than its operations.

Given the above, DCF method has been considered as a corroborative method rather than a primary method for our analysis.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital.

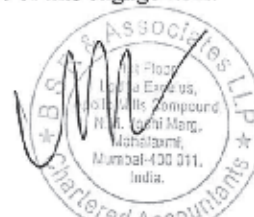
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have considered the forecast free cash flow of Target operations based on Management Business Plan as provided by the Management. The key assumptions underlying the Management Business Plan are as follows:

- The Management Business Plan assumes the Proposed Transfer
- The free cash flows have been for the remaining term of the concession agreement granted to APSEZ for operations at Mundra port.
- Revenue from chartering of tugs has been considered as per prevailing market rates with an annual escalation of 4 per cent.
- Operating costs have been considered based on three year average of actual costs incurred for the tug operations based on the carved out income statement, escalated at 4 per cent year-on-year.
- Replacement of the tugs post useful life of 15 years has been assumed based on current prevailing market prices of tug, escalated at 4 per cent year-on-year.
- Receivables have been assumed to be outstanding for 30 days and Payables has been assumed to be outstanding for 15 days.

We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the Management and the Management Business Plan for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

Detailed working of DCF has been provided in Annexure 2.



Comparable Companies' Multiple (CCM) / Comparable Transactions Multiple method

Under this method, value of the Target operations is arrived at by using 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.

There are no public listed comparable company in similar business as the Target operations and thus we have not considered comparable companies multiples of our analysis.

Although, in December 2016, APSEZ acquired TMHSPL, engaged in tug chartering business, the same cannot be considered for our analysis on account of the following:

- consideration paid to TMHSPL includes value for long term service contract with DPCL
- the type of tug and their average used life of the tugs owned by TMHSPL differ from Target operations
- lack of comparability between the terms of transactions and the Proposed Transfer

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Though APSEZ is a listed entity, the market price cannot be specifically attributed to the Target operations. Hence this method has not been considered for valuation of Target operations.



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BASIS OF TRANSFER

The basis of transfer of the Target operations have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different valuation ranges have been arrived at under each of the above methodologies, it is necessary to arrive at a single valuation range for the Target operations. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

We have assigned appropriate weightages to the value range, arrived using the Replacement Cost method and DCF method, to arrive at the valuation range for the Target operations.

Based on the factors discussed and outlined above, the valuation of the Target operations for the purpose of transfer is as follows:

Valuation Summary:

INR million	Low	High	Weights*	Comments
Replacement Cost Approach	1,859	2,249	75%	Refer Annexure 1 for detailed workings
Discounted Cash Flow Approach	1,932	2,135	25%	Refer Annexure 2 for detailed workings
Concluded Valuation	1,878	2,221	100%	

**The Target operations are asset intensive, we have considered replacement cost method as primary method for our analysis. As the DCF method assumes the Proposed Transfer being effective, we considered the same as a corroborative method.*

Respectfully submitted.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W

Manek Vikamsey

Manek Vikamsey

Partner

Membership No: 108235

Dated: 14 February 2017



Annexure 1- Replacement Cost Method

INR million	Year of Purchase	Current year	Used Life	High	Low	Cost*
55 - half fifi						
	2007	2016	9	150	120	
	2007	2016	8	150	120	
	2007	2016	9	150	120	
	2009	2016	7	150	120	
	2010	2016	6	150	120	
70 half fifi						
	2009	2016	7	180	150	
	2009	2016	7	180	150	
	2010	2016	6	180	150	
	2010	2016	6	180	150	
	2010	2016	6	180	150	
	2011	2016	5	180	150	
	2011	2016	5	180	150	
	2011	2016	5	180	150	
Total Value						
				1440	1200	
Add: Net working capital at				2190	1800	
Book Value as at 31 Dec 2016				59	59	
Total Value				2,249	1,859	

Source: Management

*The estimate of replacement cost of the tugs based on tug type and the years in operations is as per the report dated 11 January 2017 provided by "UBA Insurance surveyors and loss Assessors LLP", as provided by the Management



Annexure 2 - Discounted Cash Flow Method

Summary of value	
INR million	
Primary value	1,206
Terminal value ¹	827
Enterprise value ²	2,034

Notes(s):

1. For terminal value calculation a residual value has been assumed equal to the book value of assets and working capital of Target operations at the end of the concession agreement granted to APSEZ for operations at Mundra port.

2. We understand that all debt attributable to the tugs will be paid prior to the Proposed Transfer.

Discounted cash flow		2017	2018	2019	2020	2021	2022	2023	2024
PYE 31 March									
INR million		216	894	930	967	1,006	1,046	1,101	1,160
Revenue			4.0%	4.0%	4.1%	4.0%	4.0%	5.3%	4.6%
Yo-y growth									
EBITDA		130	577	593	621	644	658	706	737
EBITDA margin (%)		64.7%	64.6%	64.4%	64.2%	64.0%	63.8%	64.1%	64.1%
Less: Depreciation		(106)	(433)	(438)	(433)	(433)	(433)	(486)	(473)
EBIT		31	144	165	187	210	225	240	263
EBIT margin (%)		14.3%	16.1%	17.7%	19.4%	20.9%	21.4%	21.8%	22.5%
Less: Taxes on EBIT		(0)	(3)	(0)	(0)	(0)	(0)	(0)	(0)
Less: Capital expenditure		-	(2)	(2)	(2)	(3)	(3)	(4)	(5)
Free cash flows to the firm		136	575	593	618	641	655	706	737
Period factor - mid year discounting		0.125	0.753	1.750	2.760	3.760	4.750	5.750	6.750
Discount factor - mid year discounting		0.884	0.906	0.794	0.697	0.611	0.536	0.470	0.412
Present value of cash flows		137	521	473	431	392	356	331	31

Discounted cash flow		2025	2026	2027	2028	2029	2030	2031
PYE 31 March								
INR million		1,201	1,248	1,299	1,351	1,405	1,462	1,520
Revenue			4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Yo-y growth								
EBITDA		770	798	823	858	880	923	957
EBITDA margin (%)		64.1%	63.9%	63.7%	63.5%	63.3%	63.2%	63.0%
Less: Depreciation		(537)	(572)	(608)	(646)	(686)	(728)	(773)
EBIT		233	226	215	212	194	195	184
EBIT margin (%)		19.3%	18.3%	16.6%	15.6%	13.9%	13.4%	12.8%
Less: Taxes on EBIT		(0)	(2)	(0)	(0)	(0)	(0)	(0)
Less: Capital expenditure		(3)	(3)	(3)	(3)	(4)	(4)	(4)
Free cash flows to the firm		(1,971)	(628)	(1,396)	(866)	(886)	(919)	(953)
Period factor - mid year discounting		7.750	8.753	9.750	10.750	11.750	12.750	13.750
Discount factor - mid year discounting		0.381	0.317	0.273	0.243	0.213	0.187	0.164
Present value of cash flows		(712)	(193)	(387)	(208)	(189)	(172)	(156)

Source: Management

The Enterprise value of INR 2,034 million with +/- 5%, is in the range of INR 1,932 million to INR 2,135 million



Annexure 2 - WACC

Parameters		
Risk Free rate R _f	6.50%	The nominal risk-free rate is derived based on the long-term bond yield rates. The yield on a 10 year benchmark Government of India Securities (G-sec) was approximately 6.5 per cent (Bloomberg)
Equity Risk premium R _(m) – R _(f)	7.00%	Market rate of return is based on the normal long term return from the Indian stock market (rounded). The equity risk premium for India is 7.0 per cent (DA Analysis).
Beta (β)	1.08	We have considered unlevered adjusted 3 year beta of APSEZ as on the Valuation date. Based on our computation / selection the unlevered Beta is 1.08. (Source: Bloomberg/CapitalQ)
Discount rate	14.05%	$R_f + \beta * [R(m) - R(f)]$



FAIRNESS OPINION

STRICTLY CONFIDENTIAL

February 14, 2017

The Board of Directors,
Adani Ports and Special Economic Zone Limited
 Adani House
 Nr Mithakhali Circle, Navrangpura
 Ahmedabad 380 009, Gujarat, India

Ladies / Gentlemen:

We refer to the engagement letter dated February 1, 2017 ("**Engagement Letter**") whereby Adani Ports and Special Economic Zone Limited ("**Transferor Company**" or "**APSEZ**" or "**Company**") has engaged JM Financial Institutional Securities Limited ("**JM Financial**") inter alia to provide a fairness opinion to the Company on the valuation report dated February 14, 2017 ("**Valuation Report**") issued by B S R & Associates LLP (the "**Valuer**") for the proposed slump sale of Marine Business Undertaking (as defined below) to The Adani Harbour Services Private Limited ("**TAHSPL**" or "**Transferee Company**") vide a scheme of arrangement under the provisions of Sections 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**"). We understand that the Proposed Scheme will be considered by the Board of Directors of APSEZ.

Company Background and Purpose

APSEZ is a public limited company incorporated under the Companies Act 1956. The Company is, inter alia, primarily engaged in the business of development and operation of ports. The equity shares of the Company ("**Equity Shares**") are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with the BSE, the "**Stock Exchanges**").

TAHSPL is a private limited company incorporated under the provisions of the Companies Act, 1956. The Transferee Company is, inter alia, engaged in the business of marine services. TAHSPL is a wholly-owned subsidiary of the Transferor Company.

The Company has appointed the Valuer to determine the valuation of Marine Business Undertaking ("**Valuation**") and has in terms of the Engagement Letter requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Valuation ("**Fairness Opinion**") as per the requirements of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 ("**SEBI Circular**").

All terms not specifically defined in this Fairness Opinion shall carry same meaning as in the Proposed Scheme.

Brief Background of the Proposed Scheme

APSEZ owns a fleet of 13 tugs to facilitate port operations at APSEZ's port at Mundra. The marine services business division involves piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transshipment within inland waterways and in coastal waters.

APSEZ under the Proposed Scheme is desirous of transferring this marine services business division (the "**Marine Business Undertaking**") to TAHSPL as a "going concern" on a slump sale basis and in exchange for which, lump sum consideration will be paid by TAHSPL to the Company in accordance with Section 2 (42C) of the Income Tax Act, 1961.

The proposed transfer (as mentioned above) is being considered by Company to enable it to consolidate and grow its marine services business as an independent business. We understand that the transfer of the Marine Business Undertaking under the Proposed Scheme shall be done for a consideration of Rs. 200 crore.

Source of Information

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

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme;
3. Certificate for Replacement Value of Tugs dated January 11, 2017 by UBA Insurance Surveyors and Loss Assessors LLP provided by the Company Management;
4. Projected cash flows for the Marine Business Undertaking from January 1, 2017 to March 31, 2031 (Management Business Plan); and
5. Necessary explanations and information from the representatives of APSEZ.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company 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. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Company & TAHSPL 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 the Company or TAHSPL, 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 the Company & TAHSPL 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. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company or TAHSPL, other than those disclosed in the information provided or considered in the Proposed Scheme.

We understand that the management of the Company and, 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 or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. 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 arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

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 Scheme.

We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company or TAHSPL following the consummation of the Proposed Scheme.

The fee for the present engagement is not dependent on the outcome of the Fairness Opinion.

Conclusion

Based on the fact that the transaction involves a slump sale between the Company and its wholly owned subsidiary and our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent 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 above proposal to transfer the Marine Business Undertaking for a consideration of Rs. 200 crore under the Proposed Scheme, is fair to the Company.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law tribunal along with the petition for the Proposed Scheme and such other applicable regulatory authorities under SEBI Circular and or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. 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. 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. In no circumstances however, will JM Financial or its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party. 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.

Yours truly,

For **JM Financial Institutional Securities Limited**


Authorized Signatory

OBSERVATION LETTER FROM BSE



DCS/AMAL/SD/R37/779/2017-18

April 25, 2017

The Company Secretary
ADANI PORTS AND SPECIAL ECONOMIC ZONE LTD.
Adani House, Mithakali Six Roads,
Navrangpura, Ahmedabad,
Gujarat- 380009

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Adani Ports and Special Economic Zone Ltd and Adani Harbour Services Private Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement between Adani Ports and Special Economic Zone Ltd and Adani Harbour Services Private Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated April 21, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of 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.

..... 2/-



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.com@bseindia.com www.bseindia.com
Corporate Identity Number: I167120MH2005PL01551987

: 2 :

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

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.

Yours faithfully,



Nitin Pujari
Manager

OBSERVATION LETTER FROM NSE



Ref: NSE/LIST/10925

April 24, 2017

The Company Secretary
Adani Ports and Special Economic Zone Limited
Adani House
Nr Mithakali Circle, Navrangpura
Ahmedabad - 380 009

Kind Attn.: Ms. Dipti Shah

Dear Madam,

Sub: Observation Letter for Draft Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services Pvt. Ltd.

We are in receipt of the draft scheme of arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services Pvt. Ltd. and their respective shareholders and creditors vide your application dated March 06, 2017.

Based on our letter reference no.: Ref: NSE/LIST/2388 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated April 21, 2017, has given following comments:

- "a. The company shall ensure compliance with the various provisions of the said circular.*
- b. The Company shall incorporate the observations of SEBI/stock exchange in the petition to be filed before National Company Law Tribunal (NCLT) and the Company is obliged to bring the observations to the notice of the NCLT.*
- c. 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 the Companies Act, 2013 to SEBI again for its comments/observations/representations. "*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court / NCLT.

However, the Exchange reserves its rights to withdraw this No-objection approval 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.

The validity of this "Observation Letter" shall be six months from April 24, 2017, within which the scheme shall be submitted to the Hon'ble High Court/NCLT. Further pursuant to the above SEBI circular upon sanction of the Scheme by the Hon'ble High Court/NCLT, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For National Stock Exchange of India Ltd.

Kautuk Upadhyay
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

COMPLAINT REPORTS SENT TO BSE AND NSE



April 4, 2017

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: ADANIPTS

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

Ref: Complaints Report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015

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 Scheme of Arrangement between Adani Ports and Special Economic Zone Limited ("Transferor Company") and The Adani Harbour Service Private Limited ("Transferee Company") and their respective Shareholders and Creditors ("Scheme").

Please find enclosed herewith details of Complaints received by the Company on the draft Scheme during the 21 days period from the date of filling of draft Scheme with Stock Exchanges (March 6, 2017) and hosting of draft Scheme along with other documents on the website of the Company (March 6, 2017) and the Stock Exchanges (March 14, 2017) i.e. upto April 3, 2017.

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 National Company Law Tribunal, Bench at Ahmedabad.

Thanking you,

Yours faithfully,

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

Dipti Shah**Company Secretary & Compliance Officer**

Encl: a/a

Adani Ports and Special Economic Zone Ltd
Adani House
Nr Mithakhali Circle, Navrangpura
Ahmedabad 380 009
Gujarat, India
CIN: L63090GJ1998PLC034182

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Fax +91 79 2555 5500
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www.adani.com

Registered Office: Adani House, Nr Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India

Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by stock exchanges	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

Dipti Shah

Dipti Shah
Company Secretary



Date: April 4, 2017

Place: Ahmedabad

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SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION



SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

Adani Ports and Special Economic Zone Limited	The Adani Harbour Services Private Limited
Registered Office: Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009	Registered Office: Tata Centre, 43, Jawahar Lal Nehru Road, Kolkata - 700071
CIN: L63090GJ1998PLC034182	CIN: U61100WB2009FTC138168

Background:

- Adani Ports and Special Economic Zone Limited (**'Transferor Company'**) 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. The Transferor Company is also carrying on marine business operations involving piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transhipment within in-land waterways, in coastal waters and sea.
- The Adani Harbour Services Private Limited (**'Transferee Company'**) is carrying on marine business operations at Dhamra, Odisha, involving piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transhipment within in-land waterways, in coastal waters and sea.
- Both, the Transferor Company and the Transferee Company are carrying on marine business. Consolidating the similar businesses within one company would enable the business activities to be carried out with greater focus and specialization for sustained growth. It is expected that the proposed consolidation will allow more focused strategy, standardization in operations, operating cost optimization, better monitoring and utilization of assets, effective co-ordination with customers which in turn would enhance shareholder's value.
- Accordingly, the Scheme under Sections 230 - 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, for the transfer and vesting of the Marine Business Undertaking of the Transferor Company to Transferee Company with effect from 1st April 2016, as going concern, on Slump Sale basis, and for which a lump sum consideration shall be paid by Transferee Company on the agreed terms and conditions of the Scheme.

Basis of valuation:

- B S R & Associates LLP, Independent Chartered Accountants had carried out valuation on the basis of combination of replacement cost method and discounted cash flow method, giving 75% weightage to replacement cost method and giving 25% weightage to discounted cash flow method and have proposed transfer of Marine Business Undertaking between INR 187.80 crores and INR 222.10 crores.



Based on the valuation report, the Board of Directors approved the lump sum consideration of INR 200 crores as adjusted by the loans and interest accrued thereon for transfer and vesting of Marine Business Undertaking to the Transferee Company.

Fairness Opinion:

- JM Financial Institutional Securities Limited, a Category I Merchant Banker has concluded that lump sum cash consideration of INR 200 crores as adjusted by the loans and interest accrued thereon for transfer of Marine Business Undertaking of Transferor Company under the Scheme is fair and reasonable.

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



Dr. Malay Mahadevia
Whole Time Director



**For, The Adani Harbour Services
Private Limited**



Unmesh Aphyankar
Chairman and Managing Director



Date: 14.02.2017
Place: Ahmedabad

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED AT ITS MEETING HELD ON 14TH DAY OF FEBRUARY, 2017 EXPLAINING THE EFFECT OF SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTERS SHAREHOLDERS

1. Background

- 1.1. The proposed Scheme of Arrangement between Adani Ports and Special Economic Zone Limited ("Transferor Company") and The Adani Harbour Services Private Limited ("Transferee Company") and their respective shareholders and creditors (the "Scheme") was approved by the Board of Directors of the Transferor Company vide resolution dated 14th day of February, 2017. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders. The Board of Directors of the Transferor Company noted that in the Scheme there is no allotment of shares.
- 1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.3. The Board of Directors took note of the following:
 - 1.3.1. Draft Scheme duly initialed by the Company Secretary for the purpose of identification;
 - 1.3.2. Valuation report dated 14th day of February, 2017 of B S R & Associates LLP, (the "Valuer"), independent chartered accountants describing the methodology adopted by them in arriving at the valuation of Marine Business Undertaking ("Valuation Report");
 - 1.3.3. Fairness Opinion dated 14th day of February, 2017 of JM Financial Institutional Securities Limited, a Category I Merchant Banker, providing the Fairness Opinion on the valuation of Marine Business Undertaking ("Fairness Opinion") as recommended by the Valuer;
 - 1.3.4. Report of the Audit Committee of the Board of Directors of the Transferor Company dated 14th day of February, 2017;
 - 1.3.5. Summary of the Valuation Report along with the basis of such valuation.

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2. Effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders

- 2.1. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (i.e. promoter shareholders and non-promoter shareholders) as the Marine Business Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.
- 2.2. Under the Scheme, no arrangement is sought to be entered into between the Transferor Company and its preference shareholders. No rights of the preference shareholders of the Transferor Company are being affected pursuant to the transfer of Marine Business Undertaking.
- 2.3. In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.
- 2.4. As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees do not arise.
- 2.5. Under the Scheme, no arrangement is sought to be entered into between the Transferor Company and its debenture holders. No rights of the debenture holders of the Transferor Company are being affected pursuant to the transfer of Marine Business Undertaking. The debenture trustee(s) appointed for the different series of NCDs shall continue to remain the debenture trustee(s).
- 2.6. Under clause 9 of Part II of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the Marine Business Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the same manner as provided under clause 9 of Part II of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the Marine Business Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.
- 2.7. There is no effect of the Scheme on the Key Managerial Personnel and/or the Directors of the Transferor Company.

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- 2.8. Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferor Company 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 the Transferor Company. Save as aforesaid, none of the said Directors, Key Managerial Personnel have any material interest in the Scheme.

3. Valuation:

- 3.1. B S R & Associates LLP (the "Valuer"), independent chartered accountants had carried out valuation on the basis of combination of replacement cost method and discounted cash flow method, giving 75% weightage to replacement cost method and giving 25% weightage to discounted cash flow method and have proposed transfer of Marine Business Undertaking between INR 187.80 Crores and INR 222.10 Crores.

Based on the valuation report, the Board of Directors approved the lump sum consideration of INR 200 Crores as adjusted by the loans and interest accrued thereon for transfer and vesting of Marine Business Undertaking to the Transferee Company.

- 3.2. No special difficulties in valuation were reported.

**By order of the Board
For Adani Ports and Special Economic Zone Limited**



**Dr. Malay Mahadevia
Whole Time Director**

Date: 14.02.2017
Place: Ahmedabad



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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEREE COMPANY



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE ADANI HARBOUR SERVICES PRIVATE LIMITED AT ITS MEETING HELD ON 14TH DAY OF FEBRUARY, 2017 EXPLAINING THE EFFECT OF SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTERS SHAREHOLDERS

1. Background

- 1.1. The proposed Scheme of Arrangement between Adani Ports and Special Economic Zone Limited ("Transferor Company") and The Adani Harbour Services Private Limited ("Transferee Company") and their respective shareholders and creditors (the "Scheme") was approved by the Board of Directors of the Transferee Company vide resolution dated 14th day of February, 2017. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders. The Board of Directors of the Transferee Company noted that in the Scheme there is no allotment of shares.
- 1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.3. The Board of Directors took note of the following:
 - 1.3.1. Draft Scheme duly initialed by the Company Secretary for the purpose of identification;
 - 1.3.2. Valuation report dated 14th day of February, 2017 of B S R & Associates LLP, (the "Valuer"), independent chartered accountants describing the methodology adopted by them in arriving at the valuation of Marine Business Undertaking ("Valuation Report");
 - 1.3.3. Report of the Audit Committee of the Board of Directors of the Transferee Company dated 14th day of February 2017;

The Adani Harbour Services Private Limited
(Formerly TM Harbour Services Private Limited)
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Registered Office: Tata Center, 43 Jawaharlal Nehru Road, Kolkata 700 071, India

1.3.4. Summary of the Valuation Report along with the basis of such valuation.

2. Effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders

- 2.1. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders (i.e promoter shareholders). No rights of the equity shareholders of the Transferee Company are being affected pursuant to transfer of the Marine Business Undertaking.
- 2.2. Further, no arrangement is sought to be entered into between the Transferee Company and its creditors and that no liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.
- 2.3. As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.
- 2.4. The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.
- 2.5. There is no effect of the Scheme on the Key Managerial Personnel and/or the Directors of the Transferee Company.
- 2.6. Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the company that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors, Key Managerial Personnel have any material interest in the Scheme.

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3. Valuation:

- 3.1. B S R & Associates LLP (the "Valuer"), independent chartered accountants had carried out valuation on the basis of combination of replacement cost method and discounted cash flow method, giving 75% weightage to replacement cost method and giving 25% weightage to discounted cash flow method and have proposed transfer of Marine Business Undertaking between INR 187.80 Crores and INR 222.10 Crores.

Based on the valuation report, the Board of Directors approved the lump sum consideration of INR 200 Crores as adjusted by the loans and interest accrued thereon for transfer and vesting of Marine Business Undertaking to the Transferee Company.

- 3.2. No special difficulties in valuation were reported.

By order of the Board

For The Adani Harbour Services Private Limited



Unmesh Aphyankar

Chairman and Managing Director



Date: 14.02.2017

Place: Ahmedabad

The Adani Harbour Services Private Limited
(Formerly TM Harbour Services Private Limited)
Adani House, Nr. Mithakhali Six Roads,
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**UNAUDITED FINANCIAL RESULTS OF THE TRANSFEROR COMPANY
FOR THE PERIOD ENDED 31st DECEMBER 2016**

S R B C & CO LLP
Chartered Accountants

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Near TN VidyaGaya, Ambawadi
Ahmedabad-380 015, India
Tel : +91 79 6508 3800
Fax : +91 79 6508 3900


Limited Review Report

Review Report to
The Board of Directors
Adani Ports and Special Economic Zone Limited

1. We have reviewed the accompanying statement of unaudited financial results of Adani Ports and Special Economic Zone Limited (the "Company") for the quarter ended December 31, 2016 and year to date from April 1, 2016 to December 31, 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to:
 - a. Note 3(i) of the accompanying statement of standalone financial results regarding recognition of Minimum Alternate Tax ("MAT") credit entitlement in respect of certain interest income based on the consideration that the Company would be able to claim tax holiday benefit on the same, as per provision of section 80IAB of the Income Tax Act, 1961, more fully described in the said note.
 - b. Note 4 of the accompanying statement of standalone financial results regarding the basis of recognition of certain projects service revenue during the earlier year, as more fully described in the said note.

Our conclusion is not qualified in respect of these matters.

For S R B C & CO LLP
ICAI Firm registration number: 324982E/E300003
Chartered Accountants


per Arpit K. Patel
Partner
Membership No.: 34032



Place: Ahmedabad
Date: February 14, 2017

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

(₹ in Crore)

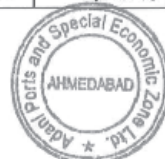
Sr No	Particulars	Quarter Ended			Nine Months Ended	
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		(Unaudited)				
1	Income					
	a. Net Sales / Income from Operations	1,309.83	1,277.94	1,027.38	3,608.58	3,614.61
	b. Other Operating Income	14.67	23.93	32.93	72.95	70.47
	Total Income from Operations (Net)	1,324.50	1,301.87	1,060.31	3,681.53	3,685.08
2	Expenditure					
	a. Operating Expenses	190.17	185.82	206.94	566.19	605.92
	b. Employees Cost	55.22	56.65	43.04	160.90	132.89
	c. Depreciation / Amortisation	135.86	133.31	143.56	404.51	400.47
	d. Foreign Exchange (Gain) / Loss (net)	68.85	(52.53)	11.53	62.14	72.84
	e. Other Expenses	84.42	58.85	61.35	193.43	175.06
	Total Expenditure	534.52	382.10	466.42	1,387.17	1,387.18
3	Profit from Operations before Other Income, Finance Cost and Tax (1-2)	789.98	919.77	593.89	2,294.36	2,297.90
4	Other Income	283.36	295.91	282.81	851.27	781.83
5	Profit from ordinary activities before Finance Cost and Tax (3+4)	1,073.34	1,215.68	876.70	3,145.63	3,079.73
6	Finance Cost					
	a. Finance Cost	263.97	256.20	220.42	765.05	708.09
	b. Derivative (Gain)/Loss	0.69	24.22	(7.84)	16.96	(5.80)
7	Profit from ordinary activities before Tax (5-6)	808.68	935.26	664.12	2,363.62	2,377.44
8	Tax Expense (net) (Refer Note 3)	64.34	18.59	27.98	99.77	65.88
9	Net Profit for the Period (7-8)	744.34	916.67	636.14	2,263.85	2,311.56
10	Other Comprehensive Income (net of tax) ("OCI")	(1.42)	(1.14)	(0.61)	(2.80)	(1.10)
11	Total Comprehensive Income (after tax)	742.92	915.53	635.53	2,261.05	2,310.46
12	Paid-up Equity Share Capital (Face Value of ₹ 2 each)	414.19	414.19	414.19	414.19	414.19
13	Earnings per Share (Face Value of ₹ 2 each) Basic and Diluted (in ₹) (Not Annualised)	3.59	4.43	3.07	10.93	11.16

Note :

- The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with effect from April 01, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative period results has been restated accordingly.
- There is a possibility that these financial results may require adjustment before constituting the final Ind AS Financial Statement as of and for the year ended March 31, 2017 due to change in financial reporting requirements arising from new or revised standard or interpretation issued by Ministry of Corporate Affairs or changes in the use of one or more optional exemption from retrospective application as permitted under Ind AS 101.
- Reconciliation of results between previously reported (referred to as "Previous GAAP") and Ind AS for the quarter and nine months ended December 31, 2015 is presented as under :-

(₹ in Crore)

Sr No	Nature of Adjustments	Quarter Ended December 31, 2015	Nine Months Ended December 31, 2015
	Net profit as per Previous GAAP	619.35	2,275.38
i)	Remeasurement cost of net defined benefit liability	0.36	1.10
ii)	Net gain /(loss) on financial assets /liabilities fair valued through statement of profit and loss	15.06	41.44
iii)	Impact of measuring derivative financial instruments	9.44	9.44
iv)	Reversal of amortization of Goodwill	0.70	2.11
v)	Measurement of government grant as deferred income	(0.03)	0.07
vi)	Deferred Tax impact on above adjustments	(8.74)	(17.98)
	Total	16.79	36.18
	Net profit before OCI as per Ind AS	636.14	2,311.56
	Other Comprehensive Income (net of tax)	(0.61)	(1.10)
	Net profit after OCI as per Ind AS	635.53	2,310.46



- i) Remeasurement cost of net defined benefit liability : The remeasurement cost arising primarily due to change in actuarial assumption has been recognised in Other Comprehensive Income (OCI) under Ind-AS as compared to Statement of Profit and Loss under previous GAAP.
- ii) Fair valuation for Financial Assets and Financial Liabilities : The Company has valued financial assets and financial liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.
- iii) MTM on derivative financial instruments : Under previous GAAP, the net mark to market losses on derivative financial instruments, other than those designated as cash flow hedges, as at the Balance Sheet date, were recognised in profit and loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in the Statement of Profit and Loss.
- iv) Reversal of amortization of Goodwill : The Goodwill on amalgamation was amortised under previous GAAP, however the same is carried at previous GAAP carrying value in accordance with Ind AS 101 and tested for impairment.
- v) Measurement of government grant as deferred income : The government grant related to fixed assets was netted off with the cost under the previous GAAP. The same is accounted as deferred income under Ind AS.
- vi) Deferred Tax : The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.
- 2 The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Port and Port based related Infrastructure facilities including Multi-Product Special Economic Zone, in accordance with Ind-AS 108 "Operating Segment".
- 3 i) Tax provision in the Standalone Financial results have been made as per Minimum Alternative Tax (MAT) as per provisions of section 115JB of the Income Tax Act, 1961, after considering Company's eligibility to avail benefit under section 80IAB of the Income Tax Act 1961. The Company has also recognised MAT credit of ₹ 125.97 crore, ₹ 200.16 crore, ₹ 130.35, ₹ 440.38 crore and ₹ 483.70 crore during current quarter and previous quarter ended September 30, 2016, corresponding quarter ended December 31, 2015, nine months ended December 31, 2016 and corresponding nine months ended December 31, 2015 respectively. Tax Expense includes Deferred Tax charge.
- ii) The Company earns interest income on funds lent to various parties. The Company contends that such interest income are earned from existing and potential business associations and whereby concluded that such interest income has arisen from the Company's business activities and can be netted off with the interest expenditure which are incurred for business purposes while computing the deduction as per the provisions of section 80IAB of the Income Tax Act, 1961 and accordingly, no provision is required for income tax. Based on this, the Company has accounted higher MAT credit of ₹ 12.66 crore, ₹ 28.49 crore, ₹ 25.54 crore, ₹ 69.91 crore and ₹ 70.94 crore during current quarter and previous quarter ended September 30, 2016, corresponding quarter ended December 31, 2015, nine months ended December 31, 2016 and corresponding nine months ended December 31, 2015 respectively. The Company's tax assessments is completed till assessment year 2013-14, pending appeals with Appellate Tribunal for Assessment Year 2009-10 to 2011-12 and CIT (Appeals) for Assessment Year 2012-13 and 2013-14. The Company has received a favourable order from Appellate Tribunal for AY 2008-09.
- 4 The Company has entered into preliminary agreement with one of the party for development and maintenance of Liquefied Natural Gas (LNG) Infrastructure facilities at Mundra (Mundra LNG Project) vide agreement dated September 30, 2014. Based on the agreement, the Company had during the quarter ended September 30, 2014, recognised project service revenue of ₹ 200 crore pending conclusion of definitive agreement towards land reclamation based on the activities completed. The Company and the party are still in the process of concluding a definitive agreement for Mundra LNG Project relating to development and lease of infrastructure facilities (including lease of land) although land is being made available to the party for setting up the project facilities. The possible adjustments, if any, on execution of definitive agreement will be accounted later although the management does not expect any further adjustments in the books and further, the implementation of Mundra LNG project is progressing as on reporting date.
- 5 The listed Non- Convertible Debentures of the Company aggregating to ₹ 5,598.50 crore as on December 31, 2016 are secured by way of first pari passu charge on various tangible 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.
- 6 The Company has acquired 100% equity stake of The Adani Harbour Services Private Limited (formerly known as T M Harbour Services Private Limited) pursuant to share purchase agreement signed on December 07, 2016, which is engaged in business of marine port services, at a consideration of ₹ 106.27 crore.
- 7 Income from Operations of the quarter / nine months ended December 31, 2016 and previous quarter ended September 30, 2016 includes incentive under Government's Foreign Trade Policy 2015-20 on some of the Port Services income for the current period and for the previous year, per the information compiled thereof.
- 8 a) Operating Income for previous quarter ended September 30, 2016 and nine months ended December 31, 2016 includes income of ₹ 192.70 crore towards project related advisory services rendered for the development of Container Terminal Project at Mundra. The income has been recognised based on completion of performance obligation as per the arrangement / agreement entered between the Company, Joint Venture entity and the Service Provider. The Container Terminal facilities are being developed in Joint Venture entity.
- b) The Company has completed the development of infrastructure assets of Container Terminal 4 which has been agreed to be transferred to joint venture entity, Adani CMA Mundra Terminal Private Limited ('ACMTPL'). Currently, the Company is temporarily operating the terminal facility, pending government clearances for transfer of the facilities to ACMTPL. Income from cargo handled at the terminal is included in Income from Operations.
- 9 The Company is carrying net investments of ₹ 320.87 crore and has outstanding net loans and advances of ₹ 2,011.01 crore, provided to three operating subsidiaries of the Company, engaged in Port Infrastructure services under concession agreement with the respective port trust authorities and to one operating subsidiary, engaged in the business of non-scheduled airline services. The net worth of these entities has fully eroded based on the latest financial results.
- As per the management, considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections and the strategic nature of these investments, no provision/adjustment to the carrying value of the said investments / loans is considered necessary by the management as at December 31, 2016.
- 10 The aforesaid results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 14, 2017.
- 11 The Statutory Auditors have carried out limited review of Standalone Financial Results of the Company for the quarter and the nine months ended December 31, 2016.

Place : Ahmedabad
Date : February 14, 2017



For and on behalf of the Board of Directors

Gautam S Adani
Gautam S Adani
Chairman & Managing Director

**UNAUDITED FINANCIAL RESULTS OF THE TRANSFEREE COMPANY
FOR THE PERIOD ENDED 31st DECEMBER 2016**

**The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)**

**Supplementary Accounting Statement for the Nine months ended 31st December, 2016
(Unaudited)**

Balance Sheet as at December 31, 2016

Particulars	Notes	in Lacs
		As at December 31, 2016
ASSETS		
Non-current assets		
Property, plant and equipment	1	5,877.84
Non-current financial assets		
Other financial assets	2	0.25
Other non-current assets	3	42.51
		<u>5,920.60</u>
Current assets		
Inventories	4	153.90
Financial assets		
Trade receivables	5	2,543.55
Cash and Cash Equivalents	6	124.12
Other current financial assets	2	0.21
Other current assets	3	33.35
		<u>2,855.13</u>
		<u>8,775.73</u>
Total Assets		8,775.73
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	7	5,769.22
Other equity		
Retained earnings	8	926.00
Other reserves	8	1,999.65
		<u>8,694.87</u>
Total Equity		8,694.87
LIABILITIES		
Non-current liabilities		
Current liabilities		
Financial liabilities		
Trade payables	9	28.50
Other current liabilities	10	37.98
Liabilities for current tax (net)	11	14.38
Other Provisions		
		<u>80.86</u>
		<u>80.86</u>
Total liabilities		80.86
Total equity and liabilities		8,775.73

The accompanying notes form an integral part of financials statements

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited



Director



Director

Place: Ahmedabad
Date: February 14, 2017

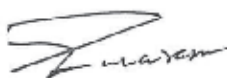


The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)
Supplementary Accounting Statement for the Nine months ended 31st December, 2016
(Unaudited)
Statement of Profit and Loss for the period April 1, 2016 to December 31, 2016

Particulars	Notes	in Lacs
		Nine Months Ended December 31, 2016
Rendering of services	12	2,213.87
Other income	13	65.85
Total income		2,279.72
EXPENSES		
Operating expenses	14	229.40
Employee benefits expense	15	50.08
	16	651.78
Other expenses	17	119.84
Total expense		1,051.10
Profit/(loss) before exceptional items and tax		1,228.62
Profit/(loss) before tax		1,228.62
Tax expense:		
Current Tax	18	18.24
	18	(4.03)
Income tax expense		14.21
Profit/(Loss) for the period		1,214.41
Other Comprehensive Income		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Re-measurement gains (losses) on defined benefit plans		(0.19)
Income Tax effect		(0.19)
Other Comprehensive Income for the Period		(0.19)
Total Comprehensive Income for the Period		1,214.22
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each (Not annualised)	19	2.10

The accompanying notes form an integral part of financials statements

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited



Director



Director

Place: Ahmedabad
Date: February 14, 2017



The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)
Supplementary Accounting Statement for the Nine months ended 31st December, 2016
(Unaudited)
Statement of Cash Flows for the period April 1, 2016 to December 31, 2016

Particulars	in Lacs December 31, 2016
Cash flow from operating activities	
Profit before tax as per statement of profit and loss	1,228.62
Adjustments for:	
Loss on discard of Property Plant and Equipment	0.12
Excess provision written back	(5.81)
Depreciation and amortisation	651.78
Interest income	(48.78)
Income from Mutual Fund	(11.26)
Operating profit before working capital changes	1,814.67
Movements in working capital :	
(Increase)/Decrease in trade receivables	(2,258.22)
(Increase) in Inventories	(10.68)
(Increase)/Decrease in other assets	84.06
Increase in trade payables	(55.70)
Increase/(Decrease) in Provision	(6.01)
Increase in Other Liabilities	41.11
Cash generated from operations	(400.77)
Direct taxes paid (net)	55.47
Operating profit before working capital changes	(345.30)
Cash flows from investing activities	
Purchase of Property Plant and Equipment	(2.45)
Proceeds from sale of investments	141.28
Interest received	48.78
Income from dividend	11.26
Repayments of borrowings by related parties	300.00
Net cash inflow (used in) investing activities (B)	498.87
Cash flows from financing activities	
Dividend Paid	(3,288.45)
Tax on dividend	(669.53)
Net cash flow (used in) financing activities (C)	(3,957.98)
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(3,804.41)
Cash & cash equivalents at the beginning of the period	3928.53
Cash & cash equivalents at the end of the period (Refer note-6)	124.12

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited


Director


Director

Place: Ahmedabad
Date: February 14, 2017



Supplementary Accounting Statement for the Nine months ended 31st December, 2016 (Unaudited)
Statement of Changes in Equity for the period ended December 31, 2016

in Lacs

Particulars	Equity Share Capital	Other Equity			Total
		Reserves and Surplus			
		Share Premium	Retained Earning	Tonnage Tax Reserve	
As at on April 01, 2016	5,769.22	1,153.84	3,669.75	845.81	11,438.62
Profit for the period			1,214.41		1,214.41
Other Comprehensive Income			(0.19)		(0.19)
Total Comprehensive Income for the period	-	-	1,214.22	-	1,214.22
Proposed Dividend on Equity Shares			(3,288.44)		(3,288.44)
Tax on equity Share dividend			(669.53)		(669.53)
As at December 31, 2016	5,769.22	1,153.84	926.00	845.81	8,694.87

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited


Director


Director



Place: Ahmedabad
Date: February 14, 2017

The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)

Supplementary Accounting Statement for the Nine months ended 31st December, 2016 (Unaudited)

Notes to Financials statements for the period April,1,2016 to December 31, 2016

1 Property Plant and Equipment (Summarised)	Decebmner 31, 2016
	₹ In Lacs
<u>Tangible Assets</u>	
Ships	5,869.17
Plant and Equipment	5.35
Furniture and Fixtures	0.68
Vehicle	0.16
Office Equipment	2.48
	5,877.84
<u>Intangible Assets</u>	
	5,877.84
2 Other Financial assets	Decebmner 31, 2016
	₹ In Lacs
<u>Non-current</u>	
Security and other deposits	0.25
	0.25
<u>Current</u>	
Interest accrued on deposits and loans	0.21
	0.21
3 Other Assets	Decebmner 31, 2016
	₹ In Lacs
<u>Non Current</u>	
Capital Advances	(A) -
Advances recoverable in cash or in kind	(B) -
Others (Unsecured)	42.51
Advance income tax (Net of Provision for taxation)	(C) 42.51
	42.51
<u>Current</u>	
Advances recoverable in cash or in kind	-
Unsecured, considered doubtful	(A) -
Others (Unsecured)	4.28
Prepaid Expenses	29.07
Balances with statutory/ Government authorities	(B) 33.35
	33.35
4 Inventories	Decebmner 31, 2016
	₹ In Lacs
Stores and spares	153.90
	153.90



The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)

Supplementary Accounting Statement for the Nine months ended 31st December, 2016 (Unaudited)
Notes to Financials statements for the period April,1,2016 to December 31, 2016

5 Trade Receivables	Decebmber 31, 2016
	₹ In Lacs
<u>Non Current</u>	
Unsecured considered good unless stated otherwise	
<u>Current</u>	
Unsecured considered good unless stated otherwise	
Trade Receivables	2,543.55
	2,543.55
Other Debts - Considered Good	
	2,543.55

6 Cash and cash equivalents	Decebmber 31, 2016
	₹ In Lacs
Balances with banks:	
Balance in current account	4.07
Deposits with original maturity of less than three months	120.00
Cash on hand	0.05
	124.12

7 Share capital	Decebmber 31, 2016
	₹ In Lacs
Authorised	
800,00,000 Equity Shares of ₹ 10 each	8,000.00
	8,000.00
Issued, subscribed and fully paid up shares	
5,76,92,155 Equity Shares of ₹ 10 each	5,769.22
	5,769.22

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the period:

	Decebmber 31, 2016	
	No in Lacs	₹ In Lacs
As the beginning of the period	576.92	5,769.22
New Shares Issued during the period	-	-
As the end of the period	576.92	5,769.22

(b) Details of shareholder holding more than 5% shares in the Company

	Particulars	Decebmber 31, 2016
Equity shares of ₹ 10 each fully paid		
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	576.92
	% Holding	100.00%



The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)

Supplementary Accounting Statement for the Nine months ended 31st December, 2016 (Unaudited)

Notes to Financials statements for the period April,1,2016 to December 31, 2016

8 Other Equity	December 31, 2016
	₹ in Lacs
Retained earnings	926.00
Other Reserves	
Preference premium	-
Tonnage Tax Reserve	845.81
Equity premium	1,153.84
	2,925.65
9 Trade payables	December 31, 2016
	₹ in Lacs
Payables to micro, small and medium enterprises	-
Trade payables	28.50
	28.50
10 Other Liabilities	December 31, 2016
	₹ in Lacs
Non Current	-
Current	
Statutory liability	37.98
	37.98
11 Liabilities for current tax (net)	December 31, 2016
	₹ in Lacs
Provision for income tax (Net of advance tax)	14.38
	14.38



The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)
Supplementary Accounting Statement for the Nine months ended 31st December,
2016 (Unaudited)

Notes to Financials statements for the period April,1,2016 to December 31, 2016

12 Revenue from Operations	December 31, 2016
	₹ in Lacs
Income from Port Operations (including related infrastructure)	2,213.87
	2,213.87
13 Other Income	December 31, 2016
	₹ in Lacs
Interest Income from:	
Bank deposits	34.61
Customers and others	14.17
Unclaimed liabilities / excess provision written back	5.81
Profit on sale of Mutual Fund	11.26
Total Other income	65.85
14 Operating Expenses	December 31, 2016
	₹ in Lacs
Tug and Pilotage Charges	229.40
	229.40
15 Employee benefit expense	December 31, 2016
	₹ in Lacs
Salaries and Wages	47.49
Gratuity	0.77
Staff Welfare Expenses	1.82
	50.08
16 Depreciation and amortization expense	
Depreciation on Tangible Assets	651.78
	651.78
17 Other Expenses	December 31, 2016
	₹ in Lacs
Rates and Taxes	1.54
Insurance (net of reimbursement)	15.28
Other Repairs and Maintenance (net of reimbursement)	21.34
Legal and Professional Expenses	29.90
Payment to Auditors (refer note 1 below)	4.11
Communication Expenses	1.28
Office Expenses	0.31
Travelling and Conveyance	5.57
Directors Sitting Fee	2.97
Loss on sale / discard of fixed assets (net)	0.12
Miscellaneous Expenses	37.02
	119.84



The Adani Harbour Services Private Limited
(Formerly Known as TM Harbour Services Private Limited)
Supplementary Accounting Statement for the Nine months ended 31st December,
2016 (Unaudited)
Notes to Financials statements for the period April,1,2016 to December 31, 2016

18 Income Tax

December 31, 2016

in Lacs

Current income tax:	
Current income tax charge	18.24
Adjustment in respect of current income tax of previous years	(4.03)
Income tax expenses reported in statement of profit and loss	14.21

19 Earnings per share

December 31, 2016

in Lacs

Profit attributable to equity shareholders of the company	1,214.41
Weighted average number of equity shares	576.92
Basic and Diluted earning per share (in ₹) (not annualised)	2.10

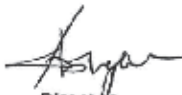
20 The company has adopted Indian Accounting Standards (IndAS) from April 01, 2016. These financial statements have been accordance with Ind AS.

21 As these being interim financial statements, no comparative for previous period have been given.

For and on behalf of Board of Directors of
The Adani Harbour Services Private Limited



Director



Director

Place: Ahmedabad
Date: February 14, 2017



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 53/NCLT/AHM/2017**

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 Adani Ports and Special Economic Zone Limited;

And

In the matter of Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services 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 having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India. } **Applicant Company**

UNSECURED CREDITORS

FORM OF PROXY

I/We, _____, the undersigned unsecured creditor/s of Adani Ports and Special Economic Zone Limited, being the Applicant Company above named, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the unsecured creditors of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours), for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Adani Ports and Special Economic Zone Limited and The Adani Harbour Services Private Limited and their respective shareholders and creditors (the "**Scheme**") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable)

Dated this _____ day of _____ 2017.

Name: _____

Address: _____

Signature-----

Affix Rs. 1
Revenue
Stamp

Signature of Unsecured Creditor: _____

Signature of Proxy: _____

Notes:

1. The proxy must be deposited at the registered office of Adani Ports and Special Economic Zone Limited at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor of Adani Ports and Special Economic Zone Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of an unsecured creditor blind or incapable of writing would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he attached his signature or mark.
8. The proxy of an unsecured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor in the language known to him, and gives the unsecured creditor's name in English below the signature.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Registered Office:

Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India

Phone No: +91-79-2555 5500

CIN : L63090GJ1998PLC034182

Website: www.adaniports.com

UNSECURED CREDITORS

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

MEETING OF

THE UNSECURED CREDITORS

ON TUESDAY THE 27TH DAY OF JUNE 2017 AT 1.00 P.M.

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of Adani Ports and Special Economic Zone Private Limited, convened pursuant to the final order dated 18th day of May 2017 of the NCLT at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 27th day of June 2017 at 1.00 p.m. (1300 hours).

Name and address of Unsecured Creditor

(IN BLOCK LETTERS) : _____

Signature : _____

Name of the Proxy* : _____
 (IN BLOCK LETTERS)

Signature : _____

*(To be filled in by the Proxy in case he/she attends instead of the Unsecured Creditor)

Notes:

1. Unsecured Creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Unsecured Creditors who come to attend the meeting are requested to bring their copy of the Scheme with them.

Route Map for the venue of the meeting

