

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

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

Registered Office : Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India
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CIN : L63090GJ1998PLC034182
Website : www.adaniports.com
E-mail : investor.apsezl@adani.com

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

OF

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

*(convened pursuant to the order dated 9 August 2021
passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench)*

MEETING:

Day	Monday
Date	20 September 2021
Time	12:00 noon IST (1200 hours)
Mode	Through Video Conference/Other Audio-Visual Means

REMOTE E-VOTING:

Start Date and Time	Tuesday, 14 September 2021 at 9:00 am IST (0900 hours)
End Date and Time	Sunday, 19 September 2021 at 5:00 pm IST (1700 hours)

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
C.A. (CAA)/56 (AHM) 2021**

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 Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited and Adani Ports and Special Economic Zone Limited and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors;

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

...Applicant Company

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

To,

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

NOTICE is hereby given that by an order dated 9 August 2021 ("**Order**"), the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**") has directed a meeting to be held of the secured creditors (including secured debenture holders) of Adani Ports and Special Economic Zone Limited ("**APSEZ**") for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private

Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("**Scheme**") pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and the other applicable provisions thereof and applicable rules thereunder.

In pursuance of the Order and as directed therein further, this Notice is hereby given that a meeting of the secured creditors (including secured debenture holders) of APSEZ will be held on Monday, 20 September 2021 at 12:00 noon (1200 hours) IST through Video Conference ("**VC**")/Other Audio-Visual Means ("**OAVM**") ("**Meeting**") in compliance with the applicable provisions of the Companies Act, 2013 ("**Companies Act**") and Securities Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). At the Meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, Sections 2(1B) and 2(42C) of the Income-tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, the no adverse observations letter/No-objection letter issued by each of the BSE Limited and the National Stock Exchange of India Limited respectively, both dated 9 July 2021, and subject to the provisions of the memorandum of association and articles of association of Adani Ports and Special Economic Zone Limited ("**Company**") and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities or tribunals, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited and Adani Ports and Special Economic Zone Limited and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("**Scheme**") the draft of which was circulated along with this Notice, be and is hereby approved.

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

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

TAKE FURTHER NOTICE that

- a) in compliance with the provisions of Section 230 of the Companies Act read with any other applicable provisions of the Companies Act and the rules framed thereunder and following the operating procedure

(with appropriate modifications, if required) of the General Circulars No. 14/2020 dated 8 April 2020; No. 17/2020 dated 13 April 2020; No. 20/2020 dated 5 May 2020; No. 22/2020 dated 15 June 2020; No. 33/2020 dated 28 September 2020; No. 39/2020 dated 31 December 2020; and No. 10/2021 dated 23 June 2021 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as the "**MCA Circulars**"), APSEZ has provided the facility of voting by remote e-voting and e-voting at the Meeting so as to enable the secured creditors (including secured debenture holders), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by the secured creditors (including secured debenture holders) of APSEZ to the Scheme shall be carried out only through remote e-voting and e-voting at the Meeting;

- b) in compliance with the aforesaid Order passed by NCLT, (a) the aforesaid Notice, (b) the Scheme, (c) the explanatory statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of Companies Act and the rules made thereunder, and (d) the enclosures as indicated in the Index (collectively referred to as "**Particulars**"), are being sent (i) through electronic mode to those secured creditors (including secured debenture holders) whose e-mail ids are registered with APSEZ; and (ii) through registered post or speed post or courier, physically, to those secured creditors (including secured debenture holders) who have not registered their e-mail ids with APSEZ. The aforesaid Particulars are being sent to all the secured creditors (including secured debenture holders) whose name appear in the record of APSEZ as on Saturday, 31 July 2021;
- c) the secured creditors (including secured debenture holders) may note that the aforesaid Particulars will be available on APSEZ's website www.adaniports.com websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited ("**CDSL**") at www.evotingindia.com
- d) copies of the aforesaid Particulars can be obtained free of charge, between 10.30 a.m. to 12.30 p.m. on all working days, at the registered office of APSEZ, up to the date of the Meeting, at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India, or from the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Off Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India;
- e) APSEZ has extended the remote e-voting facility for its secured creditors (including secured debenture holders), to enable them to cast their votes electronically. The instructions for remote e-voting and e-voting at the Meeting are appended to the Notice. The secured creditors (including secured debenture holders), opting to cast their votes by remote e-voting and voting during the Meeting through VC/ OAVM are requested to read the instructions in the Notes below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions from Tuesday, 14 September 2021 (9:00 am IST) to Sunday, 19 September 2021 (5:00 pm IST);
- f) the NCLT has appointed Hon'ble Mr. Justice K.A. Puj (former judge of the High Court of Gujarat) and in his absence, Hon'ble Mr. Justice J.C. Upadhyaya (former judge of the High Court of Gujarat) to be the Chairman of the meeting including for any adjournment or adjournments thereof;
- g) one independent director of APSEZ and the auditor (or his authorized representative who is qualified to be an auditor) of APSEZ shall be attending the Meeting through VC/OAVM;
- h) Mr. Chirag Shah, Practicing Company Secretary (Membership No. 5545 & C.P. No. 3498) has been appointed as the scrutinizer to scrutinize the e-voting during the Meeting and remote e-voting process in a fair and transparent manner;
- i) the scrutinizer shall after the conclusion of e-voting at the Meeting, first download the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and submit his combined report to the Chairman of the Meeting. The scrutinizer's decision on the validity of the votes shall be final. The results of the votes cast through remote e-voting and e-voting during the Meeting will be announced on or before close of business hours on Tuesday, 21 September 2021. The results, together with the scrutinizer's report, will be displayed at the registered office of APSEZ, on the website of APSEZ, www.adaniports.com and on the website of CDSL at www.evotingindia.com besides being communicated to BSE Limited and the National Stock Exchange of India Limited;

- j) the Scheme, if approved at the Meeting, will be subject to the subsequent approval of NCLT; and
- k) a copy of the explanatory statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of Companies Act and the rules made thereunder, the Scheme and the other enclosures as indicated in the Index are enclosed.

Hon'ble Mr. Justice K.A. Puj
Chairman appointed for the Meeting

Dated this 11 August 2021

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

Notes:

1. **General instructions for accessing and participating in the Meeting through VC/OAVM Facility and voting through electronic means including remote e-voting**
 - (a) Pursuant to the Order passed by the NCLT, Meeting of the secured creditors (including secured debenture holders) of APSEZ will be held through VC/OAVM following the operating procedures (with appropriate modifications, if required) set out in the MCA Circulars.
 - (b) Since, the Meeting is being held pursuant to Order passed by the NCLT, through VC/OAVM, physical attendance of the secured creditors (including secured debenture holders) has been dispensed with. Accordingly, the facility for appointment of proxies by the secured creditors (including secured debenture holders) will not be available for the Meeting. However, in pursuance of Section 113 of the Companies Act, authorized representatives of institutional/corporate secured creditors may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting provided that such secured creditor sends a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization etc., authorizing its representative to attend the Meeting through VC/OAVM on its behalf, vote through e-voting during the Meeting and/or to vote through remote e-voting, on its behalf. The scanned image of the abovementioned documents should be in the name format 'APSEZ'. The said resolution/authorization shall be sent to the scrutinizer by email through his registered email id address to pcschirag@gmail.com and to APSEZ at investor.apsezl@adani.com, before the VC/OAVM Meeting or before the remote e-voting, as the case may be.
 - (c) The proceedings of this Meeting would be deemed to have been conducted at the registered office of APSEZ located at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India.
 - (d) The quorum of the Meeting of the secured creditors (including secured debenture holders) of APSEZ shall be 2 (two) secured creditors of APSEZ. The secured creditors (including secured debenture holders) attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
 - (e) The aforesaid Particulars are being sent (i) through electronic mode to those secured creditors (including secured debenture holders) whose e-mail IDs are registered with APSEZ; and (ii) through registered post or speed post or courier, physically, to those secured creditors (including secured debenture holders) who have not registered their e-mail IDs with APSEZ. The aforesaid Particulars are being sent to all the secured creditors (including secured debenture holders) whose name appear in the record of APSEZ as on Saturday, 31 July 2021.
 - (f) CDSL, APSEZ's e-voting agency, will provide the facility for voting by the secured creditors (including secured debenture holders) through remote e-voting, for participation in the Meeting through VC/OAVM and e-voting during the Meeting.

- (g) All the documents referred to in the accompanying explanatory statement, shall be available for inspection through electronic mode during the proceedings of the Meeting. The secured creditors (including secured debenture holders) seeking to inspect copies of the said documents may send an email at investor.apsezl@adani.com. Further, all the documents referred to in the accompanying explanatory statement shall also be open for inspection by the secured creditors (including secured debenture holders) at the registered office of APSEZ between 10.30 a.m. to 12.30 p.m. on all working days up to the date of the Meeting. A recorded transcript of the Meeting shall also be made available on the website of APSEZ.
- (h) The Notice convening the Meeting will be published through advertisement in (i) Indian Express (All editions) in English language; and (ii) translation thereof in Sandesh (Ahmedabad edition) in Gujarati language.
- (i) The Scheme shall be considered approved by the secured creditors (including secured debenture holders) of APSEZ if the resolution mentioned in the Notice has been approved by majority of persons representing three-fourth in value of the secured creditors (including secured debenture holders) voting at the Meeting through VC/OAVM or by remote e-voting, in terms of the provisions of Sections 230 – 232 of the Companies Act.
- (j) Since the Meeting will be held through VC/OAVM in accordance with the Order passed by NCLT and the operating procedures (with appropriate modifications, if required) set out in the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- (k) The voting rights of the secured creditors (including secured debenture holders) shall be in proportion to the value of their debts as per the records of APSEZ as on Saturday, 31 July 2021, i.e., Cut-Off Date.
- (l) A person, whose name is recorded in the list of the secured creditors (including secured debenture holders) of APSEZ as on Saturday, 31 July 2021, i.e., Cut-Off Date, only shall be entitled to avail the facility of remote e-voting or for participation and e-voting at the Meeting.
- (m) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

2. Procedure for joining the Meeting through VC/OAVM

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

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

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

Thursday, 16 September 2021 (9:00 am IST) to Saturday, 18 September 2021 (5:00 pm IST). Only those secured creditors (including secured debenture holders) who are registered as speakers will be allowed to express their views or ask questions.

Secured creditors (including secured debenture holders) seeking any information with regard to the matter to be considered at the Meeting, are requested to write to APSEZ on or before Saturday, 18 September 2021 (5:00 pm IST) through email on investor.apsezl@adani.com. The same will be replied by APSEZ suitably.

Alternatively, the secured creditors (including secured debenture holders) may also post their queries/ views/questions by mentioning their name, email id and mobile number, at investor.apsezl@adani.com, on or before Saturday, 18 September 2021 (5:00 pm IST).

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

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

- (a) In compliance with the operating procedures (with appropriate modification, if required) set out in the applicable provisions of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars, as amended, APSEZ is pleased to provide to its secured creditors (including secured debenture holders) facility to exercise their right to vote on the resolution proposed to be considered at the Meeting by electronic means and the business would be transacted through e-voting services arranged by CDSL. The secured creditors (including secured debenture holders) may cast their votes remotely, using an electronic voting system ("remote e-voting") on the dates mentioned herein below.
- (b) Those secured creditors (including secured debenture holders), who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the Meeting.
- (c) The secured creditors (including secured debenture holders), who have cast their vote by remote e-voting prior to the Meeting may also join the Meeting through VC/OAVM, but shall not be entitled to cast their vote again. A secured creditor (including a secured debenture holder) can opt for only single mode of voting per EVSN, i.e., through remote e-voting or e-voting at the Meeting. If a secured creditor (including a secured debenture holder) casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as 'INVALID'.
- (d) The remote e-voting period commences on Tuesday, 14 September 2021 (9:00 am IST) and ends on Sunday, 19 September 2021 (5:00 pm IST). The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the secured creditor (including secured debenture holders), he/she/it will not be allowed to change it subsequently. During this period, the secured creditors (including secured debenture holders) of APSEZ, as on Saturday, 31 July 2021, i.e., Cut-Off Date, may cast their vote by remote e-voting. A person who is not a secured creditor as on the Cut-Off Date should treat this Notice for information purpose only.

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

Section A: Remote e-voting process

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

- 1. Open the web browser during the voting period and log on to the e-voting website: www.evotingindia.com.
- 2. Click on 'Shareholders/ Members' to cast your vote(s).
- 3. Please enter USER ID as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.
- 4. Enter the Image Verification as displayed and Click on 'LOGIN'.
- 5. Please enter PASSWORD as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.

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

Section B: Process of e-voting during Meeting

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

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
C.A. (CAA)/56 (AHM) 2021**

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 Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited and Adani Ports and Special Economic Zone Limited and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors;

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

...Applicant Company

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

1. Pursuant to the Order dated 9 August 2021 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**"), in C.A. (CAA)/56 (AHM) 2021 ("**Order**"), a meeting of the secured creditors (including secured debenture holders) of Adani Ports and Special Economic Zone Limited ("**APSEZ**") is being convened through Video Conference ("**VC**")/Other Audio-Visual Means ("**OAVM**"), on Monday, 20 September 2021 at 12:00 noon IST (1200 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited ("**Brahmi**") and APSEZ and Adani Tracks Management Services Private Limited ("**Adani Tracks**") and Sarguja Rail Corridor Private Limited ("**Sarguja**") and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the "**Act**"), and other applicable provisions of the Act, read with the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016 ("**Scheme**"). Brahmi, APSEZ, Adani Tracks and Sarguja are

together referred to as the “**Companies**” or “**Parties**”, as the context may admit. A copy of the Scheme, which has been, *inter alios*, approved by the Audit Committee, Committee of Independent Directors and the Board of Directors of APSEZ at their respective meetings, all held on 3 March 2021 is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

2. The Scheme, *inter alia*, provides for:
 - (a) amalgamation of Brahmi with APSEZ, with effect from the Appointed Date 1 (*as defined in the Scheme*), pursuant to the provisions of Sections 230 – 232 and/or other applicable provisions of the Act;
 - (b) amalgamation of Adani Tracks with Sarguja, with effect from the Appointed Date 2 (*as defined in the Scheme*), pursuant to the provisions of Sections 230 – 232 and/or other applicable provisions of the Act; and
 - (c) transfer of the Divestment Business Undertaking (*as defined in the Scheme*) as a going concern on a Slump Sale (*as defined in the Scheme*) basis, with effect from the Appointed Date 2, by APSEZ to Sarguja for a lump sum consideration under Sections 230 – 232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the IT Act (*as defined in the Scheme*).
3. In terms of the Order, the quorum for the said meeting shall be 2 (two). The secured creditors (including secured debenture holders) attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Further in terms of the Order, NCLT, has appointed Hon’ble Mr. Justice K.A. Puj (former judge of the High Court of Gujarat) and in his absence, Hon’ble Mr. Justice J.C. Upadhyaya (former judge of the High Court of Gujarat) to be the Chairman of the meeting including for any adjournment or adjournments thereof;
5. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Rules**”).
6. As stated earlier, NCLT by its Order has, *inter alia*, directed that a meeting of the secured creditors (including secured debenture holders) of APSEZ shall be convened through VC/OAVM, on Monday, 20 September 2021 at 12:00 noon (1200 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme (“**Meeting**”). The secured creditors (including secured debenture holders) would be entitled to vote either through remote e-voting or e-voting at the Meeting.
7. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the secured creditors (including secured debenture holders), of APSEZ, voting through remote e-voting and e-voting at the Meeting, agree to the Scheme.
8. In terms of the Order, if the entries in the records/registers of APSEZ in relation to the number or value, as the case may be, of the secured creditors (including secured debenture holders) are disputed, the Chairman of the Meeting shall determine the number or value, as the case may be, for the purposes of the said Meeting, subject to the orders of NCLT in the petition seeking sanction of the Scheme.

Particulars of APSEZ

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

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

“III.

[A]

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

“[B]

- 13. To amalgamate, enter into partnerships or into any arrangements for sharing profits or losses, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engaged in or which can be carried on in conjuction therewith*

or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid or properties acquired, any shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received."

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

12. APSEZ is India's largest multi-port operator and developer with presence in various parts of India. It is a developer of multi product Special Economic Zone at Mundra, Gujarat. APSEZ's business constitutes the Mundra Rail Business (*as defined in the Scheme*) and the Other Business (*as defined in the Scheme*).
13. The Authorised, Issued, Subscribed and Paid up Share Capital of APSEZ as on 30 June 2021 was as follows:

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

Particulars of Brahmi

14. Brahmi was incorporated on 7 November 2019 as Brahmi Build Estate Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Act. Its name was changed to Brahmi Tracks Management Services Private Limited on 2 March 2021. The Corporate Identification Number of Brahmi is U35100GJ2019PTC110704. The Permanent Account Number of Brahmi is AAICB7337E. Brahmi is the wholly owned subsidiary of Adani Rail Infra Private Limited and that Brahmi is the holding company of Sarguja. Brahmi holds the entire paid-up share capital of Sarguja.
15. The Registered Office of Brahmi was situated at C-1001/Block, Shetrunjay Apt., Near Shyamal Row House, 132' Road, Vejalpur, Ahmedabad – 380 051, Gujarat, India. Later, with effect from 18 February 2021, the registered office of Brahmi was shifted to Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat - 382421, India. Except as stated, there has been no change in the registered office address of Brahmi since incorporation. The e-mail address of Brahmi is kamlesh.bhagia@adani.com.
16. The objects for which Brahmi has been established are set out in its Memorandum of Association. The main object of Brahmi is as follows:

"III. [A]

To carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility including without limitation to act as managers, administrators, executors, receivers, operators, custodians, nominees, promoters, developers, agents, attorneys, representatives, counselors, consultants and advisers of railway projects."

"III. [B]

9. *To amalgamate, enter into partnerships or into any arrangements for sharing profits or losses, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to*

benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid or properties acquired, any shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received."

The main object clause of Brahmi was amended pursuant to the special resolution passed by the members at the Extraordinary General Meeting held on 18 February 2021. Except as stated, there has been no change in the main object clause of Brahmi since incorporation.

17. Brahmi has the object to carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings and management of railway projects.
18. The Authorised, Issued, Subscribed and Paid up Share Capital of Brahmi as on 30 June 2021 was as follows:

Particulars	Amount (in Rupees)
<u>Authorized Capital</u>	
50,00,00,000 Equity Shares of Rs. 2/- each	100,00,00,000
Total	100,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
50,00,00,000 Equity Shares of Rs. 2/- each	100,00,00,000
Total	100,00,00,000

Particulars of Adani Tracks

19. Adani Tracks was incorporated on 31 July 2019 as Adani Tracks Management Services Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Act. The Corporate Identification Number of Adani Tracks is U45202GJ2019PTC109348. The Permanent Account Number of Adani Tracks is AASCA5698R. The entire paid-up share capital of Adani Tracks is held by APSEZ. Thus, Adani Tracks is a wholly owned subsidiary of APSEZ.
20. The Registered Office of Adani Tracks was situated at Adani House, 56 Shrimai Society, Navrangpura, Ahmedabad – 380 009, Gujarat, India. Later, with effect from 22 June 2020, the registered office of Adani Tracks was shifted to Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat – 382 421, India. Except as stated, there has been no change in the registered office address of Adani Tracks since incorporation. The e-mail address of Adani Tracks is kamlesh.bhagia@adani.com.
21. The objects for which Adani Tracks has been established are set out in its Memorandum of Association. The main object of Adani Tracks is as follows:

"III.

[A]

1. *To carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility including without limitation to act as managers, administrators, executors, receivers, operators, custodians, nominees, promoters, developers, agents, attorneys, representatives, counselors, consultants and advisers of railway projects."*

"[B]

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

may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received."

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

22. Adani Tracks has been incorporated with an object to carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings and management of railway projects.
23. The Authorised, Issued, Subscribed and Paid up Share Capital of Adani Tracks as on 30 June 2021 was as follows:

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

Particulars of Sarguja

24. Sarguja was incorporated on 5 May 2010 as Sarguja Rail Corridor Private Limited, a private limited company, with the Registrar of Companies, National Capital Territory of Delhi and Haryana, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. The Corporate Identification Number of Sarguja is U60200GJ2010PTC115649. The Permanent Account Number of Sarguja is AAOCS5350A. Presently, Sarguja is a wholly owned subsidiary of Brahmi.
25. The registered office of Sarguja was shifted from the National Capital Territory of Delhi to the State of Gujarat on 19 August 2020. The registered office of Sarguja is currently situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India. Except as stated, there has been no change in the registered office address of Sarguja in last five (5) years. The e-mail address of Sarguja is kamlesh.bhagia@adani.com.
26. The objects for which Sarguja has been established are set out in its Memorandum of Association. The main object of Sarguja is as follows:

"III.

[A]

1. *To Carry on the business of setting up, development, operation, maintenance of Railway Corridor, Private Railway Siding project(s) in Chattisgarh for freight, transportation, loading, unloading & otherwise deal in all sort of goods, minerals, stone, coal, metals, stone etc. and other allied, related activities in various locations in India."*

"[B]

6. *To enter into partnerships or any arrangement for sharing or pooling profits, amalgamations, union of interest, co-opertaion, joint venture, reciprocal concessions or to amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business, undertaking or transactions which this company is authorised to carry on or engaged in any business, undertaking or transactions which may seem capable of being carried on or conducted, so as directly or indirectly, to benefit the company."*

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

27. Sarguja has, *inter alia*, developed, operates and maintains 70 kms of a private railway siding from Parsa East & Kanta Basan coal blocks to the nearest Indian railway line i.e. Surajpur Road railway station, located in the northern central part of Hasdeo Arand Coalfield in Sarguja district of Chhattisgarh.

28. The Authorised, Issued, Subscribed and Paid up Share Capital of Sarguja as on 30 June 2021 was as follows:

Particulars	Amount (in Rupees)
<u>Authorized Capital</u>	
20,50,00,000 Equity Shares of Rs. 10/- each	205,00,00,000
Total	205,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
20,00,00,000 Equity Shares of Rs. 10/- each	200,00,00,000
Total	200,00,00,000

Rationale for the Scheme

29. The rationale for the Scheme is as under:

- (a) Over the years, there has been growth in the logistic sector. The Government of India has also come out with various public private participation schemes to efficiently meet the increasing demand in the logistics sector. With Dedicated Freight Corridor implementation, the rail share is expected to increase meaningfully. Thus, there is a significant opportunity in developing the rail assets considering the growth demand and infrastructure build requirement.
- (b) It is the objective of APSEZ to (i) consolidate the rail assets under one entity which will diligently work for the development, maintenance and operation of existing and new railway lines across the country; (ii) tap private partnership opportunity for developing the first mile – last mile connectivity and increasing the network capacity for rail transport; and (iii) create center of excellence to bring best practices, operational efficiency, technology integration and common skill set.
- (c) The Scheme will result in, *inter alia*, the following benefits:
 - (i) consolidation of the rail business, productive utilization of combined resources, operational and administrative efficiencies, economics of scale, reduction in overheads and other expenses, reduction in the multiplicity of legal and regulatory compliances, and consequential creation of greater value for shareholders and all other stakeholders;
 - (ii) track footprint of Sarguja will supplement to APSEZ's strategy of providing end to end logistics for hinterland to hinterland cargo movement;
 - (iii) availability of expanded business pre-qualifications, increased net worth to enable to bid for larger and more complex rail infrastructure projects and provide better access to the funds for growth opportunities; and
 - (iv) benefit from the complimentary skills of the combined management team, which in turn would enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.

Relationship among Companies who are parties to the Scheme

30. APSEZ is part of the Adani Group. The entire paid-up share capital of Adani Tracks is held by APSEZ. Thus, APSEZ is the holding company of Adani Tracks.
31. Brahmi is part of Adani Group. Brahmi is the wholly owned subsidiary of Adani Rail Infra Private Limited and further, Brahmi is the holding company of Sarguja as Brahmi holds the entire paid-up share capital of Sarguja.
32. Adani Tracks is part of the Adani Group. The entire paid-up share capital of Adani Tracks is held by APSEZ. Thus, Adani Tracks is a wholly owned subsidiary of APSEZ.
33. Sarguja is part of Adani Group. Further, the entire paid-up share capital of Sarguja is held by Brahmi. Thus, presently, Sarguja is a wholly owned subsidiary of Brahmi.

Corporate Approvals

34. As part of enhanced governance practice, APSEZ has voluntarily adopted "*policy on related party transactions for acquiring and sale of assets*" pursuant to which amalgamation of Brahmi with APSEZ under the Scheme, being a related party transaction, was subject to an additional layer of independent process. As part of this process, an Executive Committee of the directors of APSEZ was formed, comprising only of independent directors (namely, APSEZ's Audit Committee Chairman, Mr G.K. Pillai, a former Indian Administrative Services Officer and former Home Secretary of India; Mr P.S. Jayakumar, former Managing Director and CEO of Bank of Baroda; and Mrs. Nirupama Rao, former Foreign Secretary of India). The said Executive Committee, subsequently appointed the external agencies both of domestic and international repute, namely Deutsche Equities India Private Limited ("DEIPL") and BDO Valuation Advisory LLP, Registered Valuer (Registration No. IBBI/RV-E/02/2019/103) ("BDO") for valuation in respect of the proposed amalgamation of Brahmi with APSEZ under the Scheme, and J. P. Morgan India Private Limited and JM Financial Limited, respectively, both SEBI registered Merchant Bankers, for fairness opinion on the proposed amalgamation of Brahmi with APSEZ under the Scheme. The Executive Committee, *inter alia*, evaluated the proposed amalgamation of Brahmi with APSEZ under the Scheme and submitted their report, dated 3 March 2021, to the Board of Directors of APSEZ through Audit Committee of APSEZ.

DEIPL provided an acceptable range of values for the aforesaid amalgamation of Brahmi with APSEZ under the Scheme and that BDO had provided a specific valuation and fair equity share swap ratio as required under the provisions of the Act and SEBI regulations. The report issued by DEIPL to APSEZ is open for inspection as mentioned hereinbelow. The Executive Committee evaluated the same and after due deliberation recommended the valuation carried out by BDO to the Audit Committee of APSEZ, through its aforesaid report, as the valuation carried out by BDO was towards the median of the range suggested by DEIPL.

35. Thereafter, the Scheme alongwith:

- (a) report of the Executive Committee of APSEZ dated 3 March 2021;
- (b) the valuation report dated 3 March 2021 issued by BDO (the "**First Valuation Report**"), in respect of the proposed amalgamation of Brahmi with APSEZ under the Scheme;
- (c) the two fairness opinions, on the First Valuation Report, by J.P. Morgan India Private Limited and JM Financial Limited, respectively, both SEBI registered Merchant Bankers (the "**First Fairness Opinions**");
- (d) the valuation report dated 3 March 2021 issued by Y. K. Mehta & Associates, Chartered Accountants, Registered Valuer (Registration No. IBBI/RV/06/2019/11647) (the "**Second Valuation Report**"), in respect of the proposed transfer of the Divestment Business Undertaking as a going concern on a Slump Sale by APSEZ to Sarguja for a lump sum consideration under the Scheme;
- (e) a fairness opinion on the Second Valuation Report by Vivro Financial Services Private Limited, a SEBI registered Merchant Banker (the "**Second Fairness Opinion**");
- (f) the valuation report dated 3 March 2021 issued by BDO (the "**Third Valuation Report**"), in respect of the proposed amalgamation of Adani Tracks with Sarguja under the Scheme; and
- (g) a fairness opinion on the Third Valuation Report by Vivro Financial Services Private Limited, a SEBI registered Merchant Banker (the "**Third Fairness Opinion**");

were placed before the Audit Committee of APSEZ at its meeting held on 3 March 2021. Copies of the (i) First Valuation Report dated 3 March 2021, (ii) First Fairness Opinions, both dated 3 March 2021, (iii) Second Valuation Report dated 3 March 2021, (iv) Second Fairness Opinion dated 3 March 2021, (v) the Third Valuation Report dated 3 March 2021, and (vi) the Third Fairness Opinion dated 3 March 2021 are enclosed as **Annexure 2, Annexure 4, Annexure 5, Annexure 8, Annexure 6 and Annexure 9**, respectively. The report, dated 3 March 2021, issued by the Executive Committee of APSEZ is open for inspection as mentioned hereinbelow.

The Audit Committee, basis the report of the Executive Committee amongst others, recommended the Scheme to the Board of Directors of APSEZ, Stock Exchanges, SEBI and other appropriate authorities for their favourable consideration and approval, by its report dated 3 March 2021.

36. The aforesaid Scheme, the First Valuation Report, the Second Valuation Report, the Third Valuation Report, the First Fairness Opinions, the Second Fairness Opinion, the Third Fairness Opinion, the report

of the Executive Committee of APSEZ, amongst others, were also placed before the Committee of Independent Directors of APSEZ at its meeting held on 3 March 2021. The Committee of Independent Directors based on the aforesaid, amongst others, recommended the Scheme for favourable consideration and approval by the Board of Directors of APSEZ, Stock Exchanges, SEBI and other appropriate authorities, by its report dated 3 March 2021.

37. The Scheme alongwith the aforesaid First Valuation Report, the Second Valuation Report, the Third Valuation Report and the Report of the Executive Committee of APSEZ were placed before the Board of Directors of APSEZ at its meeting held on 3 March 2021. The aforesaid First Fairness Opinions, Second Fairness Opinion and the Third Fairness Opinion were also submitted to the Board of Directors of APSEZ. Based on the reports submitted by the Audit Committee and the Committee of Independent Directors recommending the Scheme, the Board of Directors of APSEZ approved the Scheme at its meeting held on 3 March 2021. The meeting of the Board of Directors of APSEZ, held on 3 March 2021, was attended by 7 (seven) directors through audio visual means (namely, Dr. Malay Mahadevia, wholetime director and presently director; Mr. Karan Adani, wholetime director and CEO; Mr. G. K. Pillai, independent director; Prof. G. Raghuram, independent director; Mr. Bharat Sheth, independent director; Mr. P. S. Jayakumar, independent director; and Mrs. Nirupama Rao, independent director). None of the directors of APSEZ who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
38. The Scheme alongwith the First Valuation Report, in respect of the proposed amalgamation of Brahmi with APSEZ under the Scheme, were placed before the Board of Directors of Brahmi at its meeting held on 3 March 2021. The First Fairness Opinions, addressed to APSEZ, were also submitted to Brahmi's Board of Directors. Based on the First Valuation Report and First Fairness Opinions, the Board of Directors of Brahmi approved the Scheme at its meeting held on 3 March 2021. The meeting of the Board of Directors of Brahmi, held on 3 March 2021, was attended by 2 (two) directors (namely, Mr. Jatin Shah and Mr. Pritam Shah), in person. None of the directors of Brahmi who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
39. The Scheme alongwith the Third Valuation Report, in respect of the proposed amalgamation of Adani Tracks with Sarguja under the Scheme, were placed before the Board of Directors of Adani Tracks at its meeting held on 3 March 2021. The Third Fairness Opinion was also submitted to Adani Tracks's Board of Directors. Based on the Third Valuation Report and Third Fairness Opinion, the Board of Directors of Adani Tracks approved the Scheme at its meeting held on 3 March 2021. The meeting of the Board of Directors of Adani Tracks, held on 3 March 2021, was attended by 3 (three) directors (namely, Mr. Avinash Rai, Mr. Deepak Maheshwari and Mr. Subrat Tripathy), in person. None of the directors of Adani Tracks who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.
40. The Scheme alongwith the Second Valuation Report and the Third Valuation Report, in respect of the proposed Scheme, were placed before the Board of Directors of Sarguja at its meeting held on 3 March 2021. Further, the Second Fairness Opinion and Third Fairness Opinion were also submitted to the Board of Directors of Sarguja. Based on the aforesaid, the Board of Directors of Sarguja approved the Scheme at its meeting held on 3 March 2021. The meeting of the Board of Directors of Sarguja, held on 3 March 2021, was attended by 2 (two) directors (namely, Mr. Uma Shanker and Mr. Dilip Kumar Jha), in person. None of the directors of Sarguja 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

41. BSE was appointed as the Designated Stock Exchange by APSEZ for the purpose of co-ordinating with the SEBI for obtaining approval of SEBI in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
42. APSEZ had by its two separate letters, both dated 31 March 2021, applied to the said stock exchanges for their no-objection to the Scheme. Thereafter, certain information/details/queries were sought/raised by BSE/NSE and the same were submitted by APSEZ including the clarifications issued by BDO Valuation Advisory LLP to the First Valuation Report and the Third Valuation Report, respectively. Copies of the clarifications, both dated 24 April 2021, issued by BDO Valuation Advisory LLP, are enclosed as **Annexure 3** and **Annexure 7**, respectively.

43. As required by the SEBI Circular, APSEZ had filed its no complaints report with BSE and NSE, dated 1 June 2021 and 27 May 2021, respectively. These reports indicate that APSEZ received no complaints from the equity shareholders with respect to the Scheme. A copy of the no complaints report submitted by APSEZ, dated 1 June 2021 and 27 May 2021, to BSE and NSE, respectively, are enclosed as **Annexure 10 and Annexure 11**, respectively.
44. APSEZ received no adverse observations/no-objection letter regarding the Scheme from BSE and NSE, respectively, each dated 9 July 2021, conveying their no adverse observations/no-objection for filing the Scheme with NCLT pursuant to the letter dated 9 July 2021 addressed by SEBI to BSE and NSE, which, inter alia, stated the following:
- *"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."*
 - *"Company shall duly comply with various provisions of the Circular."*
 - *"Company shall ensure that it will seek approval from the public shareholders through e-voting in terms of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and the Scheme shall be acted upon only if the votes cast by the majority of public shareholders are in favour of the Scheme and more than the number of votes cast by the public shareholders against it. Further, the Company shall ensure that details in this regard are disclosed in the Scheme, before filing the same with Hon'ble NCLT."*
 - *"Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon'ble NCLT."*
 - *"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 representations as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."*

Copies of the no adverse observations/no-objection letters, both dated 9 July 2021, received from BSE and NSE, respectively, are enclosed as **Annexure 12 and Annexure 13**.

45. The Companies would obtain the respective necessary approvals/sanctions/no objection(s) from the regulatory or other Governmental Authorities in respect of the Scheme in accordance with law, if so required.
46. C.A. (CAA)/56 (AHM) 2021 along with annexures thereto (which includes the Scheme) was jointly e-filed by the Companies with the NCLT, on 16 July 2021. The hard copy whereof was filed with the NCLT on 19 July 2021.

Salient extracts of the Scheme

47. Certain clauses of the Scheme are extracted below:

PART I

DEFINITIONS, INTERPRETATION, DATE OF TAKING EFFECT AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme unless the meaning or context otherwise requires (i) terms defined in the recitals and the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the Recitals and the introductory paragraphs above) shall have the following meanings:

- 1.2. **"Adani Tracks"** means Adani Tracks Management Services Private Limited, a private limited company, incorporated under the provisions of the Act and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India and, notwithstanding anything to the contrary in this Scheme shall include:
- i. *any and all of its assets, whether movable or immovable (if any), tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to registrations, electrical fittings, installations, tools, accessories,*

- power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, all rights, title, interests, covenants, undertakings and rights appurtenant to the immovable property, if any, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;*
- ii. any and all of its investments (including shares whether in dematerialized or physical form), scrips, stocks, mutual funds, bonds including government guaranteed bonds, treasury bills, debentures, debenture stock, units, and other securities, if any, including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, premiums, receivables, including dividends declared or interest accrued thereon, reserves, surplus, provisions, funds and benefits of all agreements;*
 - iii. any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, allotments, approvals including approvals granted by the Government of India, Ministry of Railways, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, minimum alternate tax, value added tax, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;*
 - iv. any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);*
 - v. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which Adani Tracks is a party, and other assurances in favour of Adani Tracks or powers or authorizations granted by or to it;*
 - vi. all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against Adani Tracks;*
 - vii. all insurance policies;*
 - viii. any and all of its staff and employees, who are on its payrolls, including those employed at its offices, employees/personnel engaged on contract basis and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by Adani Tracks, including liabilities of Adani Tracks, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, or otherwise, in terms of its license, at its offices or otherwise, and any other employees/personnel and interns/trainees hired by Adani Tracks as on the Effective Date;*
 - ix. rights of any claim not made by Adani Tracks in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Adani Tracks and any interest*

thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the Income Tax Act, 1961, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under applicable law;

- x. any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund, if any;
- xi. all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by Adani Tracks, directly or indirectly;
- xii. all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former suppliers including service providers, customer credit information, customer/supplier pricing information, list of present and former agents and brokers and all other books and records, whether in physical or electronic form;
- xiii. amounts claimed by Adani Tracks whether or not so recorded in the books of account of Adani Tracks from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
- xiv. all registrations, trademarks, trade names, computer programs, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by Adani Tracks in the business, activities and operations carried on by Adani Tracks; and
- xv. all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Adani Tracks and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Adani Tracks;

1.4. **"Appointed Date 1"** means 1 April 2021;

1.5. **"Appointed Date 2"** means 2 April 2021;

1.9. **"Brahmi"** means Brahmi Tracks Management Services Private Limited, a private limited company, incorporated under the provisions of the Act and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421, India and, notwithstanding anything to the contrary in this Scheme shall include:

- i. any and all of its assets, whether movable or immovable (if any), tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to registrations, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, all rights, title, interests, covenants, undertakings and rights appurtenant to the immovable property, if any, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
- ii. any and all of its investments (including shares whether in dematerialized or physical form), scrips, stocks, mutual funds, bonds including government guaranteed bonds, treasury bills, debentures, debenture stock, units, and other securities, if any, including actionable claims,

- earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, premiums, receivables, including dividends declared or interest accrued thereon, reserves, surplus, provisions, funds, benefits of all agreements, debentures, debenture stock or units;*
- iii. any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, allotments, approvals including approvals granted by the Government of India, Ministry of Railways, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, minimum alternate tax, value added tax, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;*
 - iv. any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);*
 - v. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which Brahmi is a party, and other assurances in favour of Brahmi or powers or authorizations granted by or to it;*
 - vi. all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against Brahmi;*
 - vii. all insurance policies;*
 - viii. any and all of its staff and employees, who are on its payrolls, including those employed at its offices, employees/personnel engaged on contract basis and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by Brahmi, including liabilities of Brahmi, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, or otherwise, in terms of its license, at its offices or otherwise, and any other employees/personnel and interns/trainees hired by Brahmi as on the Effective Date;*
 - ix. rights of any claim not made by Brahmi in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Brahmi and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the Income Tax Act, 1961, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under applicable law;*
 - x. any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund, if any;*
 - xi. all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by Brahmi, directly or indirectly;*

- xii. *all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former suppliers including service providers, customer credit information, customer/supplier pricing information, list of present and former agents and brokers and all other books and records, whether in physical or electronic form;*
- xiii. *amounts claimed by Brahmi whether or not so recorded in the books of account of Brahmi from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;*
- xiv. *all registrations, trademarks, trade names, computer programs, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by Brahmi in the business, activities and operations carried on by Brahmi; and*
- xv. *all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Brahmi and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Brahmi;*

1.12. **"Divestment Business Undertaking"** means the business, undertaking, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisory for the conduct of, or the activities or operations of, the Mundra Rail Business of APSEZ, as a going concern, and includes without limitation:

- (i) *all immovable properties and rights thereto with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way/use, tenancies or otherwise) including right to use the special economic zone land of APSEZ in relation to Mundra Rail Business, boundary wall, and culverts, bridges, civil works, foundations for civil works, buildings, warehouses, offices, trees, together with all plant and machinery embedded etc., which immovable properties form part of the Mundra Rail Business whether or not recorded in the books of accounts of APSEZ and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;*
- (ii) *all assets, as are movable in nature forming part of the Mundra Rail Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, pipeline, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, railway siding, inventories, stock in trade, stores and spares, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, provisions, funds, benefits of all agreements, the benefits of any bank guarantees, performance guarantees and indirect tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs;*
- (iii) *all permits, licenses, permissions, right of way, approvals including the approvals granted by the Government of India, Ministry of Railways, authorizations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas,*

- no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, indirect tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approvals including approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the Mundra Rail 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 form part of the Mundra Rail Business;*
- (iv) all insurance policies pertaining to the Mundra Rail Business save and except any insurance policies generally taken for the entire business of APSEZ;*
 - (v) all the debts, loans, duties, liabilities, obligations, of any nature whatsoever exclusively arising out of or pertaining to, in any manner, the Mundra Rail Business or the operation thereof;*
 - (vi) all contracts, agreements including agreement for construction of railway line with Ministry of Railways; and agreement to operate rail transport with Ministry of Railways, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder, in relation to the Mundra Rail Business;*
 - (vii) all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against APSEZ in relation to or pertaining exclusively to the Mundra Rail Business (or a part thereof) or arising from the operations thereof;*
 - (viii) the Divestment Employees;*
 - (ix) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Mundra Rail Business;*
 - (x) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by APSEZ pertaining to or in connection with or relating to APSEZ in respect of the Mundra Rail 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 APSEZ and pertaining to the Mundra Rail Business; and*
 - (xi) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Mundra Rail Business.*

- 1.13. **"Divestment Contracts"** has the meaning given to it in Clause 4.1 of Part IV of the Scheme;
- 1.14. **"Divestment Employees"** shall mean all the employees of APSEZ employed in the Mundra Rail Business as on the Effective Date;
- 1.15. **"Divestment Litigation"** has the meaning given to it in Clause 5.1 of Part IV of the Scheme;
- 1.16. **"Effective Date"** means the date on which certified copies of the orders of the Competent Authority are filed with the RoC after the last of the approvals or events specified under Clause 6.1 of Part V of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. References in this Scheme to "upon this Scheme becoming effective" or "coming into effect of this Scheme" or the "Scheme becoming effective" or "Scheme becomes effective" or "effectiveness of this Scheme" or likewise, means and refers to the Effective Date;
- 1.21. **"Mundra Rail Business"** means the rail line of ~ 74 kms from Mundra port to Adipur railway station, built under the non-governmental railway framework, and includes the platforms, railway operational building, railway crossings, railway bridges and culverts, railway signalling and telecommunications, etc. along the said rail line;
- 1.24. **"Other Business"** means any business of APSEZ other than the Divestment Business Undertaking;

PART II

AMALGAMATION OF BRAHMI INTO AND WITH APSEZ

1. TRANSFER AND VESTING OF BRAHMI INTO AND WITH APSEZ

- 1.1. With effect from the Appointed Date 1 and upon this Scheme becoming effective, Brahmi along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of Brahmi shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in APSEZ, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.
- 1.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date 1:
- (a) all assets of Brahmi, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, if any, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in APSEZ, wherever located and shall become the property and an integral part of APSEZ. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
 - (b) all other movable properties of Brahmi, including investments in shares and any other securities, treasury bills, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of APSEZ, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments made by Brahmi and all the rights, title and interest of Brahmi in any leasehold properties, if any, shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in APSEZ;
 - (c) all immovable properties of Brahmi, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Brahmi, if any, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation

thereto, shall be vested in and/or be deemed to have been vested in APSEZ, without any further act or deed done or being required to be done by Brahmi and/or APSEZ. APSEZ shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling APSEZ to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of APSEZ by the Governmental Authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

- (e) all Encumbrances, if any, existing prior to the Effective Date over the assets of Brahmi which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to APSEZ. Provided that if any assets of Brahmi have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of APSEZ. The secured creditors of APSEZ and/or other holders of security over the properties of APSEZ, if any, shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of Brahmi and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of APSEZ. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;*
- (g) all contracts, agreements, licences, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes and other instruments to which Brahmi is a party, or to the benefit of which, Brahmi may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligor thereto. If APSEZ enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Brahmi will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by Brahmi (and not by any of its successors), shall be fulfilled by APSEZ as if it is the duly constituted attorney of Brahmi;*
- (h) any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority, court or tribunal or other proceedings of whatsoever nature relating to Brahmi, whether by or against Brahmi, whether pending on the Appointed Date 1 or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of Brahmi or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against Brahmi, as if this Scheme had not been implemented;*
- (i) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of Brahmi shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of APSEZ, and APSEZ shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by Brahmi after the Appointed Date 1 and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of APSEZ and, to the extent they are outstanding on the Effective Date, shall, upon the coming*

into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in APSEZ and shall become the debt, duties, undertakings, liabilities and obligations of APSEZ which shall meet, discharge and satisfy the same;

- (j) all debentures, bonds, notes or other securities of Brahmi, if any, whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of APSEZ and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against APSEZ as if it were Brahmi. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;*
- (m) all the staff and employees of Brahmi, if any, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of APSEZ, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Brahmi as on the Effective Date. APSEZ further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with Brahmi, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Brahmi, APSEZ shall stand substituted for Brahmi for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by Brahmi, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Brahmi for such purpose shall be treated as having been continuous;*
- (p) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in APSEZ;*
- (q) all registrations, goodwill and licenses, appertaining to Brahmi, if any, shall transferred to and vested in APSEZ;*
- (r) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to Brahmi, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, as the case may be, of APSEZ, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to Brahmi, shall pursuant to this Scheme becoming effective, be available to APSEZ;*
- (s) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to Brahmi, or to the benefit of which Brahmi may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of APSEZ and may be enforced as fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of APSEZ pursuant to the sanction of this*

Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, APSEZ shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- (u) all bank accounts operated or entitled to be operated by Brahmi shall be deemed to have transferred and shall stand transferred to APSEZ and names of Brahmi shall be substituted by the name of APSEZ in the bank's records;*
- (v) all the property, assets and liabilities of Brahmi shall be transferred to APSEZ as appearing in the books of account of Brahmi at the close of business of the day immediately preceding the Appointed Date 1;*
- (w) all the benefits under the various incentive schemes and policies that Brahmi is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by Brahmi and all rights or benefits that have accrued or which may accrue to Brahmi, whether on, before or after the Appointed Date 1, shall upon this Scheme becoming effective and with effect from the Appointed Date 1 be transferred to and vest in APSEZ and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by APSEZ and these shall relate back to the Appointed Date 1 as if APSEZ was originally entitled to all benefits under such incentive schemes and or policies;*
- (y) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, if any, to which Brahmi is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against APSEZ and may be enforced fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of Brahmi in any properties including leasehold/ licensed properties of Brahmi including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in APSEZ automatically without requirement of any further act or deed. APSEZ shall continue to pay rent or lease or license fee as provided for under such agreements, and APSEZ shall continue to comply with the terms, conditions and covenants thereunder;*

3. DISSOLUTION OF BRAHMI

- 3.1. Upon this Scheme becoming effective, Brahmi shall stand dissolved without being wound up, without any further act, instrument or deed.*

4. CHANGES IN SHARE CAPITAL

- 4.1 As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of Brahmi shall stand transferred to and be amalgamated/combined with the authorized share capital of APSEZ. The fees or stamp duty, if any, paid by Brahmi on its authorized share capital shall be deemed to have been so paid by APSEZ on the combined authorized share capital, and APSEZ shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorised share capital of APSEZ will automatically stand increased to that effect by simply filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act.*

Clause V. of the memorandum of association of APSEZ shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

- "V. The Authorised Share Capital of the Company is Rs. 1,100,00,00,000/- (Rupees One Thousand One Hundred Crores Only) divided into 547,50,00,000 (Five Hundred Forty Seven Crores and Fifty Lacs only) Equity Shares of Rs. 2/- (Rupees Two only) each and 50,00,000 (Fifty Lacs only) Non- Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each with such rights, privileges and conditions attached thereto as may be determined by the Company from time to time in accordance with the Articles of Association of the Company. The Company has*

and shall always have the power to divide, sub-divide or consolidate the shares for time being of the Company into several classes and to attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by the Company or in accordance with Articles of Association of the Company and to fix, vary, modify or abrogate any such rights, privileges or conditions attached to the shares in such manner as may from time to time being provided in the regulations of the company."

- 4.2 *The approval of this Scheme by shareholders of APSEZ under sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority, shall be deemed to have been an approval under section 13, section 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.*

5. PAYMENT OF CONSIDERATION

- 5.1 *Upon coming into effect of this Scheme and in consideration of the amalgamation of Brahmi in APSEZ, APSEZ shall, without any further application, act or deed, issue and allot to the equity shareholders of Brahmi whose names are recorded in the register of members as a member of Brahmi on the Record Date 1, 100 (One Hundred) APSEZ Shares, credited as fully paid-up, for every 708 (Seven Hundred and Eight) equity shares of the face value of Rs. 2/- (Rupees Two) each fully paid-up held by such member in Brahmi ("**Share Swap Ratio 1**"). APSEZ Shares to be issued by APSEZ to the shareholders of Brahmi in accordance with this Clause 5.1 of Part II shall be hereinafter referred to as "**New Equity Shares 1**".*

7. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, APSEZ shall account for the amalgamation of Brahmi in its books as per the applicable accounting principles prescribed under the applicable Indian Accounting Standards ("Ind AS"), inter alia, including but not limited to the following:

- 7.1 *All the assets and liabilities of Brahmi transferred to and vested in APSEZ shall be recorded at their respective fair values in accordance with the requirements of Ind AS 103.*
- 7.2 *The difference between fair value of the New Equity Shares 1 issued and fair values of net assets acquired, if any, being excess or deficit arising pursuant to the Scheme, shall be accounted as goodwill/ capital reserves in the books of APSEZ in compliance with generally accepted principles under Ind AS.*
- 7.3 *The face value of the New Equity Shares 1 issued by APSEZ to the equity shareholders of Brahmi pursuant to Clause 5.1 of Part II above, shall be credited to the equity share capital and any amount over and above face value will be credited to share premium account of APSEZ.*

8. COMPLIANCE WITH LAWS

- 8.1 *Part II of this Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 - 232 of the Act, for the purpose of the merger of Brahmi with APSEZ.*
- 8.2 *The amalgamation of Brahmi with APSEZ in accordance with Part II of this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:*
- (a) *all the properties of Brahmi, immediately before the amalgamation, shall become the property of APSEZ, by virtue of this amalgamation;*
 - (b) *all the liabilities of Brahmi, immediately before the amalgamation, shall become the liabilities of APSEZ, by virtue of this amalgamation; and*
 - (c) *shareholders holding not less than three-fourths in value of the shares in Brahmi will become shareholders of APSEZ by virtue of the amalgamation.*
- 8.3 *Part II of this Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under the tax laws, including Section 2 (1B) and other relevant sections of the IT Act. If any terms or provisions of Part II of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail. Part II of the Scheme shall then stand modified to the extent deemed necessary to*

comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of Brahmi and APSEZ, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

PART III

AMALGAMATION OF ADANI TRACKS INTO AND WITH SARGUJA

1. TRANSFER AND VESTING OF ADANI TRACKS INTO AND WITH SARGUJA

- 1.1. *With effect from the Appointed Date 2 and upon this Scheme becoming effective, Adani Tracks along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of Adani Tracks shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in Sarguja, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.*
- 1.2. *Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date 2:*
 - (a) *all assets of Adani Tracks, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, if any, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in Sarguja, wherever located and shall become the property and an integral part of Sarguja. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;*
 - (b) *all other movable properties of Adani Tracks, including investments in shares and any other securities, treasury bills, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of Sarguja, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments made by Adani Tracks and all the rights, title and interest of Adani Tracks in any leasehold properties, if any, shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in Sarguja;*
 - (c) *all immovable properties of Adani Tracks, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Adani Tracks, if any, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in Sarguja, without any further act or deed done or being required to be done by Adani Tracks and/or Sarguja. Sarguja shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Sarguja to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of Sarguja by the Governmental Authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;*
 - (e) *all Encumbrances, if any, existing prior to the Effective Date over the assets of Adani Tracks which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to*

which they related or were attached prior to the Effective Date and as are transferred to Sarguja. Provided that if any assets of Adani Tracks have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of Sarguja. The secured creditors of Sarguja and/or other holders of security over the properties of Sarguja, if any, shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of Adani Tracks and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of Sarguja. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

- (g) all contracts, agreements, licences, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes and other instruments to which Adani Tracks is a party, or to the benefit of which, Adani Tracks may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of Sarguja and may be enforced as fully and effectually as if, instead of Adani Tracks, Sarguja had been a party or beneficiary or obligor thereto. If Sarguja enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Adani Tracks will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by Adani Tracks (and not by any of its successors), shall be fulfilled by Sarguja as if it is the duly constituted attorney of Adani Tracks;*
- (h) any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority, court or tribunal or other proceedings of whatsoever nature relating to Adani Tracks, whether by or against Adani Tracks, whether pending on the Appointed Date 2 or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of Adani Tracks or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against Sarguja in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against Adani Tracks, as if this Scheme had not been implemented;*
- (i) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of Adani Tracks shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of Sarguja, and Sarguja shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by Adani Tracks after the Appointed Date 2 and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of Sarguja and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in Sarguja and shall become the debt, duties, undertakings, liabilities and obligations of Sarguja which shall meet, discharge and satisfy the same;*
- (j) all debentures, bonds, notes or other securities of Adani Tracks, if any, whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of Sarguja and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against Sarguja as if it were Adani Tracks. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;*

- (m) *all the staff and employees of Adani Tracks, if any, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of Sarguja, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Adani Tracks as on the Effective Date. Sarguja further agrees that for the purpose of payment of any retirement benefit/ compensation, such immediate uninterrupted past services with Adani Tracks, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Adani Tracks, Sarguja shall stand substituted for Adani Tracks for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by Adani Tracks, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Adani Tracks for such purpose shall be treated as having been continuous;*
- (p) *all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in Sarguja;*
- (q) *all registrations, goodwill and licenses, appertaining to Adani Tracks, if any, shall transferred to and vested in Sarguja;*
- (r) *all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to Adani Tracks, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of Sarguja, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to Adani Tracks, shall pursuant to this Scheme becoming effective, be available to Sarguja;*
- (s) *all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to Adani Tracks, or to the benefit of which Adani Tracks may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of Sarguja and may be enforced as fully and effectually as if, instead of Adani Tracks, Sarguja had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of Sarguja pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Sarguja shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes;*
- (u) *all bank accounts operated or entitled to be operated by Adani Tracks shall be deemed to have transferred and shall stand transferred to Sarguja and names of Adani Tracks shall be substituted by the name of Sarguja in the bank's records;*
- (v) *all the property, assets and liabilities of Adani Tracks shall be transferred to Sarguja at the values appearing in the books of account of Adani Tracks at the close of business of the day immediately preceding the Appointed Date 2;*
- (w) *all the benefits under the various incentive schemes and policies that Adani Tracks is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service*

tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by Adani Tracks and all rights or benefits that have accrued or which may accrue to Adani Tracks, whether on, before or after the Appointed Date 2, shall upon this Scheme becoming effective and with effect from the Appointed Date 2 be transferred to and vest in Sarguja and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by Sarguja and these shall relate back to the Appointed Date 2 as if Sarguja was originally entitled to all benefits under such incentive schemes and or policies;

- (y) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, if any, to which Adani Tracks is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against Sarguja and may be enforced fully and effectually as if, instead of Adani Tracks, Sarguja had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of Adani Tracks in any properties including leasehold/ licensed properties of Adani Tracks including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in Sarguja automatically without requirement of any further act or deed. Sarguja shall continue to pay rent or lease or license fee as provided for under such agreements, and Sarguja shall continue to comply with the terms, conditions and covenants thereunder;

3. DISSOLUTION OF ADANI TRACKS

- 3.1 Upon this Scheme becoming effective, Adani Tracks shall stand dissolved without being wound up, without any further act, instrument or deed.

4. CHANGES IN SHARE CAPITAL

- 4.1 As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of Adani Tracks shall stand transferred to and be amalgamated/combined with the authorized share capital of Sarguja. The fees or stamp duty, if any, paid by Adani Tracks on its authorized share capital shall be deemed to have been so paid by Sarguja on the combined authorized share capital, and Sarguja shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorised share capital of Sarguja will automatically stand increased to that effect by simply filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act.

Clause V. of the memorandum of association of Sarguja shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 205,05,00,000/- (Rupees Two Hundred Five Crores and Five Lacs Only) divided into 20,50,50,000 (Twenty Crores Fifty Lacs and Fifty Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten only) each."

- 4.2. The approval of this Scheme by shareholders of Sarguja under sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority, shall be deemed to have been an approval under section 13, section 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

5. PAYMENT OF CONSIDERATION

- 5.1. Upon coming into effect of this Scheme and in consideration of the amalgamation of Adani Tracks in Sarguja, Sarguja shall, without any further application, act or deed, issue and allot to the equity shareholders of Adani Tracks whose names are recorded in the register of members as a member of Adani Tracks on the Record Date 2, 100 (One Hundred) Sarguja Shares, credited as fully paid-up, for every 2,522 (Two Thousand Five Hundred and Twenty Two) equity shares of the face value of Rs. 10/- (Rupees Ten) each fully paid-up held by such member in Adani Tracks ("**Share Swap Ratio 2**"). Sarguja Shares to be issued by Sarguja to the equity shareholders of Adani Tracks in accordance with this Clause 5.1 of Part III shall be hereinafter referred to as "**New Equity Shares 2**".

7. ACCOUNTING TREATMENT IN THE BOOKS OF SARGUJA

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

- 7.1. All the assets and liabilities of Adani Tracks transferred to and vested in Sarguja shall be recorded at their respective carrying values in accordance with the requirements of Ind AS 103.*
- 7.2. The face value of the New Equity Shares 2 issued by Sarguja to the equity shareholders of Adani Tracks pursuant to Clause 5.1 of Part III above, shall be credited to the equity share capital of Sarguja and difference over and above the issue price and face value will be credited to share premium account.*

8. COMPLIANCE WITH LAWS

- 8.2. The amalgamation of Adani Tracks with Sarguja in accordance with Part III of this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:*
 - (a) all the properties of Adani Tracks, immediately before the amalgamation, shall become the property of Sarguja, by virtue of this amalgamation;*
 - (b) all the liabilities of Adani Tracks, immediately before the amalgamation, shall become the liabilities of Sarguja, by virtue of this amalgamation; and*
 - (c) shareholders holding not less than three-fourths in value of the shares in Adani Tracks will become shareholders of Sarguja by virtue of the amalgamation.*
- 8.3. Part III of this Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under the tax laws, including Section 2 (1B) and other relevant sections of the IT Act. If any terms or provisions of Part III of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail. Part III of the Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of Adani Tracks and Sarguja, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.*

PART IV

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

1. TRANSFER AND VESTING OF DIVESTMENT BUSINESS UNDERTAKING

- 1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, pursuant to Sections 230 to 232 read with other relevant provisions of the Act and Section 2(42C) of the IT Act and without any further act, instrument, deed, matter or thing be transferred to and vested in and/ or be deemed to be and stand transferred to and vested in Sarguja as a 'going concern' on a Slump Sale basis, in accordance with Section 2(42C) of the Income Tax Act, 1961 (as amended) for a lump sum consideration as set out hereinafter, subject to the provisions of this Scheme.*
- 1.2. Upon the Scheme becoming effective and with effect from the Appointed Date 2, Sarguja shall carry out or perform all such formalities and compliances under various Applicable Laws or to be carried out or performed in relation to or as a consequence of the vesting of the Divestment Business Undertaking of APSEZ into Sarguja.*

2. TRANSFER OF ASSETS

- 2.1. Without prejudice to the generality of Clause 1 of Part IV (Transfer and Vesting of Divestment Business Undertaking) above, upon the Scheme coming into effect and with effect from the Appointed Date 2, all the assets of the Divestment Business Undertaking of APSEZ shall, in accordance with the provisions of this Clause 2 in relation to the mode of transfer and vesting and pursuant to Sections 230-232 and/or other applicable provisions of the Act, stand transferred to*

and vested in Sarguja as a going concern and without any further act or deed in the following manner, unless specifically otherwise provided under the Scheme:

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

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

3. TRANSFER OF LIABILITIES

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

- 3.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2, all the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking shall, whether or not provided for in the books of APSEZ, to the extent they are outstanding on the Effective Date, without any further act or deed become the debts, loans, duties, liabilities and obligations of Sarguja and all rights, powers, duties, and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against Sarguja, as if it has incurred such liabilities, debts, duties, obligations, on the same terms and conditions as were applicable to APSEZ and Sarguja shall undertake to meet, discharge and satisfy the same to the exclusion of APSEZ such that APSEZ shall in no event be responsible or liable in relation to any such liabilities arising out of the activities or operations of the Divestment Business Undertaking, except as agreed otherwise with Sarguja in writing.*
- 3.1.2. Where any of the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking have been partially or fully discharged by APSEZ on or after the Appointed Date 2 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Sarguja. All the liabilities and obligations incurred by APSEZ for the activities or operations of the Divestment Business Undertaking on or after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been incurred for and on behalf of Sarguja and to the extent any such liabilities are outstanding on the Effective Date, they shall also without any further act, instrument or deed be and stand transferred to Sarguja and shall become the liabilities and obligations of Sarguja.*
- 3.1.3. With effect from the Effective Date, Sarguja alone shall be liable to perform all obligations in respect of the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking, except as agreed otherwise with Sarguja in writing, and APSEZ shall not have any obligations in respect of the debts, loans, duties, liabilities and obligations arising out of the activities or operations of the Divestment Business Undertaking.*
- 3.1.4. The transfer and vesting of the assets comprised in the Divestment Business Undertaking to and in Sarguja upon the coming into effect of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.*
- 3.1.5. In so far as the existing Encumbrances in respect of the liabilities arising out of the activities or operations of the Divestment Business Undertaking are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and*

shall operate only over the assets comprised in the Divestment Business Undertaking which have been Encumbered in respect to the said liabilities and are transferred to Sarguja pursuant to this Scheme and such Encumbrances shall not relate or attach to any other assets of Sarguja. Provided that if any of the assets comprised in the Divestment Business Undertaking which are being transferred to Sarguja pursuant to this Scheme have not been Encumbered in respect of the liabilities arising out of the activities or operations of the Divestment Business Undertaking, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall Sarguja be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- 3.1.6. In so far as the assets of the Other Business are concerned, any Encumbrance over them, to the extent they relate to the liabilities arising out of the activities or operations of the Divestment Business Undertaking shall, without any further act, instrument, or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.*
- 3.1.7. In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Other Business are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with APSEZ, only on the assets relating to the Other Business and the assets of the Divestment Business Undertaking shall stand released therefrom.*
- 3.1.8. If any Encumbrance of APSEZ for the operations of the Divestment Business Undertaking exists as on the Appointed Date 2, but has been partially or fully released thereafter by APSEZ on or after the Appointed Date 2 but prior to the Effective Date, such release shall be deemed to be for and on account of Sarguja upon the coming into effect of the Scheme and all Encumbrances incurred by APSEZ for the operations of the Divestment Business Undertaking on or after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been incurred for and on behalf of Sarguja, and such Encumbrances shall not attach to any property of APSEZ.*
- 3.1.9. The provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds, and writings and the terms of sanction or issue of any security document shall stand modified and/or superseded by the foregoing provisions. It is expressly clarified that, save as mentioned in this Scheme, no other terms or conditions of the liabilities arising out of the activities or operations of the Divestment Business Undertaking are modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.*
- 3.1.10. Upon the coming into effect of this Scheme, the borrowing limits of Sarguja in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the liabilities arising out of the activities or operations of the Divestment Business Undertaking, if any, transferred by APSEZ to Sarguja pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of Sarguja.*
- 3.1.11. The interests of all the unsecured creditors of APSEZ in connection with the Divestment Business Undertaking and Sarguja, including its unsecured creditors, remain unaffected by this Scheme as the assets of Sarguja upon the effectiveness of the Scheme will be more than its liabilities and as such sufficient to discharge such liabilities.*
- 3.1.12. Without prejudice to the provisions of the foregoing Clauses and with effect from the Effective Date, the Parties shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional RoC to give formal effect to the provisions of this Clause.*

4. TRANSFER OF CONTRACTS

- 4.1. *Without prejudice to the generality of Clause 1 of Part IV (Transfer and Vesting of Divestment Business Undertaking) above, upon the Scheme becoming effective and with effect from the Appointed Date 2, all the contracts, agreements including agreement for construction of railway line with Ministry of Railways and agreement to operate rail transport with the Ministry of Railways, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder in relation to the Divestment Business Undertaking ("**Divestment Contracts**") shall stand transferred to and vested in Sarguja in the following manner, unless otherwise specifically provided under the Scheme:*

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

5. DIVESTMENT LITIGATION

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

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

6. DIVESTMENT EMPLOYEES

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

- 6.1.1. *The Divestment Employees as on the Effective Date shall become employees of Sarguja without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking and in*

accordance with the Applicable Laws and the terms of their employment and in accordance with Section 25FF of the Industrial Disputes Act, 1947. Services of the Divestment Employees shall be taken into account from the date of their respective appointment with APSEZ for the purposes of all retirement benefits and all other entitlement for which they may be eligible. Sarguja further agrees that for the purpose of payment of any other form of separation compensation, if any, such past services with APSEZ shall also be taken into account.

9. CONSIDERATION BY SARGUJA

- 9.1. *Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Divestment Business Undertaking of APSEZ in Sarguja by way of Slump Sale basis, as a going concern, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act, Sarguja shall pay a lump sum consideration of Rs. 188.65 crores (Rupees One Hundred Eighty Eight Crores and Sixty Five Lacs only) to APSEZ.*
- 9.2. *The aforesaid consideration shall be discharged by Sarguja to APSEZ as a lump sum consideration for the sale and transfer of the Divestment Business Undertaking on a going concern basis on a slump sale basis in accordance with Section 2(42C) of the IT Act with no independent values being assigned to the individual assets and liabilities of the Divestment Business Undertaking. It is clarified that, pursuant to Section 2(42C) of the IT Act, in the event APSEZ and Sarguja are required to carry out a determination of the value of an asset or liability for the sole purpose for payment of stamp duty, registration fees or other similar taxes or fees shall not be regarded as assignment of values to individual assets or liabilities.*

10. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

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

- 10.1. *APSEZ shall account for the transfer and vesting of the Divestment Business Undertaking by de-recognizing the carrying values of the assets and liabilities of the Divestment Business Undertaking, which will cease to be the assets and liabilities of APSEZ, in accordance with applicable accounting standards.*
- 10.2. *APSEZ shall recognize difference between the lump sum consideration as mentioned in Clause 9.1 of Part IV above and the book value of the Divestment Business Undertaking into other equity in accordance with applicable Ind AS.*

11. ACCOUNTING TREATMENT IN THE BOOKS OF SARGUJA

- 11.1 *Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, Sarguja shall account for the transfer and vesting of the Divestment Business Undertaking by recording the assets and liabilities of the Divestment Business Undertaking taken over by it under the Scheme at their carrying values as appearing in the books of APSEZ in accordance with applicable accounting standards i.e. Ind AS 103.*

13. CHANGE IN NAME OF SARGUJA

- 13.1 *Upon the Scheme becoming effective, the name of Sarguja without any further act, instrument or deed, shall stand changed to "ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED" and Clause I of the Memorandum of Association of the Sarguja and its Articles of Association shall stand accordingly modified, changed and amended with effect from the Effective Date. The Registrar of Companies will record such change and issue a fresh certificate of incorporation with the new name. Approval of the Scheme shall be deemed to be the approval for change of name in compliance with the provisions of Section 13 and Section 14 of the Act. Sarguja, upon the Scheme becoming effective, shall file requisite form with the Registrar of Companies for obtaining the new certificate of change of name of Sarguja.*

14. OTHER BUSINESS

- 14.1 *The Other Business and all the assets, rights, title, interest, properties, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by APSEZ.*

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

PART V

GENERAL TERMS AND CONDITIONS

6. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

- 6.1 *The Scheme is conditional and subject to:*
- 6.1.1 *receipt of approval of the Scheme by the Stock Exchanges and SEBI, pursuant to the Listing Regulations and the SEBI Circular;*
 - 6.1.2 *the Scheme being approved by the requisite majority of each classes of the members and/or creditors (where applicable) of the respective Companies in accordance with the Act or dispensation having being received from the Competent Authority in relation to obtaining such approval from the members and/or creditors or any Applicable Law permitting the respective Companies not to convene the meetings of its members and/or its creditors;*
 - 6.1.3 *the Scheme being approved by the public shareholders of APSEZ through e-voting pursuant to, and in accordance with, the SEBI Circular. The Scheme shall be acted upon only if the number of votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it in terms of the SEBI Circular;*
 - 6.1.4 *the approval of the Scheme by the Competent Authority in terms of Sections 230-232 of the Act;*
 - 6.1.5 *receipt of approval by Sarguja as special economic zone co-developer status from the Board of Approval, Ministry of Commerce and Industry, Department of Commerce (SEZ Section), Government of India in relation to Part IV of the Scheme;*
 - 6.1.6 *receipt of approval by Sarguja from Chhattisgarh State Power Generation Company Limited in relation to Part II of the Scheme; and*
 - 6.1.7 *receipt of approval by APSEZ from Ministry of Railways, Government of India, in relation to Part IV of the 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.

Valuation and accounting treatment

- 48. The summary of the aforesaid Valuation Reports including the basis of such valuation reports and fairness opinions is enclosed as **Annexure 14**.
- 49. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of APSEZ is open for inspection as mentioned hereinbelow.
- 50. The statutory auditor of Sarguja has also issued a certificate to the effect that the accounting treatment as prescribed in the Scheme is in conformity with the Accounting Standards as prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of Sarguja is open for inspection as mentioned hereinbelow.

Effect of the Scheme on various parties

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

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

Under Part II of the Scheme, an arrangement is sought to be entered into between APSEZ and its equity shareholders. Upon Part II of the Scheme becoming effective, the equity shareholders of Brahmi, shall become the equity shareholders of APSEZ in the manner as stipulated in Clause 5.1 of Part II of the Scheme. Upon effectiveness of Part II of the Scheme, the shareholding of promoters/promoter group in the paid-up equity share capital of APSEZ shall stand increased.

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

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

(b) *Creditors*

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

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

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

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

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

(c) *Employees, Directors and Key Managerial Personnel*

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

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

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

52. The effect of the proposed Scheme on the stakeholders of Brahmi would be as follows:

(a) *Shareholders (promoter)*

Under Part II of the Scheme, an arrangement is sought to be entered into between Brahmi and its equity shareholders. Upon Part II of the Scheme becoming effective, the equity shareholders of Brahmi, shall become the equity shareholders of APSEZ in the manner stipulated in Clause 5.1 of Part II of the Scheme. Further, upon Part II of the Scheme becoming effective, Sarguja shall become the wholly owned subsidiary of APSEZ.

(b) *Creditors*

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

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

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

(c) *Employees, Directors and Key Managerial Personnel*

As stated in Clause 1.2(m) of Part II of the Scheme, and with effect from the Effective Date, APSEZ has undertaken to engage all the staff and employees of Brahmi, if any, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Brahmi as on the Effective Date. In the circumstances, the rights of the staff and employees of Brahmi would in no way be affected by Part II of the Scheme.

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

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

53. The effect of the proposed Scheme on the stakeholders of Adani Tracks would be as follows:

(a) *Shareholders (promoter)*

Under Part III of the Scheme, an arrangement is sought to be entered into between Adani Tracks and its equity shareholders. Upon Part III of the Scheme becoming effective, the equity shareholders of Adani Tracks, shall become the equity shareholders of Sarguja in the manner stipulated in Clause 5.1 of Part III of the Scheme.

(b) *Creditors*

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

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

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

(c) *Employees and Directors*

As stated in Clause 1.2(m) of Part III of the Scheme, and with effect from the Effective Date, Sarguja has undertaken to engage all the staff and employees of Adani Tracks, if any, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Adani Tracks as on the Effective Date. In the circumstances, the rights of the staff and employees of Adani Tracks would in no way be affected by Part III of the Scheme.

Upon Part III of the Scheme becoming effective, Adani Tracks shall stand dissolved without being wound up. In the circumstances, the directors of Adani Tracks shall cease to be the directors of Adani Tracks.

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

54. The effect of the proposed Scheme on the stakeholders of Sarguja would be as follows:

(a) *Shareholders (promoter)*

Under Part III of the Scheme, an arrangement is sought to be entered into between Sarguja and its equity shareholders. Upon Part III of the Scheme becoming effective, the equity shareholders of Adani Tracks, shall become the equity shareholders of Sarguja in the manner as stipulated in Clause 5.1 of Part III of the Scheme.

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

(b) *Creditors*

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

No rights of the creditors are being affected pursuant to Part IV of the Scheme. The liability towards the creditors of Sarguja is neither being reduced nor being extinguished. The creditors of Sarguja would in no way be affected by Part IV of the Scheme.

No rights of the debenture holders are being affected pursuant to Part III and Part IV of the Scheme. Under Part III and Part IV of the Scheme, the debenture holders shall continue to be the debenture holders of Sarguja. As on date, there are no debenture trustee(s).

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

(c) *Employees, Directors and Key Managerial Personnel*

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

Under Part IV of the Scheme, no rights of the existing staff and employees of Sarguja are being affected. Further, upon Part IV of the Scheme becoming effective and with effect from the Appointed Date 2 (as defined in the Scheme), the Divestment Employees (as defined in the Scheme) of APSEZ shall become the employees of Sarguja without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking.

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

55. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Companies, in their respective meetings, each held on 3 March 2021, have adopted a report, inter alia, explaining the effect of the Scheme on its shareholders and key managerial personnel amongst others. Copy of the Reports adopted by the Board of Directors of APSEZ, Brahmi, Adani Tracks and Sarguja are enclosed as **Annexure 15, Annexure 16, Annexure 17** and **Annexure 18**, respectively.

Other matters

56. No investigation proceedings have been instituted or are pending in relation to APSEZ under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956 and to the knowledge of APSEZ, no investigation proceedings have been instituted or are pending in relation to Brahmi, Adani Tracks and Sarguja under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956.
57. No proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against APSEZ and to the knowledge of APSEZ, no proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against Brahmi, Adani Tracks and Sarguja.
58. To the knowledge of APSEZ no winding up proceedings have been filed or pending against APSEZ under the Act or the corresponding provisions of the Companies Act, 1956. Further, to the knowledge of APSEZ, no winding up proceedings have been filed or pending against Brahmi, Adani Tracks and Sarguja under the Act or the corresponding provisions of the Companies Act, 1956.
59. To the knowledge of APSEZ, a petition under Section 9 of the Insolvency and Bankruptcy Code, 2016, has been preferred by one EBPL Ventures Private Limited, claiming to be an operational creditor of Sarguja, before NCLT. Sarguja has opposed the said petition by filing a reply, inter alia, contending that the said petition is not maintainable since the said alleged operational creditor has no privity of contract with Sarguja and that no amount is due or payable by Sarguja to the said alleged operational creditor. The said petition is pending before NCLT.
60. There is no capital restructuring or debt restructuring being undertaken pursuant to this Scheme.
61. The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies, on the 20 July 2021 in Form GNL-1.
62. The Audited Financial Statements of APSEZ, Brahmi, Adani Tracks and Sarguja, respectively, for the year ended 31 March 2021 are enclosed as **Annexure 19, Annexure 20, Annexure 21** and **Annexure 22**, respectively.
63. In terms of SEBI Circular, the applicable information of Brahmi, Adani Tracks and Sarguja in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure 23, Annexure 24** and **Annexure 25**.

64. As per the books of accounts (as on 30 June 2021) APSEZ, Brahmi and Sarguja, respectively, the amount due to the unsecured creditors are Rs. 36,602.84 Crores, Rs. 279.78 Crores and Rs. 1626.18 Crores, respectively. Further, as per the books of accounts (as on 30 June 2021), there are no unsecured creditors of Adani Tracks.
65. The name and address of the promoters of APSEZ including their shareholding in the Companies as on 30 June 2021 are as under:

Sr No	Name and Address of Promoters	APSEZ		Brahmi		Adani Tracks		Sarguja	
		No of Shares of Rs. 2/- each	% of holding	No of Shares of Rs. 2/- each	% of holding	No of Shares of Rs. 10/- each	% of holding	No of Shares of Rs. 10/- each	% of holding
1	Gautambhai Shantilal Adani Shantivan Farm, S G Highway, B/h Karnavati Club, Makarba, Ahmedabad – 380051.	1	0.00%	Nil	Nil	Nil	Nil	Nil	Nil
2	Rajeshbhai Shantilal Adani Shanti Sagar Bungalow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad – 380059.	1	0.00%	Nil	Nil	Nil	Nil	Nil	Nil
3	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust) 9 th Floor, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380009.	79,93,53,935	39.15%	Nil	Nil	Nil	Nil	Nil	Nil
4	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust) 9 th Floor, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380009.	30,000	0.00%	Nil	Nil	Nil	Nil	Nil	Nil
5	Adani Tradeline LLP 801, Shikhar Complex, Srimali Society, Navrangpura, Ahmedabad-380009.	13,81,93,549	6.77%	Nil	Nil	Nil	Nil	Nil	Nil

6	Adani Properties Private Limited Shikhar, Nr. Adani House, Mithakhali Six Road Navrangpura Ahmedabad-380009.	16,85,000	0.08%	Nil	Nil	Nil	Nil	Nil	Nil
7	Worldwide Emerging Market Holding Limited 6 th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.	83,2,95,368	4.08%	Nil	Nil	Nil	Nil	Nil	Nil
8	Afro Asia Trade and Investments Limited 6 th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.	8,99,45,212	4.41%	Nil	Nil	Nil	Nil	Nil	Nil
9	Emerging Market Investment DMCC Unit No. 3606-C, Oaks Liwa Heights, Plot No. JLT-PH2-W3A, Jumeirah Lake Towers, Dubai, UAE.	8,41,79,195	4.12%	Nil	Nil	Nil	Nil	Nil	Nil
10	Flourishing Trade And Investment Ltd C/o Amicorp (Mauritius) Ltd, 6 th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.	10,38,47,944	5.09%	Nil	Nil	Nil	Nil	Nil	Nil
11	Infinite Trade and Investment Ltd 6 th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.	19,30,430	0.09%	Nil	Nil	Nil	Nil	Nil	Nil

66. The name and address of the promoters of Brahmi including its shareholding in the Companies as on 30 June 2021 are as under:

Sr No	Name and Address of Promoters	APSEZ		Brahmi		Adani Tracks		Sarguja	
		No of Shares of Rs. 2/- each	% of holding	No of Shares of Rs. 2/- each	% of holding	No of Shares of Rs. 10/- each	% of holding	No of Shares of Rs. 10/- each	% of holding
1	Adani Rail Infra Private Limited* Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009	Nil	Nil	50,00,00,000	100%	Nil	Nil	Nil	Nil

* (Including one share held by its nominee)

67. The name and address of the promoters of Adani Tracks including its shareholding in the Companies as on 30 June 2021 are as under:

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

*(Including 6 share held by its nominees)

68. The name and address of the promoters of Sarguja including its shareholding in the Companies as on 30 June 2021 are as under:

Sr No	Name and Address of Promoters	APSEZ		Brahmi		Adani Tracks		Sarguja	
		No of Shares of Rs. 2/- each	% of holding	No of Shares of Rs. 2/- each	% of holding	No of Shares of Rs. 10/- each	% of holding	No of Shares of Rs. 10/- each	% of holding
1	Brahmi Tracks Management Services Private Limited * Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad-382421.	Nil	Nil	Nil	Nil	Nil	Nil	20,00,00,000	100%

*(Including 1 share held by its nominee)

69. The names and addresses of the directors of APSEZ as on 30 June 2021 are as follows:

Name and designation	Address	DIN
Mr. Gautam Adani, Chairman & Managing Director	Shantivan Farm House, B/h. Karnavati Club, Mohemadpura Village, Ahmedabad – 380 057	00006273
Mr. Rajesh Adani, Non – Executive Director	Shanti Sagar Bunglow Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad - 380 059	00006322
Mr. Karan Adani, Chief Executive Officer & WTD	Shantivan Farm House, B/h. Karnavati Club, Mohemadpura Village, Ahmedabad – 380 057	03088095

Dr. Malay Mahadevia, Director	12-B, Gyankunj Society, Opp. St. Xavier's College Navrangpura, Ahmedabad – 380 009	00064110
Prof. G. Raghuram, Independent Director	K-803, Casa Vyoma, Sarkari Vasahat Road, B/h. Alpha One Mall, Vastrapur, Ahmedabad – 380015	01099026
Mr. G. K. Pillai, Independent Director	D-241, 2 nd Floor, Sarvodaya Enclave New Delhi – 110 017	02340756
Ms. Nirupama Rao, Independent Director	Apartment D, First Floor, Spring Leaf Apartments, 6 Brunton Cross Road, Bengaluru-560025	06954879
Mr. Bharat Sheth, Independent Director	19-B, Manek, 11 L.D. Ruparel Marg, Malabar Hill, Mumbai-400006	00022102
Mr. Palamadai Sundararajan Jayakumar Independent Director	Flat No. B 803, Vivarea, Near Jacob Circle, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011.	01173236
Mrs. Avantika Singh Aulakh, IAS Nominee Director	B-104, Suflam Flats, Officers Quarters, Dafnala, Shahibaug, Ahmedabad - 380004	07549438

70. The names and addresses of the directors of Brahmi as on 30 June 2021 are as follows:

Name and designation	Address	DIN
Mr. Jatin Champaklal Shah Director	A-31, Goyalpark Row-House, Premchandnagar Road, Vastrapur, Ahmedabad - 380015.	00361346
Mr. Pritamkumar Nenmal Shah Director	44, Girdharnagar Society, Sahibaug Road, Shahibaug, Ahmedabad - 380004.	09057708

71. The names and addresses of the directors of Adani Tracks as on 30 June 2021 are as follows:

Name and designation	Address	DIN
Mr. Sandeep Mehta Director	Flat No. 304, Wing - A, Chaitanya Towers, Appa Saheb Marathe Marg, Prabhadevi, Mumbai - 400025.	00897409
Mr. Sajal Mittra Director	Dr. C R Mitter, B-115, Khan Abdul Ghaffar Khan Enclave, Near Tikona Park, Jamia Nagar, South Delhi, Delhi - 110025.	02625510
Mr. Avinash Chand Rai Director	D-1, Hindustan Zinc Colony, Rajpura, Dariba, Rajsamand Rajasthan - 313211.	08406981

72. The names and addresses of the directors of Sarguja as on 30 June 2021 are as follows:

Name and designation	Address	DIN
Mr. Uma Shankar Director	H 1203, Adani Oyster Grande, Kherki Majra, Dhankot (49) Gurgaon, Haryana - 122505	06819290
Mr. Dilip Kumar Jha Director	Flat No. B004, Spaze Privy, Sohna Road, Sector-72, Gurgaon, Haryana - 122001	06829315

73. The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of APSEZ in the Companies as on 30 June 2021 are as follows:

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

74. The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of Brahmi in the Companies as on 30 June 2021 are as follows:

Sr No	Name of the Director and KMP	Position	Equity Shares held in			
			APSEZ	Brahmi	Adani Tracks	Sarguja
			No of Shares of Rs. 2/- each	No of Shares of Rs. 2/- each	No of Shares of Rs. 10/- each	No of Shares of Rs. 10/- each
1	Mr. Jatin Champaklal Shah	Director	8,850	Nil	Nil	Nil
2	Mr. Pritamkumar Nenmal Shah	Director	Nil	1*	Nil	Nil
3	Mr. Sameer Devda	Company Secretary	Nil	Nil	Nil	Nil

*(As nominee of Adani Rail Infra Pvt. Ltd.)

75. The details of the shareholding of the Directors of Adani Tracks in the Companies as on 30 June 2021 are as follows:

Sr No	Name of the Director and KMP	Position	Equity Shares held in			
			APSEZ	Brahmi	Adani Tracks	Sarguja
			No of Shares of Rs. 2/- each	No of Shares of Rs. 2/- each	No of Shares of Rs. 10/- each	No of Shares of Rs. 10/- each
1	Mr. Sandeep Mehta	Director	Nil	Nil	Nil	Nil
2	Mr. Sajal Mittra	Director	Nil	Nil	Nil	Nil
3	Mr. Avinash Chand Rai	Director	Nil	Nil	Nil	Nil

There are no Key Managerial Personnel (KMP) in Adani Tracks as on 30 June 2021.

76. The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of Sarguja in the Companies as on 30 June 2021 are as follows:

Sr No	Name of the Director and KMP	Position	Equity Shares held in			
			APSEZ	Brahmi	Adani Tracks	Sarguja
			No of Shares of Rs. 2/- each	No of Shares of Rs. 2/- each	No of Shares of Rs. 10/- each	No of Shares of Rs. 10/- each
1	Mr. Uma Shankar	Director	1,000	Nil	Nil	6*
2	Mr. Dilip Kumar Jha	Director	Nil	Nil	Nil	Nil
3	Mr. Vikas Srivastava	Company Secretary	Nil	Nil	Nil	Nil

* (As nominee of Brahmi)

77. The pre-Scheme shareholding pattern of the Companies as on 30 June 2021; the post-Scheme shareholding pattern and capital structure of APSEZ and Sarguja (assuming the continuing shareholding pattern as on 30 June 2021) are as under:

APSEZ:

SN	Description	Pre-arrangement		Post -arrangement	
		No. of shares	%	No. of shares	%
(A)	Promoter and Promoter Group				
1	Indian				
(a)	Individuals	2	0.00	2	0.00
(b)	Family Trust	79,93,83,935	39.15	79,93,83,935	37.84
(c)	Bodies Corporate	13,98,78,549	6.85	21,05,00,018	9.97
	Sub Total(A)(1)	93,92,62,486	46.00	1,00,98,83,955	47.81
2	Foreign				
(a)	Individuals	-	-	-	-
(b)	Bodies Corporate	36,31,98,149	17.79	36,31,98,149	17.19
	Sub Total(A)(2)	36,31,98,149	17.79	36,31,98,149	17.19
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1,30,24,60,635	63.79	1,37,30,82,104	65.00
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds	8,03,85,546	3.94	8,03,85,546	3.81
(b)	Financial Institutions / Banks	1,97,881	0.01	1,97,881	0.01
(c)	Central Government/ State Government(s)	5,50,775	0.03	5,50,775	0.03
(d)	Insurance Companies	22,15,67,945	10.85	22,15,67,945	10.49
(e)	Alternate Investment Funds	8,00,253	0.04	8,00,253	0.04
(f)	Foreign Portfolio Investor	32,10,26,254	15.72	32,10,26,254	15.20
	Sub-Total (B)(1)	62,45,28,654	30.59	62,45,28,654	29.57
2	Non-institutions				
(a)	Bodies Corporate	1,00,99,597	0.49	1,00,99,597	0.48
(b)	Individuals				
I	Individuals – i. Individual shareholders holding nominal share capital up to Rs 2 lakh	7,34,88,348	3.60	7,34,88,348	3.48
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	1,08,11,633	0.53	1,08,11,633	0.51

(c)	Any Other				
	NBCFs registered with RBI	3,352	0.00	3,352	0.00
	Trusts	5,80,878	0.03	5,80,878	0.03
	Foreign Nationals	14,738	0.00	14,738	0.00
	Hindu Undivided Family	45,46,339	0.22	45,46,339	0.22
	Foreign Company	1,00,00,000	0.49	1,00,00,000	0.47
	Non Resident Indians	20,86,366	0.10	20,86,366	0.10
	Clearing Members	29,22,344	0.14	29,22,344	0.14
	Foreign Portfolio Investor (Individual)	8,570	0.00	8,570	0.00
	IEPF	2,00,307	0.01	2,00,307	0.01
	Sub-Total (B)(2)	11,47,62,447	5.62	11,47,62,447	5.43
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	73,92,91,126	36.21	73,92,91,126	35.00
	TOTAL (A)+(B)	2,04,17,51,761	100.00	2,11,23,73,230	100.00
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	2,04,17,51,761	100.00	2,11,23,73,230	100.00

Brahmi:

Sr No	Name of Shareholders	Brahmi	
		No of Shares of Rs. 2/- each	% of holding
1	Adani Rail Infra Private Limited*	50,00,00,000	100%

*(Including 1 share held by its nominee)

Adani Tracks:

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

*(Including 6 share held by its nominees)

Sarguja:

Sr No	Name of Shareholders	Pre- Arrangement		Post- Arrangement	
		No of Shares of Rs. 10/- each	% of holding	No of Shares of Rs. 10/- each	% of holding
1	Brahmi Tracks Management Services Private Limited *	20,00,00,000	100%	-	-
2	Adani Ports and Special Economic Zone Limited**	-	-	20,00,01,983	100%

*(Including 1 share held by its nominee)

** (Including 6 share held by its nominees)

The Post-Arrangement Capital Structure of APSEZ (assuming the continuing capital structure as on 30 June 2021)

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

The Post-Arrangement Capital Structure of Sarguja (assuming the continuing capital structure as on 30 June 2021)

Particulars	Amount (in Rupees)
<u>Authorized Capital</u>	
20,50,00,000 Equity Shares of Rs. 10/- each	205,00,00,000
Total	205,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
20,00,01,983 Equity Shares of Rs. 10/- each	200,00,01,983
Total	200,00,01,983

78. 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.
79. The following documents will be available for inspection by the secured creditors (including secured debenture holders) of APSEZ through electronic mode, basis the request being sent on investor.apsezl@adani.com. Further, the following documents will also be open for inspection by the secured creditors (including secured debenture holders) of APSEZ at its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India, between 10.30 a.m. and 12.30 pm on all working days up to the date of the meeting:
- Copy of the order passed by NCLT in C.A. (CAA)/56 (AHM) 2021, dated 9 August 2021, *inter alia*, directing APSEZ to convene the meetings of its equity shareholders, secured creditors (including secured debenture holders) and unsecured creditors;
 - Copy of C.A. (CAA)/56 (AHM) 2021 along with annexures filed by the Companies before NCLT;
 - Copy of the Memorandum and Articles of Association of the Companies;
 - Copy of the annual reports of APSEZ and Sarguja, for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019, respectively;
 - Copy of the annual reports of Brahmi and Adani Tracks, for the financial years ended 31 March 2021 and 31 March 2020, respectively;
 - Copy of the Register of Directors' shareholding of each of the Companies;
 - Copy of the Valuation Report dated 3 March 2021 issued by BDO Valuation Advisory LLP, Registered Valuer to the respective Board of Directors of APSEZ and Brahmi, in respect of the proposed amalgamation of Brahmi with APSEZ (*First Valuation Report*);

- (viii) Copy of the clarification, dated 24 April 2021, to the First Valuation Report, issued by BDO Valuation Advisory LLP, Registered Valuer to the respective Board of Directors of APSEZ and Brahmi;
- (ix) Copy of the valuation report dated 3 March 2021 submitted by Deutsche Equities India Private Limited to APSEZ;
- (x) Copy of the Valuation Report dated 3 March 2021 issued by Y. K. Mehta & Associates, Registered Valuer to the respective Board of Directors of APSEZ and Sarguja, in respect of the proposed transfer of the Divestment Business Undertaking (*as defined in the Scheme*) as a going concern on a Slump Sale (*as defined in the Scheme*) basis by APSEZ to Sarguja for a lump sum consideration (*Second Valuation Report*);
- (xi) Copy of the Valuation Report dated 3 March 2021 issued by BDO Valuation Advisory LLP, Registered Valuer to the respective Board of Directors of Sarguja and Adani Tracks, in respect of the proposed amalgamation of Adani Tracks with Sarguja (*Third Valuation Report*);
- (xii) Copy of the clarification, dated 24 April 2021, to the Third Valuation Report, issued by BDO Valuation Advisory LLP, Registered Valuer to the respective Board of Directors of Sarguja and Adani Tracks;
- (xiii) Copy of the Fairness Opinions, both dated 3 March 2021, issued by J. P. Morgan India Private Limited and JM Financial Limited to APSEZ on the First Valuation Report (*First Fairness Opinions*);
- (xiv) Copy of the Fairness Opinion dated 3 March 2021 issued by Vivro Financial Services Private Limited to the Second Valuation Report (*Second Fairness Opinion*);
- (xv) Copy of the Fairness Opinion dated 3 March 2021 issued by Vivro Financial Services Private Limited to the Third Valuation Report (*Third Fairness Opinion*);
- (xvi) Copy of the report of the Audit Committee of APSEZ dated 3 March 2021;
- (xvii) Copy of the report of the Committee of Independent Directors of APSEZ dated 3 March 2021;
- (xviii) Copy of the report of the Executive Committee of APSEZ dated 3 March 2021;
- (xix) Copy of the extracts of the resolution passed by the Board of Directors of APSEZ dated 3 March 2021;
- (xx) Copy of the resolution passed by the Board of Directors of Brahmi dated 3 March 2021;
- (xxi) Copy of the extracts of the resolution passed by the Board of Directors of Adani Tracks dated 3 March 2021;
- (xxii) Copy of the resolution passed by the Board of Directors of Sarguja dated 3 March 2021;
- (xxiii) Copy of the Statutory Auditors' certificate dated 1 March 2021 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of APSEZ under Section 133 of the Act;
- (xxiv) Copy of the Statutory Auditors' certificate dated 3 March 2021 issued by M/s Shah Dhandharia & Co., Chartered Accountants, Statutory Auditors of Sarguja under Section 133 of the Act;
- (xxv) Copy of the e-mail dated 20 April 2021 addressed by BSE to APSEZ along with the letter in reply dated 29 April 2021 addressed by APSEZ to BSE;
- (xxvi) Copy of the no complaints report, dated 1 June 2021 and 27 May 2021, submitted by APSEZ to BSE and NSE, respectively;
- (xxvii) Copy of the no adverse observations/no-objection letter issued by BSE and NSE, both dated 9 July 2021 to APSEZ;
- (xxviii) Summary of all the Valuation Reports including the basis of such valuation reports and fairness opinions;
- (xxix) Copies of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies, along with the challan dated 20 July 2021, evidencing filing of the Scheme;

- (xxx) Copy of the certificate, dated 31 July 2021, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying the amount due to the unsecured creditors of APSEZ as on 30 June 2021;
- (xxxi) Copy of the certificate, dated 20 July 2021, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying the amount due to the unsecured creditors of Brahmi as on 30 June 2021;
- (xxxii) Copy of the certificate, dated 15 July 2021, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying that there are no unsecured creditors of Adani Tracks as on 30 June 2021;
- (xxxiii) Copy of the certificate, dated 20 July 2021, issued by Dharmesh Parikh & Co LLP, Chartered Accountants, certifying the amount due to the unsecured creditors of Sarguja as on 30 June 2021;
- (xxxiv) Copy of the Scheme;
- (xxxv) Copy of the Reports all dated 3 March 2021 adopted by the Board of Directors of the respective Companies pursuant to the provisions of section 232(2)(c) of the Act;
- (xxxvi) Copy of the applicable information of Brahmi in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (xxxvii) Copy of the applicable information of Adani Tracks in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (xxxviii) Copy of the applicable information of Sarguja in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- (xxxix) Copy of the report dated 20 March 2021 issued by Ernst & Young LLP to APSEZ in respect of compliance of the "policy on related party transactions for acquiring and sale of assets" adopted by APSEZ.

The secured creditors (including secured debenture holders) shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xxiii), (xxiv), (xxvi), (xxvii), (xxviii), (xxxiv), (xxxv), (xxxvi), (xxxvii) and (xxxviii) above.

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

Dated this 11 August 2021

Hon'ble Mr. Justice K.A. Puj
Chairman appointed for the Meeting

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

SCHEME

**COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
AND
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
AND
ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
AND
SARGUJA RAIL CORRIDOR PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)**

I. PREAMBLE

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

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

II. INTRODUCTION

- (i) Brahmi was incorporated on 7 November 2019 as Brahmi Build Estate Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Act. Its name was changed to Brahmi Tracks Management Services Private Limited on 2 March 2021. The Corporate Identification Number of Brahmi is U35100GJ2019PTC110704. The registered office of Brahmi is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat - 382421, India. Brahmi has the object to carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings and management of railway projects. Brahmi is the wholly owned subsidiary of Adani Rail Infra Private Limited and that Brahmi is the holding company of Sarguja. Brahmi holds the entire paid-up share capital of Sarguja.
- (ii) APSEZ was incorporated on 26 May 1998 as Gujarat Adani Port Limited, a public limited company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. Its name was changed to (a) Mundra Port and Special Economic Zone Limited on 7 July 2006; and (b) Adani Ports and Special Economic Zone Limited on 6 January 2012. The Corporate Identification Number of APSEZ is L63090GJ1998PLC034182. The registered office of APSEZ is currently situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India. APSEZ is India's largest multi-port operator and developer with presence in various parts of India. It is a developer of multi product Special Economic Zone at Mundra, Gujarat. APSEZ's business constitutes the Mundra Rail Business (*as defined hereinafter*) and the Other Business (*as defined hereinafter*). The equity shares of APSEZ are listed on the Stock Exchanges (*as defined hereinafter*). The secured non-convertible debentures issued by APSEZ from time to time are listed on the Wholesale Debt Market segment of BSE Limited. Further, the commercial papers issued by APSEZ from time to time are also listed on BSE Limited. The unsecured senior notes issued by APSEZ from time to time are listed on Singapore Exchange Securities Trading Limited. Some of the unsecured senior notes issued by APSEZ are also listed on India International Exchange (IFSC) Limited.
- (iii) Adani Tracks was incorporated on 31 July 2019 as Adani Tracks Management Services Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Act. The Corporate Identification Number of Adani Tracks is U45202GJ2019PTC109348. The registered office of Adani Tracks is currently situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India. Adani Tracks has been incorporated with an object to carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings and management of railway projects. The entire paid-up share capital of Adani Tracks is held by APSEZ. Thus, Adani Tracks is a wholly owned subsidiary of APSEZ.
- (iv) Sarguja was incorporated on 5 May 2010 as Sarguja Rail Corridor Private Limited, a private limited company, with the Registrar of Companies, National Capital Territory of Delhi and Haryana, under the provisions of the Companies Act, 1956 and now deemed to be incorporated under the Act. Its

registered office was shifted from the National Capital Territory of Delhi to the State of Gujarat on 19 August 2020. The Corporate Identification Number of Sarguja is U60200GJ2010PTC115649. The registered office of Sarguja is currently situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India. Sarguja has, *inter alia*, developed, operates and maintains 70 kms of a private railway siding from Parsa East & Kanta Basan coal blocks to the nearest Indian railway line i.e. Surajpur Road railway station, located in the northern central part of Hasdeo Arand Coalfield in Sarguja district of Chhattisgarh. Presently, Sarguja is a wholly owned subsidiary of Brahmi.

III. RATIONALE FOR THE SCHEME

- (a) Over the years, there has been growth in the logistic sector. The Government of India has also come out with various public private participation schemes to efficiently meet the increasing demand in the logistics sector. With Dedicated Freight Corridor implementation, the rail share is expected to increase meaningfully. Thus, there is a significant opportunity in developing the rail assets considering the growth demand and infrastructure build requirement.
- (b) It is the objective of APSEZ to (i) consolidate the rail assets under one entity which will diligently work for the development, maintenance and operation of existing and new railway lines across the country; (ii) tap private partnership opportunity for developing the first mile – last mile connectivity and increasing the network capacity for rail transport; and (iii) create center of excellence to bring best practices, operational efficiency, technology integration and common skill set.
- (c) The Scheme will result in, *inter alia*, the following benefits:
 - (i) consolidation of the rail business, productive utilization of combined resources, operational and administrative efficiencies, economics of scale, reduction in overheads and other expenses, reduction in the multiplicity of legal and regulatory compliances, and consequential creation of greater value for shareholders and all other stakeholders;
 - (ii) track footprint of Sarguja will supplement to APSEZ's strategy of providing end to end logistics for hinterland to hinterland cargo movement;
 - (iii) availability of expanded business pre-qualifications, increased net worth to enable to bid for larger and more complex rail infrastructure projects and provide better access to the funds for growth opportunities; and
 - (iv) benefit from the complimentary skills of the combined management team, which in turn would enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.

IV. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (i) **Part I** deals with the definitions, interpretation, date of taking effect and share capital of Brahmi, APSEZ, Adani Tracks and Sarguja;
- (ii) **Part II** deals with the amalgamation of Brahmi into and with APSEZ in accordance with the provisions of Sections 230 – 232 of the Act;
- (iii) **Part III** deals with the amalgamation of Adani Tracks into and with Sarguja in accordance with the provisions of Section 230 – 232 of the Act;
- (iv) **Part IV** deals with the transfer of the Divestment Business Undertaking from APSEZ and its vesting in Sarguja as a going concern on a Slump Sale basis for lump sum consideration; and
- (v) **Part V** deals with the general terms and conditions that would be applicable to the Scheme.

PART I

DEFINITIONS, INTERPRETATION, DATE OF TAKING EFFECT AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme unless the meaning or context otherwise requires (i) terms defined in the recitals and the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following

words or expressions, wherever used, (including in the Recitals and the introductory paragraphs above) shall have the following meanings:

- 1.1. **"Act"** means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;
- 1.2. **"Adani Tracks"** means Adani Tracks Management Services Private Limited, a private limited company, incorporated under the provisions of the Act and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India and, not withstanding anything to the contrary in this Scheme shall include:
 - i. any and all of its assets, whether movable or immovable (if any), tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to registrations, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, all rights, title, interests, covenants, undertakings and rights appurtenant to the immovable property, if any, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
 - ii. any and all of its investments (including shares whether in dematerialized or physical form), scrips, stocks, mutual funds, bonds including government guaranteed bonds, treasury bills, debentures, debenture stock, units, and other securities, if any, including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, premiums, receivables, including dividends declared or interest accrued thereon, reserves, surplus, provisions, funds and benefits of all agreements;
 - iii. any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, allotments, approvals including approvals granted by the Government of India, Ministry of Railways, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, minimum alternate tax, value added tax, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;
 - iv. any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);
 - v. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which Adani Tracks is a party, and other assurances in favour of Adani Tracks or powers or authorizations granted by or to it;
 - vi. all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against Adani Tracks;

- vii. all insurance policies;
 - viii. any and all of its staff and employees, who are on its payrolls, including those employed at its offices, employees/personnel engaged on contract basis and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by Adani Tracks, including liabilities of Adani Tracks, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, or otherwise, in terms of its license, at its offices or otherwise, and any other employees/personnel and interns/trainees hired by Adani Tracks as on the Effective Date;
 - ix. rights of any claim not made by Adani Tracks in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Adani Tracks and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the Income Tax Act, 1961, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under applicable law;
 - x. any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund, if any;
 - xi. all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by Adani Tracks, directly or indirectly;
 - xii. all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former suppliers including service providers, customer credit information, customer/supplier pricing information, list of present and former agents and brokers and all other books and records, whether in physical or electronic form;
 - xiii. amounts claimed by Adani Tracks whether or not so recorded in the books of account of Adani Tracks from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
 - xiv. all registrations, trademarks, trade names, computer programs, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by Adani Tracks in the business, activities and operations carried on by Adani Tracks; and
 - xv. all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Adani Tracks and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Adani Tracks;
- 1.3. **"Applicable Law"** means all applicable (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, code, directives, rules, regulations, bye-laws, notifications, guidelines or policies of any applicable jurisdiction; and (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals required from Governmental Authorities of, or agreements with, any Governmental Authority;
- 1.4. **"Appointed Date 1"** means 1 April 2021;
- 1.5. **"Appointed Date 2"** means 2 April 2021;

- 1.6. **"APSEZ"** means Adani Ports and Special Economic Zone Limited, a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India;
- 1.7. **"APSEZ Shares"** means the fully paid-up equity shares of APSEZ, each having a face value of Rs. 2/- (Rupees Two Only) and one (1) vote per equity share;
- 1.8. **"Board of Directors"** or **"Board"** in relation to the Companies means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- 1.9. **"Brahmi"** means Brahmi Tracks Management Services Private Limited, a private limited company, incorporated under the provisions of the Act and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421, India and, notwithstanding anything to the contrary in this Scheme shall include:
- i. any and all of its assets, whether movable or immovable (if any), tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including but not limited to registrations, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment, all rights, title, interests, covenants, undertakings and rights appurtenant to the immovable property, if any, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
 - ii. any and all of its investments (including shares whether in dematerialized or physical form), scrips, stocks, mutual funds, bonds including government guaranteed bonds, treasury bills, debentures, debenture stock, units, and other securities, if any, including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, premiums, receivables, including dividends declared or interest accrued thereon, reserves, surplus, provisions, funds, benefits of all agreements, debentures, debenture stock or units;
 - iii. any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, allotments, approvals including approvals granted by the Government of India, Ministry of Railways, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, minimum alternate tax, value added tax, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature;
 - iv. any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);
 - v. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service

- agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which Brahmi is a party, and other assurances in favour of Brahmi or powers or authorizations granted by or to it;
- vi. all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against Brahmi;
 - vii. all insurance policies;
 - viii. any and all of its staff and employees, who are on its payrolls, including those employed at its offices, employees/personnel engaged on contract basis and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by Brahmi, including liabilities of Brahmi, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, or otherwise, in terms of its license, at its offices or otherwise, and any other employees/personnel and interns/trainees hired by Brahmi as on the Effective Date;
 - ix. rights of any claim not made by Brahmi in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Brahmi and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the Income Tax Act, 1961, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under applicable law;
 - x. any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund, if any;
 - xi. all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by Brahmi, directly or indirectly;
 - xii. all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former suppliers including service providers, customer credit information, customer/supplier pricing information, list of present and former agents and brokers and all other books and records, whether in physical or electronic form;
 - xiii. amounts claimed by Brahmi whether or not so recorded in the books of account of Brahmi from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
 - xiv. all registrations, trademarks, trade names, computer programs, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by Brahmi in the business, activities and operations carried on by Brahmi; and
 - xv. all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Brahmi and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Brahmi;

1.10. **"Companies"** means collectively, Brahmi, APSEZ, Adani Tracks and Sarguja;

- 1.11. **"Competent Authority"** means the National Company Law Tribunal, Ahmedabad Bench, which has the jurisdiction in relation to the Companies;
- 1.12. **"Divestment Business Undertaking"** means the business, undertaking, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisory for the conduct of, or the activities or operations of, the Mundra Rail Business of APSEZ, as a going concern, and includes without limitation:
- (i) all immovable properties and rights thereto with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way/use, tenancies or otherwise) including right to use the special economic zone land of APSEZ in relation to Mundra Rail Business, boundary wall, and culverts, bridges, civil works, foundations for civil works, buildings, warehouses, offices, trees, together with all plant and machinery embedded etc., which immovable properties form part of the Mundra Rail Business whether or not recorded in the books of accounts of APSEZ and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
 - (ii) all assets, as are movable in nature forming part of the Mundra Rail Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, pipeline, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, railway siding, inventories, stock in trade, stores and spares, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, provisions, funds, benefits of all agreements, the benefits of any bank guarantees, performance guarantees and indirect tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs;
 - (iii) all permits, licenses, permissions, right of way, approvals including the approvals granted by the Government of India, Ministry of Railways, authorizations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, indirect tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approvals including approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the Mundra Rail 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 form part of the Mundra Rail Business;
 - (iv) all insurance policies pertaining to the Mundra Rail Business save and except any insurance policies generally taken for the entire business of APSEZ;
 - (v) all the debts, loans, duties, liabilities, obligations, of any nature whatsoever exclusively arising out of or pertaining to, in any manner, the Mundra Rail Business or the operation thereof;
 - (vi) all contracts, agreements including agreement for construction of railway line with Ministry of Railways; and agreement to operate rail transport with Ministry of Railways, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder, in relation to the Mundra Rail Business;

- (vii) all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against APSEZ in relation to or pertaining exclusively to the Mundra Rail Business (or a part thereof) or arising from the operations thereof;
- (viii) the Divestment Employees;
- (ix) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Mundra Rail Business;
- (x) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by APSEZ pertaining to or in connection with or relating to APSEZ in respect of the Mundra Rail 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 APSEZ and pertaining to the Mundra Rail Business; and
- (xi) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Mundra Rail Business.

- 1.13. **"Divestment Contracts"** has the meaning given to it in Clause 4.1 of Part IV of the Scheme;
- 1.14. **"Divestment Employees"** shall mean all the employees of APSEZ employed in the Mundra Rail Business as on the Effective Date;
- 1.15. **"Divestment Litigation"** has the meaning given to it in Clause 5.1 of Part IV of the Scheme;
- 1.16. **"Effective Date"** means the date on which certified copies of the orders of the Competent Authority are filed with the RoC after the last of the approvals or events specified under Clause 6.1 of Part V of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. References in this Scheme to "upon this Scheme becoming effective" or "coming into effect of this Scheme" or the "Scheme becoming effective" or "Scheme becomes effective" or "effectiveness of this Scheme" or likewise, means and refers to the Effective Date;
- 1.17. **"Encumbrance"** means (a) any encumbrance including, without limitation, any claim, mortgage, negative lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, trust, guarantee, commitment, assignment by way of security, or other encumbrances or security interest of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes 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 in each case under any law, contract or otherwise, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (c) any adverse claim as to title, possession or use; and/ or (d) any agreement, conditional or otherwise, to create any of the foregoing, and the term 'encumber' shall be construed accordingly.
- 1.18. **"Governmental Authority"** means any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, tribunal or court or other entity authorised to make

laws, rules or regulations or pass directions, having or purporting to have jurisdiction over any state or other sub-division thereof or any municipality, district or other sub-division thereof pursuant to Applicable Law;

- 1.19. **"IT Act"** means the Income Tax Act, 1961, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;
- 1.20. **"Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines, etc., that may replace such Regulations;
- 1.21. **"Mundra Rail Business"** means the rail line of ~ 74 kms from Mundra port to Adipur railway station, built under the non-governmental railway framework, and includes the platforms, railway operational building, railway crossings, railway bridges and culverts, railway signalling and telecommunications, etc. along the said rail line;
- 1.22. **"New Equity Shares 1"** has the meaning given to it in Clause 5.1 of Part II of the Scheme;
- 1.23. **"New Equity Shares 2"** has the meaning given to it in Clause 5.1 of Part III of the Scheme;
- 1.24. **"Other Business"** means any business of APSEZ other than the Divestment Business Undertaking;
- 1.25. **"Record Date 1"** means the date to be fixed by the Board of Directors of APSEZ after mutual agreement on the same between APSEZ and Brahmi, for the purpose of determining the shareholders of Brahmi to whom the New Equity Shares 1 will be allotted pursuant to this Scheme;
- 1.26. **"Record Date 2"** means the date to be fixed by the Board of Directors of Sarguja after mutual agreement on the same between Sarguja and Adani Tracks, for the purpose of determining the shareholders of Adani Tracks to whom the New Equity Shares 2 will be allotted pursuant to this Scheme;
- 1.27. **"Registrar of Companies" or "RoC"** means the Registrar of Companies, Gujarat, having jurisdiction over the Companies;
- 1.28. **"Sarguja"** means Sarguja Rail Corridor Private Limited, a private limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India;
- 1.29. **"Sarguja Shares"** means the fully paid-up equity shares of Sarguja, each having a face value of Rs. 10/- (Rupees Ten Only) and one (1) vote per equity share;
- 1.30. **"Scheme" or "the Scheme" or "this Scheme"** means this composite scheme of arrangement pursuant to Sections 230 – 232 and other relevant provisions of the Act, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Competent Authority and other relevant Governmental Authorities, as may be required under the Act and under all other Applicable Laws;
- 1.31. **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.32. **"SEBI Circular"** means Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020;
- 1.33. **"Share Swap Ratio 1"** has the meaning given to it in Clause 5.1 of Part II of the Scheme;
- 1.34. **"Share Swap Ratio 2"** has the meaning given to it in Clause 5.1 of Part III of the Scheme;
- 1.35. **"Slump Sale"** means sale of an undertaking on a going concern basis, for a lump sum consideration without values being assigned to the individual assets and liabilities, as defined under Section 2(42C) of the IT Act;
- 1.36. **"Stock Exchanges"** means the BSE Limited and the National Stock Exchange of India Limited; and
- 1.37. **"Tax"** means all applicable forms of taxation, duties, levies imposed, whether direct or indirect, whether central, state or local, including without limitation corporate income tax, service tax, withholding tax, dividend distribution tax, goods and services tax, central sales tax, entry tax, octroi, stamp duty, value added tax, customs and excise duties, capital tax and other legal transaction taxes, land taxes, duties and any other type of taxes or duties payable by virtue of any Applicable Law (**"Direct and Indirect Tax"**); together with any interest, premium, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction.

2. INTERPRETATION

- 2.1. Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Competent Authority in this Scheme, the reference would include, if appropriate, reference to the Competent Authority or such other forum or authority, as may be vested with any of the powers of the Competent Authority under the Act and/or rules made thereunder.
- 2.2. In this Scheme, unless the context otherwise requires:
- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
 - (ii) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
 - (iii) references to one gender includes all genders;
 - (iv) words in the singular shall include the plural and *vice versa*;
 - (v) any references in this Scheme to "upon this Scheme becoming effective" or "coming into effect of this Scheme" or the "Scheme becoming effective" or "Scheme becomes effective" or "effectiveness of this Scheme" or likewise shall be construed to be a reference to the Effective Date;
 - (vi) words "include" and "including" are to be construed without limitation;
 - (vii) terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;
 - (viii) A reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;
 - (ix) Reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;
 - (x) reference to the Recital or Clause shall be a reference to the Recital or Clause of this Scheme; and
 - (xi) references to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.

3. DATE OF TAKING EFFECT

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

4. SHARE CAPITAL

4.1. The share capital of the Companies as on 3 March 2021 is as set out below:

(i) Share capital of Brahmi is as under:

Particulars	Amount (in Rupees)
<u>Authorized Capital</u>	
50,00,00,000 Equity Shares of Rs. 2/- each	100,00,00,000
Total	100,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
50,00,00,000 Equity Shares of Rs. 2/- each	100,00,00,000
Total	100,00,00,000

(ii) Share capital of APSEZ is as under:

Particulars	Amount (in Rupees)
<u>Authorized Capital</u>	
497,50,00,000 Equity Shares of Rs. 2/- each	995,00,00,000
50,00,000 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	5,00,00,000
Total	1000,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
203,17,51,761 Equity Shares of Rs. 2/- each	406,35,03,522
25,01,824 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	2,50,18,240
Total	408,85,21,762

(iii) Share capital of Adani Tracks is as under:

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

(iv) Share capital of Sarguja is as under:

Particulars	Amount (in Rupees)
<u>Authorized Capital</u>	
20,50,00,000 Equity Shares of Rs. 10/- each	205,00,00,000
Total	205,00,00,000
<u>Issued, subscribed and Paid up Share Capital</u>	
20,00,00,000 Equity Shares of Rs. 10/- each	200,00,00,000
Total	200,00,00,000

- 4.2. It is hereby clarified that between the date of filing of the Scheme with the Competent Authority and the Effective Date, the respective Companies may issue further shares and make consequent changes to their respective issued, subscribed and paid-up share capital and the same will not affect the share swap ratio referred to in Clause 5.1 of Part II or Clause 5.1 of Part III below.

PART II

AMALGAMATION OF BRAHMI INTO AND WITH APSEZ

1. TRANSFER AND VESTING OF BRAHMI INTO AND WITH APSEZ

- 1.1. With effect from the Appointed Date 1 and upon this Scheme becoming effective, Brahmi along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of Brahmi shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in APSEZ, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.
- 1.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date 1:
- (a) all assets of Brahmi, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, if any, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in APSEZ, wherever located and shall become the property and an integral part of APSEZ. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
 - (b) all other movable properties of Brahmi, including investments in shares and any other securities, treasury bills, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of APSEZ, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments made by Brahmi and all the rights, title and interest of Brahmi in any leasehold properties, if any, shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in APSEZ;
 - (c) all immovable properties of Brahmi, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Brahmi, if any, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in APSEZ, without any further act or deed done or being required to be done by Brahmi and/or APSEZ. APSEZ shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling APSEZ to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of APSEZ by the Governmental Authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
 - (d) the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same;
 - (e) all Encumbrances, if any, existing prior to the Effective Date over the assets of Brahmi which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or

were attached prior to the Effective Date and as are transferred to APSEZ. Provided that if any assets of Brahmi have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of APSEZ. The secured creditors of APSEZ and/or other holders of security over the properties of APSEZ, if any, shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of Brahmi and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of APSEZ. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

- (f) all estate, assets, rights, title, claims, interest, investments and properties of Brahmi as on the Appointed Date 1, whether or not included in the books of Brahmi, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which are acquired by Brahmi on or after the Appointed Date 1 but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of APSEZ;
- (g) all contracts, agreements, licences, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes and other instruments to which Brahmi is a party, or to the benefit of which, Brahmi may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligor thereto. If APSEZ enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Brahmi will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by Brahmi (and not by any of its successors), shall be fulfilled by APSEZ as if it is the duly constituted attorney of Brahmi;
- (h) any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority, court or tribunal or other proceedings of whatsoever nature relating to Brahmi, whether by or against Brahmi, whether pending on the Appointed Date 1 or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of Brahmi or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against Brahmi, as if this Scheme had not been implemented;
- (i) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of Brahmi shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of APSEZ, and APSEZ shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by Brahmi after the Appointed Date 1 and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of APSEZ and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in APSEZ and shall become the debt, duties, undertakings, liabilities and obligations of APSEZ which shall meet, discharge and satisfy the same;
- (j) all debentures, bonds, notes or other securities of Brahmi, if any, whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of APSEZ and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against APSEZ as if it were Brahmi. It is hereby clarified that it shall not be necessary to obtain the consent

of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;

- (k) APSEZ shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of Brahmi to the extent necessary until the transfer of the rights and obligations of Brahmi to APSEZ under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of Brahmi after the Effective Date, shall be accepted by the bankers of APSEZ and credited to the accounts of APSEZ, if presented by APSEZ. Similarly, the banker of APSEZ shall honour all cheques issued by Brahmi for payment after the Effective Date;
- (l) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which Brahmi is a party to or to the benefit of which Brahmi may be eligible, shall remain in full force and effect against or in favour of APSEZ and may be enforced as fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of Brahmi shall be deemed to be the track record of APSEZ for all commercial and regulatory purposes;
- (m) all the staff and employees of Brahmi, if any, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of APSEZ, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Brahmi as on the Effective Date. APSEZ further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with Brahmi, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Brahmi, APSEZ shall stand substituted for Brahmi for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by Brahmi, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Brahmi for such purpose shall be treated as having been continuous;
- (n) with regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of Brahmi, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Brahmi in relation to such schemes or funds shall become those of APSEZ. Upon the Scheme becoming effective, APSEZ shall stand substituted for Brahmi for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by Brahmi for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of APSEZ. It is clarified that the services of all employees of Brahmi transferred to APSEZ will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of APSEZ, if it deems fit and subject to Applicable Laws, shall be entitled to: (i) retain separate trusts or funds within APSEZ for the erstwhile fund(s) of Brahmi; or (ii) merge the pre-existing fund of Brahmi with other similar funds of APSEZ;
- (o) APSEZ agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the employees with Brahmi, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable;
- (p) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in APSEZ;

- (q) all registrations, goodwill and licenses, appertaining to Brahmi, if any, shall transferred to and vested in APSEZ;
- (r) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to Brahmi, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of APSEZ, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to Brahmi, shall pursuant to this Scheme becoming effective, be available to APSEZ;
- (s) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to Brahmi, or to the benefit of which Brahmi may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of APSEZ and may be enforced as fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of APSEZ pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, APSEZ shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes;
- (t) benefits of any and all corporate approvals as may have already been taken by Brahmi, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to APSEZ and the said corporate approvals and compliances shall be deemed to have been taken/complied with by APSEZ; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of APSEZ, shall be added to the limits, if any, under the like resolutions passed by APSEZ;
- (u) all bank accounts operated or entitled to be operated by Brahmi shall be deemed to have transferred and shall stand transferred to APSEZ and names of Brahmi shall be substituted by the name of APSEZ in the bank's records;
- (v) all the property, assets and liabilities of Brahmi shall be transferred to APSEZ as appearing in the books of account of Brahmi at the close of business of the day immediately preceding the Appointed Date 1;
- (w) all the benefits under the various incentive schemes and policies that Brahmi is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by Brahmi and all rights or benefits that have accrued or which may accrue to Brahmi, whether on, before or after the Appointed Date 1, shall upon this Scheme becoming effective and with effect from the Appointed Date 1 be transferred to and vest in APSEZ and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by APSEZ and these shall relate back to the Appointed Date 1 as if APSEZ was originally entitled to all benefits under such incentive schemes and or policies;
- (x) where any of the debts, liabilities, duties and obligations incurred before the Appointed Date 1 by Brahmi, deemed to have been transferred to APSEZ by virtue of this Scheme, have been discharged by Brahmi after the Appointed Date 1 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of APSEZ;
- (y) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, if any, to which Brahmi is a party, and having effect immediately

before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against APSEZ and may be enforced fully and effectually as if, instead of Brahmi, APSEZ had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of Brahmi in any properties including leasehold/ licensed properties of Brahmi including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in APSEZ automatically without requirement of any further act or deed. APSEZ shall continue to pay rent or lease or license fee as provided for under such agreements, and APSEZ shall continue to comply with the terms, conditions and covenants thereunder;

- (z) any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between Brahmi and APSEZ shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of APSEZ; and
- (aa) for the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date 1, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of Brahmi shall stand transferred to APSEZ, and APSEZ shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to APSEZ.

- 1.3. Brahmi and/or APSEZ as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Brahmi. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of APSEZ pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, APSEZ shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 1.4. APSEZ shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Brahmi and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 1.5. Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of Brahmi into APSEZ by virtue of Part II of the Scheme itself, APSEZ may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which Brahmi has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of Brahmi. APSEZ will, if necessary, also be a party to the above.

2. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 2.1. Brahmi and APSEZ have agreed that during the period between the approval of the Scheme by the respective Boards of Brahmi and APSEZ and up to the Effective Date, the business of Brahmi and APSEZ shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.

2.2. With effect from the Appointed Date 1 and up to and including the Effective Date:

- (a) Brahmi undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of the properties and assets pertaining to Brahmi, for and on account of and in trust for APSEZ;
- (b) Brahmi hereby undertakes to hold its said assets with utmost prudence in the ordinary course of business until the Effective Date;
- (c) all profits and income accruing to Brahmi, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date 1 based on the accounts of Brahmi shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of APSEZ;
- (d) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date 1, whether or not provided in the books of Brahmi which arise or accrue to Brahmi on or after the Appointed Date 1, shall be deemed to be of APSEZ;
- (e) all assets and properties comprised in Brahmi as on the date immediately preceding the Appointed Date 1, whether or not included in the books of Brahmi and all assets and properties relating thereto, which are acquired by Brahmi, on or after the Appointed Date 1, shall be deemed to be the assets and properties of APSEZ; and
- (f) any of the rights, powers, authorities, privileges exercised by Brahmi shall be deemed to have been exercised by Brahmi for and on behalf of, and in trust for APSEZ. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Brahmi shall be deemed to have been undertaken for and on behalf of APSEZ.

2.3. With effect from the Effective Date, APSEZ shall carry on and shall be authorised to carry on the businesses of Brahmi.

2.4. For the purpose of giving effect to the order passed under Sections 230 – 232 and other applicable provisions of the Act in respect of this Scheme by the Competent Authority, APSEZ shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of Brahmi, in accordance with the provisions of Sections 230 – 232 of the Act. APSEZ is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

2.5. APSEZ shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities and all other agencies, departments and authorities concerned as are necessary under Applicable Law for such consents, approvals and sanctions which APSEZ may require to carry on the business of Brahmi.

2.6. Upon this Scheme becoming effective, APSEZ, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of Brahmi with effect from the Appointed Date 1, in order to give effect to the foregoing provisions.

3. DISSOLUTION OF BRAHMI

3.1. Upon this Scheme becoming effective, Brahmi shall stand dissolved without being wound up, without any further act, instrument or deed.

4. CHANGES IN SHARE CAPITAL

4.1. As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of Brahmi shall stand transferred to and be amalgamated/combined with the authorized share capital of APSEZ. The fees or stamp duty, if any, paid by Brahmi on its authorized share capital shall be deemed to have been so paid by APSEZ on the combined authorized share capital, and APSEZ shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorised share capital of APSEZ will automatically stand increased to that effect by simply filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act.

Clause V. of the memorandum of association of APSEZ shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 1,100,00,00,000/- (Rupees One Thousand One Hundred Crores Only) divided into 547,50,00,000 (Five Hundred Forty Seven Crores and Fifty Lacs only) Equity Shares of Rs. 2/- (Rupees Two only) each and 50,00,000 (Fifty Lacs only) Non- Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each with such rights, privileges and conditions attached thereto as may be determined by the Company from time to time in accordance with the Articles of Association of the Company. The Company has and shall always have the power to divide, sub-divide or consolidate the shares for time being of the Company into several classes and to attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by the Company or in accordance with Articles of Association of the Company and to fix, vary, modify or abrogate any such rights, privileges or conditions attached to the shares in such manner as may from time to time being provided in the regulations of the company."

- 4.2. The approval of this Scheme by shareholders of APSEZ under sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority, shall be deemed to have been an approval under section 13, section 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

5. PAYMENT OF CONSIDERATION

- 5.1. Upon coming into effect of this Scheme and in consideration of the amalgamation of Brahmi in APSEZ, APSEZ shall, without any further application, act or deed, issue and allot to the equity shareholders of Brahmi whose names are recorded in the register of members as a member of Brahmi on the Record Date 1, 100 (One Hundred) APSEZ Shares, credited as fully paid-up, for every 708 (Seven Hundred and Eight) equity shares of the face value of Rs. 2/- (Rupees Two) each fully paid-up held by such member in Brahmi ("**Share Swap Ratio 1**"). APSEZ Shares to be issued by APSEZ to the shareholders of Brahmi in accordance with this Clause 5.1 of Part II shall be hereinafter referred to as "**New Equity Shares 1**".

6. ISSUANCE MECHANICS

- 6.1. The New Equity Shares 1 of APSEZ allotted and issued in terms of Clause 5.1 of Part II above, shall be listed and/or admitted to trading on the Stock Exchanges. The New Equity Shares 1 of APSEZ shall, however, be listed subject to APSEZ obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares 1 of APSEZ. APSEZ shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 6.2. The New Equity Shares 1 of APSEZ to be allotted and issued to the equity shareholders of Brahmi as provided in Clause 5.1 of Part II above shall be subject to the provisions of the memorandum and articles of association of APSEZ and shall rank *pari passu* in all respects with the then existing equity shares of APSEZ after the Effective Date including in respect of dividend, if any, that may be declared by APSEZ on or after the Effective Date.
- 6.3. APSEZ shall complete all formalities, as may be required, for allotment of the New Equity Shares 1 to the equity shareholders of Brahmi as provided in this Scheme within thirty (30) days from the Effective Date. It is clarified that the issue and allotment of New Equity Shares 1 by APSEZ to the equity shareholders of Brahmi as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of APSEZ or its equity shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 6.4. In the event that the aggregate number of the New Equity Shares to be issued by APSEZ to the equity shareholders of Brahmi results in a fraction of equity shares, the Board of APSEZ shall round-off such fraction to the next whole integer, and thereupon shall issue and allot the New Equity Shares to the equity shareholders of Brahmi. Further, fractional entitlements of individual equity shareholders, based on the Share Swap Ratio 1 prescribed in Clause 5.1 of Part II above shall also be rounded-off to the next whole integer by the Board of APSEZ.
- 6.5. In the event that Brahmi and/or APSEZ restructure their equity share capital by way of share split/ consolidation/issue of bonus shares during the pendency of the Scheme, the Share Swap Ratio 1, shall be adjusted accordingly to take into account the effect of any such corporate actions.

- 6.6. APSEZ shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the Stock Exchanges, for the issue and allotment by APSEZ of the New Equity Shares 1 to the equity shareholders of Brahmi pursuant to the Scheme.
- 6.7. The New Equity Shares 1 issued to the equity shareholders of Brahmi by APSEZ shall be issued in dematerialised form by APSEZ, provided that the details of the depository accounts of the equity shareholders of Brahmi are made available to APSEZ by Brahmi at least two (2) working days prior to the Effective Date.
- 6.8. The New Equity Shares 1 allotted pursuant to the Scheme shall remain frozen in the depository system until listing/trading permission is given by the Stock Exchanges.
- 6.9. There shall be no change in the shareholding pattern or control of APSEZ between the Record Date 1 and the date of listing of equity shares of APSEZ which may affect the status of the Stock Exchanges approval.
- 6.10. The New Equity Shares 1 to be issued by APSEZ pursuant to Clause 5.1 of Part II above in respect of such equity shares of Brahmi as are subject to lock-in pursuant to Applicable Law shall be locked-in as and to the extent required under Applicable Law.
- 6.11. Upon this Scheme becoming effective and upon the New Equity Shares 1 of APSEZ being allotted and issued by it to the equity shareholders of Brahmi whose names appear on the register of members as a member of Brahmi on the Record Date 1 or whose names appear as the beneficial owners of the equity shares of Brahmi in the records of the depositories/register of members, as the case may be, as on the Record Date 1, the equity shares of Brahmi, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date 1.

7. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, APSEZ shall account for the amalgamation of Brahmi in its books as per the applicable accounting principles prescribed under the applicable Indian Accounting Standards ("Ind AS"), *inter alia*, including but not limited to the following:

- 7.1 All the assets and liabilities of Brahmi transferred to and vested in APSEZ shall be recorded at their respective fair values in accordance with the requirements of Ind AS 103.
- 7.2 The difference between fair value of the New Equity Shares 1 issued and fair values of net assets acquired, if any, being excess or deficit arising pursuant to the Scheme, shall be accounted as goodwill/ capital reserves in the books of APSEZ in compliance with generally accepted principles under Ind AS.
- 7.3 The face value of the New Equity Shares 1 issued by APSEZ to the equity shareholders of Brahmi pursuant to Clause 5.1 of Part II above, shall be credited to the equity share capital and any amount over and above face value will be credited to share premium account of APSEZ.

8. COMPLIANCE WITH LAWS

- 8.1. Part II of this Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 - 232 of the Act, for the purpose of the merger of Brahmi with APSEZ.
- 8.2. The amalgamation of Brahmi with APSEZ in accordance with Part II of this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:
 - (a) all the properties of Brahmi, immediately before the amalgamation, shall become the property of APSEZ, by virtue of this amalgamation;
 - (b) all the liabilities of Brahmi, immediately before the amalgamation, shall become the liabilities of APSEZ, by virtue of this amalgamation; and
 - (c) shareholders holding not less than three-fourths in value of the shares in Brahmi will become shareholders of APSEZ by virtue of the amalgamation.
- 8.3. Part II of this Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under the tax laws, including Section 2 (1B) and other relevant sections of the IT Act. If any terms or provisions of Part II of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail. Part

II of the Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of Brahmi and APSEZ, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

- 8.4. Upon this Scheme becoming effective, APSEZ is expressly permitted to prepare and/or revise their financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the IT Act, etc., and for matters incidental thereto, if required to give effect to the provisions of Part II of this Scheme. The order of the Competent Authority sanctioning the Scheme shall be deemed to be an order of the Competent Authority permitting APSEZ to prepare and/or revise its financial statements and books of accounts and no further act shall be required to be undertaken by APSEZ.

9. CONSEQUENTIAL MATTERS RELATING TO TAX

- 9.1. All tax assessment proceedings/appeals of whatsoever nature by or against Brahmi pending and/or arising at the Appointed Date 1 and relating to Brahmi shall be continued and/or enforced until the Effective Date by Brahmi. In the event of Brahmi failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by APSEZ, at the cost of APSEZ. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against APSEZ in the same manner and to the same extent as would or might have been continued and enforced by or against Brahmi.
- 9.2. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Brahmi with APSEZ or anything contained in Part II of the Scheme.
- 9.3. Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Brahmi, including any taxes paid and taxes deducted at source and deposited by APSEZ on inter se transactions during the period between the Appointed Date 1 and the Effective Date shall be treated as advance tax paid by APSEZ and shall be available to APSEZ for set-off against its liability under the IT Act and any excess tax so paid shall be eligible for refund together with interest.

10. SAVING OF CONCLUDED TRANSACTIONS

- 10.1. The transfer of assets, properties and liabilities and the continuance of proceedings by or against Brahmi under Clause 1.2 of Part II of the Scheme above shall not affect any transaction or proceedings already concluded by Brahmi on and after the Appointed Date 1 until the Effective Date, to the end and intent that APSEZ accept and adopt all acts, deeds and things done and executed by Brahmi in respect thereto as done and executed on behalf of APSEZ.

PART III

AMALGAMATION OF ADANI TRACKS INTO AND WITH SARGUJA

1. TRANSFER AND VESTING OF ADANI TRACKS INTO AND WITH SARGUJA

- 1.1. With effect from the Appointed Date 2 and upon this Scheme becoming effective, Adani Tracks along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of Adani Tracks shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in Sarguja, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.
- 1.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date 2:
- (a) all assets of Adani Tracks, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, if any, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in Sarguja,

wherever located and shall become the property and an integral part of Sarguja. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

- (b) all other movable properties of Adani Tracks, including investments in shares and any other securities, treasury bills, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of Sarguja, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments made by Adani Tracks and all the rights, title and interest of Adani Tracks in any leasehold properties, if any, shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in Sarguja;
- (c) all immovable properties of Adani Tracks, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Adani Tracks, if any, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in Sarguja, without any further act or deed done or being required to be done by Adani Tracks and/or Sarguja. Sarguja shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Sarguja to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of Sarguja by the Governmental Authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
- (d) the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same;
- (e) all Encumbrances, if any, existing prior to the Effective Date over the assets of Adani Tracks which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to Sarguja. Provided that if any assets of Adani Tracks have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of Sarguja. The secured creditors of Sarguja and/or other holders of security over the properties of Sarguja, if any, shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of Adani Tracks and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of Sarguja. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- (f) all estate, assets, rights, title, claims, interest, investments and properties of Adani Tracks as on the Appointed Date 2, whether or not included in the books of Adani Tracks, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which are acquired by Adani Tracks on or after the Appointed Date 2 but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of Sarguja;
- (g) all contracts, agreements, licences, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes and other instruments to which Adani Tracks is a party, or to the benefit of which, Adani Tracks may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour

of Sarguja and may be enforced as fully and effectually as if, instead of Adani Tracks, Sarguja had been a party or beneficiary or obligor thereto. If Sarguja enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Adani Tracks will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by Adani Tracks (and not by any of its successors), shall be fulfilled by Sarguja as if it is the duly constituted attorney of Adani Tracks;

- (h) any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority, court or tribunal or other proceedings of whatsoever nature relating to Adani Tracks, whether by or against Adani Tracks, whether pending on the Appointed Date 2 or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of Adani Tracks or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against Sarguja in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against Adani Tracks, as if this Scheme had not been implemented;
- (i) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of Adani Tracks shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of Sarguja, and Sarguja shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by Adani Tracks after the Appointed Date 2 and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of Sarguja and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in Sarguja and shall become the debt, duties, undertakings, liabilities and obligations of Sarguja which shall meet, discharge and satisfy the same;
- (j) all debentures, bonds, notes or other securities of Adani Tracks, if any, whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of Sarguja and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against Sarguja as if it were Adani Tracks. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- (k) Sarguja shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of Adani Tracks to the extent necessary until the transfer of the rights and obligations of Adani Tracks to Sarguja under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of Adani Tracks after the Effective Date, shall be accepted by the bankers of Sarguja and credited to the accounts of Sarguja, if presented by Sarguja. Similarly, the banker of Sarguja shall honour all cheques issued by Adani Tracks for payment after the Effective Date;
- (l) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which Adani Tracks is a party to or to the benefit of which Adani Tracks may be eligible, shall remain in full force and effect against or in favour of Sarguja and may be enforced as fully and effectually as if, instead of Adani Tracks, Sarguja had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of Adani Tracks shall be deemed to be the track record of Sarguja for all commercial and regulatory purposes;
- (m) all the staff and employees of Adani Tracks, if any, who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of Sarguja, without

any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Adani Tracks as on the Effective Date. Sarguja further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with Adani Tracks, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Adani Tracks, Sarguja shall stand substituted for Adani Tracks for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by Adani Tracks, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Adani Tracks for such purpose shall be treated as having been continuous;

- (n) with regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of Adani Tracks, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Adani Tracks in relation to such schemes or funds shall become those of Sarguja. Upon the Scheme becoming effective, Sarguja shall stand substituted for Adani Tracks for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by Adani Tracks for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of Sarguja. It is clarified that the services of all employees of Adani Tracks transferred to Sarguja will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of Sarguja, if it deems fit and subject to Applicable Laws, shall be entitled to: (i) retain separate trusts or funds within Sarguja for the erstwhile fund(s) of Adani Tracks; or (ii) merge the pre-existing fund of Adani Tracks with other similar funds of Sarguja;
- (o) Sarguja agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the employees with Adani Tracks, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable;
- (p) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in Sarguja;
- (q) all registrations, goodwill and licenses, appertaining to Adani Tracks, if any, shall transferred to and vested in Sarguja;
- (r) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to Adani Tracks, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of Sarguja, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to Adani Tracks, shall pursuant to this Scheme becoming effective, be available to Sarguja;
- (s) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to Adani Tracks, or to the benefit of which Adani Tracks may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of Sarguja and may be enforced as fully and effectually as if, instead of Adani

Tracks, Sarguja had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of Sarguja pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Sarguja shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- (t) benefits of any and all corporate approvals as may have already been taken by Adani Tracks, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to Sarguja and the said corporate approvals and compliances shall be deemed to have been taken/complied with by Sarguja; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Sarguja, shall be added to the limits, if any, under the like resolutions passed by Sarguja;
- (u) all bank accounts operated or entitled to be operated by Adani Tracks shall be deemed to have transferred and shall stand transferred to Sarguja and names of Adani Tracks shall be substituted by the name of Sarguja in the bank's records;
- (v) all the property, assets and liabilities of Adani Tracks shall be transferred to Sarguja at the values appearing in the books of account of Adani Tracks at the close of business of the day immediately preceding the Appointed Date 2;
- (w) all the benefits under the various incentive schemes and policies that Adani Tracks is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by Adani Tracks and all rights or benefits that have accrued or which may accrue to Adani Tracks, whether on, before or after the Appointed Date 2, shall upon this Scheme becoming effective and with effect from the Appointed Date 2 be transferred to and vest in Sarguja and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by Sarguja and these shall relate back to the Appointed Date 2 as if Sarguja was originally entitled to all benefits under such incentive schemes and or policies;
- (x) where any of the debts, liabilities, duties and obligations incurred before the Appointed Date 2 by Adani Tracks, deemed to have been transferred to Sarguja by virtue of this Scheme, have been discharged by Adani Tracks after the Appointed Date 2 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Sarguja;
- (y) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, if any, to which Adani Tracks is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against Sarguja and may be enforced fully and effectually as if, instead of Adani Tracks, Sarguja had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of Adani Tracks in any properties including leasehold/ licensed properties of Adani Tracks including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in Sarguja automatically without requirement of any further act or deed. Sarguja shall continue to pay rent or lease or license fee as provided for under such agreements, and Sarguja shall continue to comply with the terms, conditions and covenants thereunder;
- (z) any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between Adani Tracks and Sarguja shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of Sarguja; and

(aa) for the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date 2, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of Adani Tracks shall stand transferred to Sarguja, and Sarguja shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Sarguja.

- 1.3. Adani Tracks and/or Sarguja as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Adani Tracks. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of Sarguja pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, Sarguja shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 1.4. Sarguja shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Adani Tracks and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 1.5. Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of Adani Tracks into Sarguja by virtue of Part III of the Scheme itself, Sarguja may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which Adani Tracks has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of Adani Tracks. Sarguja will, if necessary, also be a party to the above.

2. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 2.1. Adani Tracks and Sarguja have agreed that during the period between the approval of the Scheme by the respective Boards of Adani Tracks and Sarguja and up to the Effective Date, the business of Adani Tracks and Sarguja shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.
- 2.2. With effect from the Appointed Date 2 and up to and including the Effective Date:
 - (a) Adani Tracks undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of the properties and assets pertaining to Adani Tracks, for and on account of and in trust for Sarguja;
 - (b) Adani Tracks hereby undertakes to hold its said assets with utmost prudence in the ordinary course of business until the Effective Date;
 - (c) all profits and income accruing to Adani Tracks, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date 2 based on the accounts of Adani Tracks shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of Sarguja;
 - (d) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date 2, whether or not provided in the books of Adani Tracks which arise or accrue to Adani Tracks on or after the Appointed Date 2, shall be deemed to be of Sarguja;
 - (e) all assets and properties comprised in Adani Tracks as on the date immediately preceding the Appointed Date 2, whether or not included in the books of Adani Tracks and all assets and properties relating thereto, which are acquired by Adani Tracks, on or after the Appointed Date 2, shall be deemed to be the assets and properties of Sarguja; and

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

- 2.3. With effect from the Effective Date, Sarguja shall carry on and shall be authorised to carry on the businesses of Adani Tracks.
- 2.4. For the purpose of giving effect to the order passed under Sections 230 – 232 and other applicable provisions of the Act in respect of this Scheme by the Competent Authority, Sarguja shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of Adani Tracks, in accordance with the provisions of Sections 230 – 232 of the Act. Sarguja is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.
- 2.5. Sarguja shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities and all other agencies, departments and authorities concerned as are necessary under Applicable Law for such consents, approvals and sanctions which Sarguja may require to carry on the business of Adani Tracks.
- 2.6. Upon this Scheme becoming effective, Sarguja, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of Adani Tracks with effect from the Appointed Date 2, in order to give effect to the foregoing provisions.

3. DISSOLUTION OF ADANI TRACKS

- 3.1. Upon this Scheme becoming effective, Adani Tracks shall stand dissolved without being wound up, without any further act, instrument or deed.

4. CHANGES IN SHARE CAPITAL

- 4.1. As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of Adani Tracks shall stand transferred to and be amalgamated/combined with the authorized share capital of Sarguja. The fees or stamp duty, if any, paid by Adani Tracks on its authorized share capital shall be deemed to have been so paid by Sarguja on the combined authorized share capital, and Sarguja shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorised share capital of Sarguja will automatically stand increased to that effect by simply filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act.

Clause V. of the memorandum of association of Sarguja shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 205,05,00,000/- (Rupees Two Hundred Five Crores and Five Lacs Only) divided into 20,50,50,000 (Twenty Crores Fifty Lacs and Fifty Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten only) each."

- 4.2. The approval of this Scheme by shareholders of Sarguja under sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority, shall be deemed to have been an approval under section 13, section 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

5. PAYMENT OF CONSIDERATION

- 5.1. Upon coming into effect of this Scheme and in consideration of the amalgamation of Adani Tracks in Sarguja, Sarguja shall, without any further application, act or deed, issue and allot to the equity shareholders of Adani Tracks whose names are recorded in the register of members as a member of Adani Tracks on the Record Date 2, 100 (One Hundred) Sarguja Shares, credited as fully paid-up, for every 2,522 (Two Thousand Five Hundred and Twenty Two) equity shares of the face value of Rs. 10/- (Rupees Ten) each fully paid-up held by such member in Adani Tracks ("**Share Swap Ratio 2**"). Sarguja Shares to be issued by Sarguja to the equity shareholders of Adani Tracks in accordance with this Clause 5.1 of Part III shall be hereinafter referred to as "**New Equity Shares 2**".

6. ISSUANCE MECHANICS

- 6.1. The New Equity Shares 2 of Sarguja to be allotted and issued to the equity shareholders of Adani Tracks as provided in Clause 5.1 of Part III above shall be subject to the provisions of the memorandum and articles of association of Sarguja and shall rank *pari passu* in all respects with the then existing equity shares of Sarguja after the Effective Date including in respect of dividend, if any, that may be declared by Sarguja on or after the Effective Date.
- 6.2. Sarguja shall complete all formalities, as may be required, for allotment of the New Equity Shares 2 to the equity shareholders of Adani Tracks as provided in this Scheme within thirty (30) days from the Effective Date. It is clarified that the issue and allotment of New Equity Shares 2 by Sarguja to the equity shareholders of Adani Tracks as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of Sarguja or its equity shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 6.3. In the event that the aggregate number of the New Equity Shares to be issued by Sarguja to the equity shareholders of Adani Tracks results in a fraction of equity shares, the Board of Sarguja shall round-off such fraction to the next whole integer, and thereupon shall issue and allot the New Equity Shares to the equity shareholders of Adani Tracks. Further, fractional entitlements of individual equity shareholders, based on the Share Swap Ratio 2 prescribed in Clause 5.1 of Part III above shall also be rounded-off to the next whole integer by the Board of Sarguja.
- 6.4. In the event that Adani Tracks and/or Sarguja restructure their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Swap Ratio 2, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 6.5. The New Equity Shares 2 issued to the members of Adani Tracks by Sarguja shall be issued in dematerialised form by Sarguja, provided that the details of the depository accounts of the equity shareholders of Adani Tracks are made available to Sarguja by Adani Tracks at least two (2) working days prior to the Effective Date. In the event that such details are not available with Sarguja or for such equity shareholder of Adani Tracks which hold the shares of Adani Tracks in physical form, it shall issue the New Equity Shares 2 to the equity shareholders of Adani Tracks in physical form.
- 6.6. Upon this Scheme becoming effective and upon the New Equity Shares 2 of Sarguja being allotted and issued by it to the equity shareholders of Adani Tracks whose names appear on the register of members as a member of Adani Tracks on the Record Date 2 or whose names appear as the beneficial owners of the equity shares of Adani Tracks in the records of the depositories/register of members, as the case may be, as on the Record Date 2, the equity shares of Adani Tracks, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date 2. Wherever applicable, Sarguja may, instead of requiring the surrender of the share certificates of Adani Tracks, directly issue and dispatch the new share certificates of Sarguja in lieu thereof.

7. ACCOUNTING TREATMENT IN THE BOOKS OF SARGUJA

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

- 7.1 All the assets and liabilities of Adani Tracks transferred to and vested in Sarguja shall be recorded at their respective carrying values in accordance with the requirements of Ind AS 103.
- 7.2 The face value of the New Equity Shares 2 issued by Sarguja to the equity shareholders of Adani Tracks pursuant to Clause 5.1 of Part III above, shall be credited to the equity share capital of Sarguja and difference over and above the issue price and face value will be credited to share premium account.

8. COMPLIANCE WITH LAWS

- 8.1. Part III of this Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 - 232 of the Act, for the purpose of the merger of Adani Tracks with Sarguja.
- 8.2. The amalgamation of Adani Tracks with Sarguja in accordance with Part III of this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:

- (a) all the properties of Adani Tracks, immediately before the amalgamation, shall become the property of Sarguja, by virtue of this amalgamation;
 - (b) all the liabilities of Adani Tracks, immediately before the amalgamation, shall become the liabilities of Sarguja, by virtue of this amalgamation; and
 - (c) shareholders holding not less than three-fourths in value of the shares in Adani Tracks will become shareholders of Sarguja by virtue of the amalgamation.
- 8.3. Part III of this Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under the tax laws, including Section 2 (1B) and other relevant sections of the IT Act. If any terms or provisions of Part III of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail. Part III of the Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of Adani Tracks and Sarguja, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.
- 8.4. Upon this Scheme becoming effective, Sarguja is expressly permitted to prepare and/or revise their financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the IT Act, etc., and for matters incidental thereto, if required to give effect to the provisions of Part III of this Scheme. The order of the Competent Authority sanctioning the Scheme shall be deemed to be an order of the Competent Authority permitting Sarguja to prepare and/or revise its financial statements and books of accounts and no further act shall be required to be undertaken by Sarguja.

9. CONSEQUENTIAL MATTERS RELATING TO TAX

- 9.1. All tax assessment proceedings/appeals of whatsoever nature by or against Adani Tracks pending and/or arising at the Appointed Date 2 and relating to Adani Tracks shall be continued and/or enforced until the Effective Date by Adani Tracks. In the event of Adani Tracks failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by Sarguja, at the cost of Sarguja. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against Sarguja in the same manner and to the same extent as would or might have been continued and enforced by or against Adani Tracks.
- 9.2. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Adani Tracks with Sarguja or anything contained in Part III of the Scheme.
- 9.3. Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Adani Tracks, including any taxes paid and taxes deducted at source and deposited by Sarguja on inter se transactions during the period between the Appointed Date 2 and the Effective Date shall be treated as advance tax paid by Sarguja and shall be available to Sarguja for set-off against its liability under the IT Act and any excess tax so paid shall be eligible for refund together with interest.

10. SAVING OF CONCLUDED TRANSACTIONS

- 10.1. The transfer of assets, properties and liabilities and the continuance of proceedings by or against Adani Tracks under Clause 1.2 of Part III of the Scheme above shall not affect any transaction or proceedings already concluded by Adani Tracks on and after the Appointed Date 2 until the Effective Date, to the end and intent that Sarguja accept and adopt all acts, deeds and things done and executed by Adani Tracks in respect thereto as done and executed on behalf of Sarguja.

PART IV

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

1. TRANSFER AND VESTING OF DIVESTMENT BUSINESS UNDERTAKING

- 1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, pursuant to Sections 230 to 232 read with other relevant provisions of the Act and Section 2(42C) of the IT Act and without any further act, instrument, deed, matter or thing be transferred to and vested in and/ or be deemed to be and stand transferred to and vested in Sarguja as a 'going concern' on a Slump Sale basis, in accordance with Section 2(42C) of the Income Tax Act, 1961 (as amended) for a lump sum consideration as set out hereinafter, subject to the provisions of this Scheme.
- 1.2. Upon the Scheme becoming effective and with effect from the Appointed Date 2, Sarguja shall carry out or perform all such formalities and compliances under various Applicable Laws or to be carried out or performed in relation to or as a consequence of the vesting of the Divestment Business Undertaking of APSEZ into Sarguja.

2. TRANSFER OF ASSETS

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

of the Act. With effect from the Appointed Date 2, Sarguja shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties. Furthermore, Sarguja shall, on and from the Effective Date, file applications with the Governmental Authorities for implementation of the transfer of the immovable properties belonging to the Divestment Business Undertaking to Sarguja; and APSEZ agrees to undertake all steps requested by Sarguja, to provide assistance to Sarguja in relation to the aforesaid actions.

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

3. TRANSFER OF LIABILITIES

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

APSEZ on or after the Appointed Date 2 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Sarguja. All the liabilities and obligations incurred by APSEZ for the activities or operations of the Divestment Business Undertaking on or after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been incurred for and on behalf of Sarguja and to the extent any such liabilities are outstanding on the Effective Date, they shall also without any further act, instrument or deed be and stand transferred to Sarguja and shall become the liabilities and obligations of Sarguja.

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

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

4. TRANSFER OF CONTRACTS

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

declaration, filing, pre-qualifications, authorities, powers of attorney given by, issued to or executed in favour of APSEZ in relation to the Divestment Business Undertaking, including by any Governmental Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to Sarguja as if the same were originally given by, issued to or executed in favour of Sarguja, and Sarguja shall be bound by the terms thereof, the obligations and duties thereunder (unless, in the case of powers of attorney and/or authority(ies) given by APSEZ, the same are revoked by Sarguja or APSEZ subsequent to the Effective Date), and the rights and benefits under the same shall be available to Sarguja. Sarguja shall make necessary applications/ file relevant forms to any Governmental Authority as may be necessary in this behalf.

5. DIVESTMENT LITIGATION

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

- 5.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date 2 and subject to the other provisions contained in this Scheme, except as agreed otherwise with APSEZ in writing, Sarguja shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of APSEZ, related to or arising out of in any manner, the Divestment Litigations and such Divestment Litigation may be continued, prosecuted and enforced by or against Sarguja, as the case may be. For avoidance of any doubt, it is clarified that, except as agreed otherwise with APSEZ in writing, APSEZ shall not be liable to pay any amounts arising out of such Divestment Litigation including interest, penalties, damages, costs etc. and the same shall be paid only by Sarguja unless otherwise mutually agreed to in writing between them.
- 5.1.2. Both APSEZ and Sarguja shall, as soon as reasonably possible after the Effective Date, enter into and/or execute all such required documents and/or file the applications and petitions, with the relevant Governmental Authorities and pursue the relevant matters with such relevant Governmental Authorities in a manner such that APSEZ is no more a party to the Divestment Litigations and is replaced by Sarguja for all purposes.

6. DIVESTMENT EMPLOYEES

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

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

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

7. TAXATION

- 7.1. Upon effectiveness of Part IV of the Scheme, all Taxes paid or payable by APSEZ in respect of the operations and/or the profits of the Divestment Business Undertaking on and from the Appointed Date 2, shall be on account of Sarguja. Upon effectiveness of the Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), advance tax, self-assessment tax, minimum alternate tax, or otherwise howsoever, by APSEZ in respect of the activities or operations of the Divestment Business Undertaking on and from the Appointed Date 2, shall be deemed to have been paid by Sarguja, and shall in all proceedings, be dealt with accordingly.
- 7.2. Any liabilities on account of income-tax in relation to APSEZ in relation to the Divestment Business Undertaking and pertaining to the period prior to the Appointed Date 2, including all or any liability/ refunds/ credits/claims pertaining to the period before the Appointed Date 2 shall be treated as liability/ refunds/credits/claims of APSEZ.
- 7.3. Upon the Scheme coming into effect and with effect from the Appointed Date 2, Sarguja shall be permitted to revise its income-tax returns, tax deducted at source returns and tax collected at source returns and other direct and indirect tax returns and claim refunds/credits pertaining to the Divestment Business Undertaking pursuant to the provisions of the Scheme and in accordance with Applicable Laws.
- 7.4. Upon the Scheme coming into effect and with effect from the Appointed Date 2, APSEZ shall be permitted to revise its income-tax returns, tax deducted at source (TDS) returns, tax collected at source (TCS) returns and other direct and indirect tax returns, and claim refunds/credits pertaining to the Other Business pursuant to the provisions of the Scheme and in accordance with the Applicable Laws.

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

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

- 8.1. APSEZ shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Divestment Business Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Divestment Business Undertaking for and on account of, and in trust for, Sarguja;
- 8.2. all profits and income accruing or arising to APSEZ from the Divestment Business Undertaking and any cost, charges, losses and expenditure arising or incurred by it (including Taxes, if any, accruing or paid in relation to any profits or income) relating to the Divestment Business Undertaking shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of Sarguja;

- 8.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Divestment Business Undertaking exercised by APSEZ shall be deemed to have been exercised by APSEZ for and on behalf of, and in trust for and as an agent of Sarguja. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Divestment Business Undertaking that have been undertaken or discharged by APSEZ shall be deemed to have been undertaken for and on behalf of and as an agent for Sarguja;
- 8.4. APSEZ undertakes that it will preserve and carry on the business of the Divestment Business Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Divestment Business Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees or undertake substantial expansion or change the general character or nature of the business of the Divestment Business Undertaking or any part thereof save and except in each case:
 - (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Competent Authority; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Sarguja has been obtained.

9. CONSIDERATION BY SARGUJA

- 9.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Divestment Business Undertaking of APSEZ in Sarguja by way of Slump Sale basis, as a going concern, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act, Sarguja shall pay a lump sum consideration of Rs. 188.65 crores (Rupees One Hundred Eighty Eight Crores and Sixty Five Lacs only) to APSEZ.
- 9.2. The aforesaid consideration shall be discharged by Sarguja to APSEZ as a lump sum consideration for the sale and transfer of the Divestment Business Undertaking on a going concern basis on a slump sale basis in accordance with Section 2(42C) of the IT Act with no independent values being assigned to the individual assets and liabilities of the Divestment Business Undertaking. It is clarified that, pursuant to Section 2(42C) of the IT Act, in the event APSEZ and Sarguja are required to carry out a determination of the value of an asset or liability for the sole purpose for payment of stamp duty, registration fees or other similar taxes or fees shall not be regarded as assignment of values to individual assets or liabilities.

10. ACCOUNTING TREATMENT IN THE BOOKS OF APSEZ

- Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, APSEZ shall account for the Divestment Business Undertaking in its books as per the applicable accounting principles prescribed under the applicable Indian Accounting Standards ("**Ind AS**"), *inter alia*, including but not limited to the following:
- 10.1 APSEZ shall account for the transfer and vesting of the Divestment Business Undertaking by de-recognizing the carrying values of the assets and liabilities of the Divestment Business Undertaking, which will cease to be the assets and liabilities of APSEZ, in accordance with applicable accounting standards.
 - 10.2 APSEZ shall recognize difference between the lump sum consideration as mentioned in Clause 9.1 of Part IV above and the book value of the Divestment Business Undertaking into other equity in accordance with applicable Ind AS.

11. ACCOUNTING TREATMENT IN THE BOOKS OF SARGUJA

- 11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, Sarguja shall account for the transfer and vesting of the Divestment Business Undertaking by recording the assets and liabilities of the Divestment Business Undertaking taken over by it under the Scheme at their carrying values as appearing in the books of APSEZ in accordance with applicable accounting standards i.e. Ind AS 103.

12. CONCLUDED TRANSACTIONS AND VALIDITY OF EXISTING RESOLUTIONS

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

13. CHANGE IN NAME OF SARGUJA

- 13.1 Upon the Scheme becoming effective, the name of Sarguja without any further act, instrument or deed, shall stand changed to "ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED" and Clause I of the Memorandum of Association of the Sarguja and its Articles of Association shall stand accordingly modified, changed and amended with effect from the Effective Date. The Registrar of Companies will record such change and issue a fresh certificate of incorporation with the new name. Approval of the Scheme shall be deemed to be the approval for change of name in compliance with the provisions of Section 13 and Section 14 of the Act. Sarguja, upon the Scheme becoming effective, shall file requisite form with the Registrar of Companies for obtaining the new certificate of change of name of Sarguja.

14. OTHER BUSINESS

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

PART V

GENERAL TERMS AND CONDITIONS

1. SEQUENCE OF EVENTS

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

- 1.1. filing of certified copies of the order(s) of the Competent Authority with the RoC by each of Brahmi and APSEZ pursuant to which amalgamation of Brahmi into and with APSEZ in accordance with Part II of this Scheme shall become effective;
- 1.2. transfer of the authorised share capital of Brahmi to APSEZ and consequential increase in the authorised share capital of APSEZ in accordance with Part II of this Scheme;
- 1.3. issue and allotment of fully paid-up equity shares of APSEZ to the shareholders of Brahmi in accordance with Part II of this Scheme;
- 1.4. dissolution of Brahmi without winding up;
- 1.5. filing of certified copies of the order(s) of the Competent Authority with the RoC by each of Adani Tracks and Sarguja pursuant to which amalgamation of Adani Tracks into and with Sarguja in accordance with Part III of this Scheme shall become effective;
- 1.6. transfer of the authorised share capital of Adani Tracks to Sarguja and consequential increase in the authorised share capital of Sarguja in accordance with Part III of this Scheme;
- 1.7. issue and allotment of fully paid-up equity shares of Sarguja to the shareholders of Adani Tracks in accordance with Part III of this Scheme;
- 1.8. dissolution of Adani Tracks without winding up;
- 1.9. filing of certified copies of the order(s) of the Competent Authority with the RoC by each of APSEZ and Sarguja pursuant to which transfer and vesting of the Divestment Business Undertaking of APSEZ in Sarguja by way of Slump Sale on a going concern basis in accordance with Part IV of this Scheme shall become effective;
- 1.10. payment of lump sum consideration by Sarguja to APSEZ in accordance with Part IV of this Scheme; and
- 1.11. filing the requisite form with the Registrar of Companies for obtaining the new certificate of change of name of Sarguja.

2. DIVIDENDS

- 2.1. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.
- 2.2. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the respective Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Companies.

3. INTERPRETATION

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

4. APPLICATION TO THE COMPETENT AUTHORITY

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

5. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 5.1. Subject to Clause 5.4 of Part V, the Companies may mutually, by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors, may authorize, may make and/or consent to (i) any modifications / amendments to the Scheme (including but not limited to the terms and conditions thereof); or (ii) to any conditions or limitations that the Competent Authority or any other Governmental Authority may deem fit to direct or impose; or (iii) modification/ amendment which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or creditors of any of the Companies shall be necessary for giving effect to the provisions of this Clause.
- 5.2. The Companies, by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors may authorize (including any committee or sub-committee thereof), shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 5.3. For the purpose of giving effect to this Scheme or to any modifications or amendments or additions thereto, the respective Board of Directors of the Companies may jointly give and are hereby jointly authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all the Companies, in the same manner as if the same were specifically incorporated in this Scheme.
- 5.4. Notwithstanding anything stated in Clauses 5.1, 5.2, and 5.3 of Part V hereinabove, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same are approved by the Competent Authority before which the Companies have filed the petition for sanctioning the Scheme.

6. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

- 6.1. The Scheme is conditional and subject to:
 - 6.1.1. receipt of approval of the Scheme by the Stock Exchanges and SEBI, pursuant to the Listing Regulations and the SEBI Circular;

- 6.1.2. the Scheme being approved by the requisite majority of each classes of the members and/or creditors (where applicable) of the respective Companies in accordance with the Act or dispensation having been received from the Competent Authority in relation to obtaining such approval from the members and/or creditors or any Applicable Law permitting the respective Companies not to convene the meetings of its members and/or its creditors;
- 6.1.3. the Scheme being approved by the public shareholders of APSEZ through e-voting pursuant to, and in accordance with, the SEBI Circular. The Scheme shall be acted upon only if the number of votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it in terms of the SEBI Circular;
- 6.1.4. the approval of the Scheme by the Competent Authority in terms of Sections 230-232 of the Act;
- 6.1.5. receipt of approval by Sarguja as special economic zone co-developer status from the Board of Approval, Ministry of Commerce and Industry, Department of Commerce (SEZ Section), Government of India in relation to Part IV of the Scheme;
- 6.1.6. receipt of approval by Sarguja from Chhattisgarh State Power Generation Company Limited in relation to Part II of the Scheme; and
- 6.1.7. receipt of approval by APSEZ from Ministry of Railways, Government of India, in relation to Part IV of the Scheme.

7. SEVERABILITY

- 7.1. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Companies, then in such case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such part.
- 7.2. 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, affect the validity or implementation of the other parts and/or provisions of this Scheme.

8. SHAREHOLDERS' APPROVAL

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

9. NO CAUSE OF ACTION

- 9.1. No third party claiming to have acted or changed its position in anticipation of this Scheme taking effect, shall get any cause of action against the respective Companies or their respective directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

10. EFFECT OF NON-RECEIPT OF APPROVALS

- 10.1. In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the respective Board of 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.

11. COSTS, CHARGES AND EXPENSES

- 11.1. All legal, accounting, professional and advisory fees and all costs, charges, transfer premiums, stamp duty in relation to or in connection with or incidental to Part II of the Scheme or the implementation thereof shall be borne and paid by APSEZ;
- 11.2. All legal, accounting, professional and advisory fees and all costs, charges, transfer premiums, stamp duty in relation to or in connection with or incidental to Part III of the Scheme or the implementation thereof shall be borne and paid by Sarguja; and
- 11.3. All legal, accounting, professional and advisory fees and all costs, charges, transfer premiums, stamp duty in relation to or in connection with or incidental to Part IV of the Scheme or the implementation thereof shall be borne and paid by Sarguja.

FIRST VALUATION REPORT



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

Ref. No.: LM/Mar31/2021

March 03, 2021

To,

The Board of Directors
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421
Dear Sir(s)/ Madam(s),

The Board of Directors
**Brahmi Tracks Management Services
Private Limited**
C-1001/Block, Shetrunjay Apt.,
Nr. Shyamal Row House, 132' Road Vejalpur,
Ahmedabad 380 051

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

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated February 03, 2021 to recommend the fair equity share swap ratio for amalgamation of Brahmi Tracks Management Services Private Limited ('BTMSPL') erstwhile known as Brahmi Build Estate Private Limited with Adani Ports and Special Economic Zone Limited ('APSEZ') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

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

The cut-off date for the present valuation exercise has been considered as at March 31, 2021 and the market factors have been considered till March 02, 2021. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

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

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

Regards,

For BDO Valuation Advisory LLP

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



Lata R Gujar More

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

Partner

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



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1. Brief Background of the Companies

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

- 1.1. APSEZ (CIN: L63090GJ1998PLC034182) is a company incorporated under the provisions of the Companies Act, 1956. APSEZL is engaged in the development, operation and maintenance of the ports and port-based infrastructure facilities including multi-product special economic zone, land infrastructure development, logistics services, dredging and reclamation services, etc.
- 1.2. APSEZ offers services such as dry bulk cargo, break bulk cargo, container cargo, liquid cargo and marine services. APSEZL caters to the fertilizers, agriculture, minerals, and coal industry.
- 1.3. The equity shares of APSEZ are listed on National Stock Exchange (NSE) & Bombay Stock Exchange (BSE).
- 1.4. The issued and paid up share capital of APSEZ as on date of report is INR 4,063.5 Mn divided into 2,03,17,51,761 equity shares of INR 2/- each.
- 1.5. The summarized shareholding pattern of APSEZ as on December 31, 2020 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	1,29,49,91,018	63.74%
II. Public	73,67,60,743	36.26%
Total(I)	2,03,17,51,761	100.0%

Source: management of APSEZ

Brahmi Tracks Management Services Private Limited ('BTMSPL')

- 1.6. BTMSPL (CIN: U35100GJ2019PTC110704), is a wholly owned subsidiary of Adani Rail Infra Private Limited, which is held by S. B. Adani Family Trust. BTMSPL is a company incorporated under the provisions of the Companies Act, 2013. BTMSPL is engaged in the business of real estate activities with own or leased property. BTMSPL is a holding company of Sarguja Rail Corridor Pvt Ltd ("SRCPL").
- 1.7. The proposed issued and paid up share capital of BTMSPL is INR 1,000 Mn divided into 50,00,00,000/- equity shares of Rs. 2 each.
- 1.8. SRCPL (CIN: U60200DL2010PTC202278), is a wholly owned subsidiary of BTMSPL, is incorporated under the provisions of the Companies Act, 1956. SRCPL is engaged in the business of undertaking development and construction of Railway Corridor / Private Siding to cater to transportation of coal from coal mines Parsa East and Kanta Basan, Kanta and Kente Extension ("Mining Site") to the nearest railway line of Indian Railways i.e., Surajpur Road Railway Station.
- 1.9. SRCPL has taken ~1,000 acres of land on lease from Chhattisgarh State Power Generation Company Limited ("CSPGCL") for a period of 50 years vide Land Lease Agreement dated December 8, 2017 for the purpose of setting up the Private Siding.

- 1.10. The Construction of Phase-I of 33 kms (i.e., Private Siding connecting from Surajpur Road Railway Station to Ramanujnagar Loading Point) and Phase-II of 37 kms (i.e., Private Siding connecting from Ramanujnagar Loading Point to Mining Site), a total of 70 kms, has been completed and rakes movement on Phase-I has commenced from October 2014 and Phase-II has commenced from April 2018.
- 1.11. SRCPL has entered into a Track Access and Usage Agreement with Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RRVUNL") on July 22, 2015 whereby SRCPL gives RRVUNL the non-exclusive right to use the Private Siding. The Agreement also stipulates the Annual Contracted Quantity of coal in the 'Access Schedule'.
- 1.12. As per the said Agreement, the Annual Contracted Capacity of Coal was 11.00 Million Metric Tonnes per annum ("MMTPA") for FY 2020, 12.49 MMTPA for FY 2021 and is 15.93 MMTPA from FY 2022 to FY 2044.
- 1.13. The RRVUNL's peak requirement of coal is 35.20 MMTPA based on the RRVUNL notification for annual coal requirement.
- 1.14. RRVUNL in joint venture with Adani Enterprise Limited ("AEL") is the mine developer and operator for PEKB, Parsa, Kente Extn. AEL is also the mine developer and operator for Gidhmuri & Paturia in joint venture Sainik Mining & Allied Services Limited.

2. Purpose of Valuation

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

- Merger of BTMSPL into APSEZ on a going concern basis.
- Under Proposed Scheme, as consideration for the merger of BTMSPL to APSEZ, the equity shareholders of BTMSPL will be issued equity shares of APSEZ.

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

2.2. In this regard, we have been appointed to undertake the valuation to recommend the fair equity share swap ratio for the Proposed Scheme.

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3. Exclusions and Limitations

- 3.1. Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 3.2. The scope of work is restricted to recommendation of fair equity share swap ratio for amalgamation of BTMSPL into APSEZ.
- 3.3. This report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the report date and (iii) are based on the provisional financial statements of the Companies as at March 31, 2021. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur post the Report date and March 31, 2021.
- 3.4. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the companies for providing select information and only in connection with the purpose mentioned above or for sharing with shareholders, creditors, Regional Directors, Registrar of Companies, National Company Law Tribunal and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
- 3.5. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not conducted any geological study for analyzing the reserves of mines. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies or any of its subsidiaries or associated companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 3.6. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.7. Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the subject property has been obtained while conducting this valuation exercise. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues.

- 3.8. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our report.
- 3.9. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.10. During the course of our work, we have relied upon the certain opinion documents made available by the management and representatives of the Companies. Though we have reviewed it, we have not independently verified the same. As these opinions/assumptions require the exercise of judgment and are subject to uncertainties, there can be no assurance that these assumptions are accurate.
- 3.11. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 3.12. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.13. Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if the information provided to us changes.
- 3.14. We have considered relevant valuation approaches based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 3.15. Our scope is limited to the purposes stated hereinabove. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Arrangement with the provisions of any law including the Companies Act 2013, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Arrangement.

- 3.16. Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
- 3.17. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 3.18. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any party in relation to the issue of this report.
- 3.19. BDO Val owes responsibility to only the Boards of Directors of APSEZ and BTMSPL; with reference to terms of engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Clients. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.
- 3.20. This Report does not look into the business/commercial reasons behind the Proposed Arrangement nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Arrangement as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available.
- 3.21. Further this Report does not in any manner address the prices at which the equity shares of the Companies will trade following the announcement of the Scheme and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting to be held in connection with the Proposed Arrangement.

- 3.22. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Clients (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.
- 3.23. Further, after declaration of Covid-19 as a pandemic by World Health Organization and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

4. Sources of Information

- 4.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management representatives of the Companies:
- Audited financial statements of SRCPL for FY 18, FY 19 and FY 20;
 - Unaudited financial statements of SRCPL for the period ended January 31, 2021
 - Provisional balance sheet for the year ended March 31, 2021 of SRCPL and BTMSPL;
 - Extraordinary General Meeting resolution dated March 01, 2021 for increase in issued and paid up capital
 - Tax Audit Report and Tax Computation, for FY 19 and FY 20;
 - Details of carried forward losses, unabsorbed Depreciation and MAT credit as on March 31, 2020;
 - Business Overview Presentation including APSEZL's track portfolio, strategy, details about SRCPL, Sarguja Rail Corridor Opportunity, etc;
 - Detailed Seller Model with assumptions;
 - Private Siding Agreement with South East Central Railway dated April 11, 2018;
 - Private Siding Notification dated April 20, 2018 and June 12, 2018 issued by Ministry of Railways, Government of India;
 - Track Access and Usage Agreement between SRCPL and RRVUNL dated July 22, 2015;

- Land Lease Agreement between SRCPL and CSPGCL dated October 29, 2015 and December 08, 2017;
- Operations & Maintenance Agreement between SRCPL and United Rail-Road Consultants Private Limited dated March 12, 2018;
- Operations Agreement between SRCPL and CSPGCL dated October 29, 2015;
- Credit Assessment Report of SRCPL issued by Crisil based on information available as on November 2019;
- Credit Rating Report for the Bank Loan Facilities of SRCPL issued by Brickwork Ratings India Pvt Ltd dated November 12, 2019;
- Debenture Subscription Agreement between SRCPL and Universal Trade and Investments Limited dated June 6, 2017 and addendum to this Agreement dated June 22, 2017;
- Debenture Purchase Agreement dated June 23, 2020 by and among Universal Trade and Investments Limited, Adani Properties Private Limited and SRCPL;
- Debenture Purchase Agreement of BTMSPL from Adani Properties Pvt. Ltd;
- Facility Agreement executed among SRCPL, Bank of Baroda and IndusInd Bank dated January 30, 2018;
- Sanction letters from Bank of Baroda and IndusInd Bank dated June 17, 2017 and September 1, 2017;
- Sanction letter from Bank of Baroda for fresh term loan dated July 9, 2020;
- Loan Agreement between SRCPL and Adani Properties Private Limited dated March 16, 2020;
- Pre-Feasibility Report for Prior Environmental Clearance of Kente Extension Opencast Coal Mine & Integrated Washery Project;
- Mining Plan and Mine Closure Plant for Parsa Coal Block dated September 15, 2016;
- Relevant data and information provided to us by the management and representatives of APSEZL either in written or oral form or in form of soft copy and information available in public domain.
- Draft Composite Scheme of Arrangement; and
- Management Representation Letter addressed to BDO VAL.

5. Procedures Adopted

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

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Undertook desktop based analysis of mines in located in Hasdeo Arand Coal Field
- Detailed analysis of Comparable Companies for the business;
- Discussions (over call/emails/conferences) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per internationally accepted valuation methodologies;
- Presentation to Executive Committee consisting of independent director on underlying assumptions of business model, approach & methodology, and valuation of BTMSPL. Determined the fair equity share swap ratio based on the selected methodology.

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

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

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6. Valuation Approaches

- 6.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 6.2. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.3. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards ("IVS") for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council ('IVSC') in carrying out the valuation exercise.
- 6.4. The Report Date is the valuation date ("Valuation Date"). For valuation exercise, market parameters have been considered up to and including March 02, 2021.
- 6.5. There are three generally accepted approaches to valuation:
 - (a) "Cost" Approach
 - (b) "Income" Approach
 - (c) "Market" Approach

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

Cost Approach

Summation Method

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

This valuation approach is mainly used in case where the assets base dominates earnings capability. Since, BTMSPL is holding company of SRCPL, we have considered Summation method to arrive at valuation of BTMSPL.

Income Approach

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

Discounted Cash Flow Method

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

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

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

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

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

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

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

SRCPL owns the infrastructure assets railway track, wherein the future earning capability of the asset is important. Therefore, we have considered DCF Method under Income Approach for valuation of SRCPL.

Market Approach

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

i. Market Price Method

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

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

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

iii. Comparable Transactions Multiple Method

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

Under Market Approach, we have considered Market Price Method for valuation of APSEZ. Further, in absence of availability of comparable companies exactly comparable to business of SRCPL and

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

7. Conclusion on Valuation Approach

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

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

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

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

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

We have considered the Discounted Cash Flow Method under Income Approach to value the investment of BTMSPL in SRCPL as the true worth of the SRCPL's business would be reflected in its future earnings potential. The cashflows on the basis of contractual revenue from RRVUNL from PEKB, Parsa, Kente Extn mines and an additional off take from the identified and potential explorable mines in the Hasdeo Arand Coal Field.

Since BTMSPL does not have any operations as on the valuation date and holds investment in SRCPL, we have considered Summation method under Cost approach for the valuation of BTMSPL.

8. Basis of Fair Equity Share Swap Ratio

- 8.1. The basis of the fair equity share swap ratio for the Proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove including various qualitative factors relevant to the company / undertaking and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations
- 8.2. The equity shares of APSEZ are traded on BSE and NSE. In the present case, the share price of the Company on the NSE has been considered, as the trading volumes are higher at NSE as compared to BSE as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 guidelines, as applicable, on a recognized stock exchange during the twelve calendar months preceding the relevant date.
- 8.3. Attention may also be drawn to Regulation 158 of ICDR Regulations which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further it may be noted that Regulation 164 specifies the minimum price for issue of shares on a preferential basis. The Pricing Formula provided in Regulations 164 (1) has been considered for arriving at the value per equity share of APZEZ under the Market Price Method. The market price is considered as higher of following:
- (a) average of the weekly high and low of the volume weighted average price during the 26 weeks preceding March 03, 2021; or
 - (b) average of weekly high and low of the volume weighted average price during the 2 weeks preceding March 03, 2021.
- 8.4. Further as discussed earlier we have used Summation Method under Cost Approach to arrive at valuation of BTMSPL, wherein the investment in SCRPL is valued as per Discounted Cash Flow Method under Income Approach.
- 8.5. We have independently applied methods discussed above, as considered appropriate, and arrived at a fair equity share swap ratio.

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9. Conclusion

- 9.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

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

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

- a) In the event of amalgamation of BTMSPL into APSEZ:

Valuation Approach	Valuation Method	BTMSPL		APSEZ	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Income Approach	DCF Method	NA	NA	NA	NA
Market Approach	MP Method	NA	NA	675.18	100%
Cost Approach	Summation Method	95.30	100%	NA	NA
Value Per Share		95.30		675.18	
Swap Ratio (Rounded Off)		7.08		NA	

NA= Not Adopted/Not Applicable

9.3. Recommendation:

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

1. 100 equity shares of face value INR 2 each fully paid up of APSEZ for every 708 equity shares of face value of INR 2 each fully paid of BTMSPL for the amalgamation of BTMSPL into APSEZ.



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CLARIFICATION TO THE FIRST VALUATION REPORT



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

Ref. No.: LM/Apr24-5/2021

April 24, 2021

To,

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

The Board of Directors
**Brahmi Tracks Management Services
 Private Limited**
 C-1001/Block, Shetrunjay Apt.,
 Nr. Shyamal Row House, 132' Road Vejalpur,
 Ahmedabad 380 051

Dear Sir(s)/ Madam(s),

Sub: Clarification to Valuation Report Dated March 03, 2021 bearing its reference number LM/Mar31/2021 issued to Recommend the Share Swap Ratio for the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated February 03, 2021 to recommend the fair equity share swap ratio for amalgamation of Brahmi Tracks Management Services Private Limited ('BTMSPL') erstwhile known as Brahmi Build Estate Private Limited with Adani Ports and Special Economic Zone Limited ('APSEZ') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

Further to our report, we are requested to clarify and provide the following:

-In case any method suggested in the format has not been used, reason for not using such method shall be specifically provided immediately below the table for all the companies involved in the scheme and confirm whether the valuer is registered valuer.

In response to above, we submit hereby that:

We hereby confirm that we are the independent registered valuers and fair valuation has been carried by us in an independent capacity.

On consideration of all the relevant factors and circumstances as discussed in our report referred above, in our opinion the fair equity share swap ratio for the amalgamation of BTMSPL into APSEZ would be as follows (recommendation):

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

In the event of amalgamation of BTMSPL into APSEZ:

Valuation Approach	Valuation Method	BTMSPL		APSEZ	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Income Approach ¹	DCF Method	NA	NA	NA	NA
Market Approach ²	MP Method	NA	NA	675.18	100%
Cost Approach ³	Summation Method	95.30	100%	NA	NA
Value Per Share		95.30		675.18	
Swap Ratio (Rounded Off)		7.08		NA	

NA= Not Adopted/Not Applicable

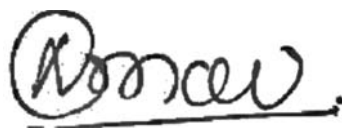
1. Discounted Cash Flow Method (DCF) under the Income Approach has not been considered as APSEZ is a listed entity and the management has not provided us the information related to future profit and loss account, balance sheet and cash flows being price sensitive.
Since BTMSPL does not have any operations as on the valuation date and holds investment in SRCPL, Income approach is not considered for valuation of BTMSPL. However, DCF Method has been considered for valuing SRCPL.
2. Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of the Companies in absence of exact comparable companies to business and non-availability of comparable transactions for similar business.
We have not considered market price method for BTMSPL as the shares of the BTMSPL are not listed on recognized stock exchange.
3. Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of APSEZ in a "going concern scenario", we have not considered Cost Approach for valuation of APSEZ.

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

Regards,

For BDO Valuation Advisory LLP

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




Lata R Gujar More

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

FIRST FAIRNESS OPINIONS

J.P.Morgan

Mar 03, 2021

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

Members of the Board of Directors:

We understand that the Board of Directors of Adani Ports and Special Economic Zone Ltd (the “**Company**”) is considering the amalgamation of Brahmi Tracks Management Services Private Limited (the “**Transferor Company**”) with the Company (the “**Transaction**”) through a composite scheme of arrangement amongst *inter alia* the Company, the Transferor Company and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the “**Scheme**”).

In consideration of the amalgamation of the Transferor Company into and with the Company pursuant to the Scheme, it is proposed that the Company will issue and allot to all equity shareholders of the Transferor Company as on the Record Date 1 (as defined in the Scheme) 100 fully paid up equity shares of par value INR 2 each of the Company, for every 708 fully paid up equity shares of INR 2 each of the Transferor Company held by such equity shareholders being the share exchange ratio (the “**Share Exchange Ratio**”) provided for in the Scheme. We understand that no equity shares will be issued by the Company to the extent of equity shares, if any, held by the Company or its subsidiaries in the Transferor Company.

The Share Exchange Ratio is based on the valuation report dated March 03, 2021 prepared by BDO Valuation Advisory LLP (the “**Valuer**”) being an independent professional valuer appointed by the Board of the Company for recommending a Share Exchange Ratio for the Transaction (the “**Valuation Report**”).

J.P.Morgan

You have requested our opinion as to the fairness, from a financial point of view, of the Share Exchange Ratio provided for in the Scheme, which has been proposed by you based on the recommendations set out in the Valuation Report. You have not requested our opinion on any other transaction contemplated under the Scheme. Therefore, the scope of our opinion is limited solely to the underlying Transaction, and our opinion does not extend to any other transaction contemplated under the Scheme.

In connection with preparing our opinion, we have (i) reviewed the draft Scheme dated 19 February 2021; (ii) reviewed the Valuation Report and held discussions with the Valuer, on such matters which we believed were necessary or appropriate for the discussion of this opinion; (iii) reviewed certain publicly available business and financial information concerning the Transferor Company and the Company and the industries in which they operate; (iv) reviewed the current and historical market prices of Company's equity shares; (v) reviewed the consensus/analyst estimates in relation to the Company's equity shares; (vi) compared the financial and operating performance of the Transferor Company and the Company with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the equity shares of the Company and certain publicly traded securities of such other companies; (vii) reviewed certain internal financial analyses and forecasts prepared by or at the direction of the managements of the Transferor Company and the Company relating to their respective businesses; and (viii) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the management of the Transferor Company and the Company with respect to certain aspects of the Transaction, and the past and current business operations of the Transferor Company and the Company, the financial condition and future prospects and operations of the Transferor Company and the Company, the effects of the Transaction on the financial condition and future prospects of the Company, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Transferor Company and the Company or otherwise reviewed by or for us. We have not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with the Company, we did not assume any obligation to undertake any such independent verification. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the

Transferor Company or the Company under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Transferor Company and the Company to which such analyses or forecasts relate. We express no view as to such analyses or forecasts or the assumptions on which they were based. We have also assumed that the Transaction and the other transactions in relation to it as contemplated by the Scheme will qualify as an “amalgamation” under the Income Tax Act, 1961 and will be consummated as described in the Scheme without any waiver or modification of any material terms and conditions. We have also assumed that the representations and warranties made by the Company and the Transferor Company are and will be true and correct in all respects material to our analysis. We are not legal, regulatory or tax experts and have relied on the assessments made by the Company, the Transferor Company and their respective advisors with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Transferor Company or the Company or on the contemplated benefits of the Transaction. We have also not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unassessed claims or other contingent liabilities, or any settlement thereof, which the Company, the Transferor Company, their respective subsidiaries/ affiliates/ joint ventures or any other entity are or may be a party to or are or may be subject to or are or may be affected by.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. Our opinion is limited to the fairness, from a financial point of view, to the Company of the Share Exchange Ratio provided for in the Scheme and we express no opinion as to the fairness of the Share Exchange Ratio to the holders of any class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons relative to the Share Exchange Ratio in the Transaction or with respect to the fairness of any such compensation. We are expressing no opinion herein as to the price at which the equity shares of the Company will trade at any future time.

In addition, we were not requested to and did not provide advice concerning the structure, the specific Share Exchange Ratio, the Valuation Report, or any other aspects of the Transaction, or to provide services other than the delivery of this opinion. We also note that we did not participate in negotiations with respect to the terms of the Transaction and related transactions.

We will receive a fee from the Company for the delivery of this opinion all of which will be payable upon the rendering of this opinion. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. During the two years preceding the date of this letter, we, and our affiliates, in the ordinary course of our businesses, have had commercial or investment banking relationships with the Company for which we and such affiliates have received customary compensation. Such services during such period have included acting as (i) the joint bookrunner for the Company on its issuance of high grade bonds that were priced on 16 July 2019 and amounted to USD 650 million; (ii) the joint global coordinator and joint bookrunner for the Company on its issuance of high grade bonds that were priced on 26 June 2019 and amounted to USD 750 million; (iii) the dealer manager on a tender offer on an existing issue of bonds (ISIN: USY00130CZ88) for the Company that was due on 29 July 2020 and amounted to USD 650 million; (iv) joint lead manager and joint bookrunner for the Company on its issuance of high grade bonds that were priced on 28 July 2020 and amounted to USD 750 million; (v) joint global coordinator and joint bookrunner for the Company on its issuance of high grade bonds that were priced on 26 January 2021 and amounted to USD 500 million; (vi) joint dealer manager on a tender offer on an existing issue of bonds (ISIN: USY00130HS90) for the Company that is due on 19 January 2022 and amounts to USD 500 million; and (vii) the hedge counterparty in relation to an outstanding short term hedging facility availed by the Company. In addition, our commercial banking affiliate is a lender under an outstanding credit facility availed by the Company. Further, in the ordinary course of our businesses, we and our affiliates may in the future have commercial or investment banking relationships with the Company, the Transferor Company and their respective shareholders, subsidiaries and affiliates for which we and such affiliates may receive customary compensation or other financial benefits. In the ordinary course of our businesses, we and our affiliates may also actively trade or hold the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of the Company and/or the Transferor Company for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities or other financial instruments.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Share Exchange Ratio provided for in the Scheme is fair, from a financial point of view, to the Company.

J.P.Morgan

The issuance of this opinion has been approved by a fairness opinion committee of J.P. Morgan India Private Limited. This letter is provided solely for the benefit of the Board of Directors of the Company (in its capacity as such) in connection with and for the purposes of its evaluation of the Transaction, and is not on behalf of, and shall not confer rights or remedies upon, any shareholder, creditor or any other person other than the Board of Directors of the Company or be used or relied upon for any other purpose. This opinion does not constitute a recommendation to any shareholder or creditor of the Company as to how such shareholder or creditor should vote with respect to the Transaction or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval consent in each instance, provided however, this opinion may only be disclosed by the Company as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read together with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3 January 2018, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion. Further, J.P. Morgan, its affiliates, directors, shareholders, managers, employees or agents do not provide any representation or warranty, express or implied, as to the information or documents provided to J.P. Morgan and based on which this opinion is provided.

All matters arising out of or relating to this opinion will be governed by the laws of India. The courts at Mumbai will have exclusive jurisdiction to deal with any suit, action or other proceedings relating to this opinion.

Very truly yours,

J.P. MORGAN INDIA PRIVATE LIMITED



U366472

STRICTLY CONFIDENTIAL

March 03, 2021

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

Ladies / Gentlemen:

We refer to the engagement letter dated 18 December 2020 (“**Engagement Letter**”) whereby Adani Ports and SEZ Limited (“**Transferee Company**” or “**APSEZ**” or “**Company**”) has engaged JM Financial Limited (“**JM Financial**”), *inter alia*, to provide a fairness opinion to APSEZ on the Share Exchange Ratio (defined herein) recommended by the BDO Valuation Advisory LLP (“**BDO Valuation Advisory LLP**” or “**BDO**” or “**Valuer**”) through report dated March 03, 2021 (“**Share Exchange Ratio Report**”) for the proposed amalgamation of **Brahmi Tracks Management Services Private Limited** (“**BTMSPL**” or “**Transferor Company**”) with APSEZ (“**Proposed Amalgamation**”) as a part of a Composite Scheme of Amalgamation (as defined below) under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder.

Background

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

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

The issued and paid up share capital of APSEZ as on date of report is Rs. 4,063.5 Mn divided into 2,03,17,51,761 equity shares of face value of Rs. 2 each.

JM Financial Limited

Corporate Identity Number: L67120MH1986PLC038784

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

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

Brahmi Tracks Management Services Private Limited ('BTMSPL'):

BTMSPL (CIN: U70103GJ2019PTC110704), is a wholly owned subsidiary of Adani Rail Infra Private Limited, which is held by S. B. Adani Family Trust. BTMSPL is a company incorporated under the provisions of the Companies Act, 2013.

The proposed issued and paid up share capital of BTMSPL is Rs. 1,000 Mn divided into 50,00,00,000/- equity shares of face value of Rs. 2 each.

BTMSPL is a holding company of Sarguja Rail Corridor Pvt Ltd ("SRCPL").

SRCPL is engaged in the business of undertaking development and construction of Railway Corridor / Private Siding to cater to transportation of coal from coal mines. SRCPL has, inter alia, developed, operates and maintains 70 kms of (Private Siding) Common Rail Corridor, a railway siding from Parsa East & Kanta Basan and Kente Extension coal blocks to nearest Indian railway line i.e. Surajpur Road railway station covering a distance of 70 kms, located in the northern central part of Hasdeo Arand Coalfield in Sarguja district of Chhattisgarh.

Brief Background of the Scheme of Amalgamation

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

100 (One Hundred) equity shares of APSEZ of the face value Rs. 2/- each fully paid up will be issued for every 708 (Seven Hundred & Eight) equity shares of BTMSPL of the face value Rs. 2/- each fully paid up

The Company, in terms of the Engagement Letter, has requested us to examine the Share Exchange Ratio Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Exchange Ratio ("**Fairness Opinion**") pursuant to the provisions of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, including amendments thereto.

Source of Information

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

1. Share Exchange Ratio Report issued by the Valuer;
2. Draft of the proposed Composite Scheme of Amalgamation;
3. Shareholding Pattern, certain financial statements and projections of SRCPL and BTMSPL;
4. Certain other information from the representatives of the Company.

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 for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an “as is” basis, and, have not verified the accuracy and/or the completeness of the same from our end. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of APSEZ or BTMSPL or SRCPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of APSEZ or BTMSPL, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by APSEZ or BTMSPL or SRCPL on an “as is” basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of APSEZ or BTMSPL.

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

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

We express no opinion whatsoever and make no recommendation at all as to APSEZ’s underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of APSEZ with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the announcement of the Proposed Amalgamation or as to the financial performance of BTMSPL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and

accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in APSEZ or any of its related parties (holding company / subsidiary / associates etc.) or BTMSPL.

Conclusion

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

Distribution of the Fairness Opinion

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

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

Yours truly,
For **JM Financial Limited**



Authorized Signatory

SECOND VALUATION REPORT

Y. K. Mehta & Associates

chartered accountants

Date: March 3, 2021

To,

The Board of Directors

Adani Ports and Special Economic Zone Limited

Adani Corporate House, Shantigram,

Near Vaishno Devi Circle,

S. G. Highway, Khodiyar Ahmedabad – 382 421

The Board of Directors

Sarguja Rail Corridor Private Limited

Adani Corporate House, Shantigram,

Near Vaishno Devi Circle,

S. G. Highway, Khodiyar Ahmedabad – 382 421

Dear Sirs,

Sub: Recommendation of a lump sum consideration for the transfer and vesting of the Divestment Business Undertaking by Adani Ports and Special Economic Zone Limited to Sarguja Rail Corridor Private Limited by way of a Slump Sale on a going concern basis in connection with the proposed composite scheme of arrangement under Sections 230-232 of the Companies Act, 2013 and other applicable provisions

We refer to the engagement letter dated January 20, 2021 whereby, the managements (as defined hereinafter) have appointed Yash K. Mehta, Proprietor, Y. K. Mehta & Associates, Chartered Accountants (Valuer Registration No.: IBBI/RV/06/2019/11647) (hereinafter referred to as “we”/ “us”) to recommend a lump sum consideration for the transfer and vesting of the Divestment Business Undertaking (as defined hereinafter) by Adani Ports and Special Economic Zone Limited (hereinafter referred to as “APSEZ”) to Sarguja Rail Corridor Private Limited (hereinafter referred to as “Sarguja”) by way of a Slump Sale on a going concern basis in connection with the proposed composite scheme of arrangement under Sections 230-232 of the Companies Act, 2013 and other applicable provisions (“the Scheme”). Based on the discussions we have had with and information that we have received from the managements with respect to the captioned matter, we submit our valuation report (“report”) as under:

BACKGROUND INFORMATION

APSEZ (CIN: L63090GJ1998PLC034182) is a company incorporated under the Companies Act, 1956 having its Registered Office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382421 is India's largest multiport operator and developer with presence in various parts of India. It is a developer of multi product Special Economic Zone at Mundra, Gujarat. APSEZ is also providing the railway logistics infrastructure at Mundra Port also referred to as “Mundra Rail Business”. The equity shares of APSEZ are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

Adani Tracks Management Services Private Limited (CIN: U45202GJ2019PTC109348) (hereinafter referred to as “Adani Tracks”) is a company incorporated under the Companies Act, 2013 having its Registered Office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382421 and it is a wholly owned subsidiary of APSEZ engaged in railway logistics activities.

Brahmi Tracks Management Services Private Limited (CIN: U70103GJ2019PTC110704) (hereinafter referred to as “Brahmi”) is a company incorporated under the Companies Act, 2013 having its Registered Office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat – 382421 and it is a wholly owned subsidiary of Adani Rail Infra Private Limited (CIN: U60231GJ2005PTC046473) engaged in railway logistics activities.

Sarguja (CIN: U60200GJ2010PTC115649) is a company incorporated under the Companies Act, 1956 having its Registered Office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382421 and it is a wholly owned subsidiary of Brahmi engaged, inter alia, engaged in railway logistics activities.

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APSEZ, Adani Tracks, Brahmi and Sarguja are hereinafter collectively referred to as "the Companies" and their Board of Directors collectively referred to as "the managements".

Furthermore, "**Divestment Business Undertaking**" means the business, undertaking, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisory for the conduct of, or the activities or operations of, the Mundra Rail Business of APSEZ, as a going concern, and includes without limitation:

- (i) all immovable properties and rights thereto with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way/use, tenancies or otherwise) including boundary wall, and culverts, bridges, civil works, foundations for civil works, buildings, warehouses, offices, trees, together with all plant and machinery embedded etc., which immovable properties form part of the Mundra Rail Business whether or not recorded in the books of accounts of APSEZ and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties except land for which separate Right of usage agreement will be entered between the SRCPL & APSEZL;
- (ii) all assets, as are movable in nature forming part of the Mundra Rail Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, pipeline, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, railway siding, , inventories, stock in trade, stores and spares, , raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, provisions, funds, benefits of all agreements, the benefits of any bank guarantees, performance guarantees and indirect tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs;
- (iii) all permits, licenses, permissions, right of way, approvals including the approvals granted by the Government of India, Ministry of Railways, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, indirect tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same); if any, liberties and advantages, approvals including approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the Mundra Rail 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 form part of the Mundra Rail Business;
- (iv) all insurance policies pertaining to the Mundra Rail Business save and except any insurance policies generally taken for the entire business of APSEZ;
- (v) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by APSEZ forming part of the Mundra Rail Business and all other interests of whatsoever nature belonging

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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 APSEZ and forming part of the Mundra Rail Business;

(vi) all the debts, loans, duties, liabilities, obligations, of any nature whatsoever exclusively arising out of or pertaining to, in any manner, the Mundra Rail Business or the operation thereof;

(vii) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder, in relation to the Mundra Rail Business;

(viii) all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against APSEZ in relation to or pertaining exclusively to the Mundra Rail Business (or a part thereof) or arising from the operations thereof;

(ix) the Divestment Employees;

(x) all applications (including hardware, software, licenses, source codes, para- meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Mundra Rail Business;

(xi) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by APSEZ pertaining to or in connection with or relating to APSEZ in respect of the Mundra Rail 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 APSEZ and pertaining to the Mundra Rail Business; and

(xii) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Mundra Rail Business.

Adani Ports and Special Economic Zone Limited

APSEZ is engaged in the business of development, operations and maintenance of port infrastructure (port services and related infrastructure development). The shareholding pattern of APSEZ as on December 31, 2020, is as follows:

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Particulars	No. of Equity Shares of Rs. 2 each	% Shareholding of Equity	No. of Preference Shares of Rs. 10 each	% Shareholding of Preference
Promoter & Promoter Group	1,29,49,91,018	63.74%	25,01,824	100.00%
Public	73,67,60,743	36.26%	-	-
Total	2,03,17,51,761	100.00%	25,01,824	100.00%

We have been explained by the management of APSEZ that the Divestment Business Undertaking under consideration consists of APSEZ's Mundra Rail Business wherein APSEZ owns and maintains a two line railway track from Mundra Port to Adipur Junction, aggregating to around 75 kms which consists of the railway tracks, the railway signaling systems, the railway platforms and bridges. These tracks are used for the transport of goods to and from the Mundra Port.

Sarguja Rail Corridor Private Limited

Sarguja is engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh. The shareholding pattern of Sarguja (Face value: Rs. 10) as on March 2, 2021, is as follows:

Particulars	No. of Equity Shares	% Shareholding
Promoter & Promoter Group	20,00,00,000	100.00%
Total	20,00,00,000	100.00%

Adani Tracks Management Services Private Limited

Adani Tracks is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Brahmi Tracks Management Services Private Limited

Brahmi is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

The Scheme, inter alia, provides for:

Part II: amalgamation of Brahmi with APSEZ with effect from "Appointed Date 1" i.e. April 1, 2021;

Part III: amalgamation of Adani Tracks with Sarguja; and

Part IV: transfer and vesting of the Divestment Business Undertaking by APSEZ to Sarguja by way of Slump Sale on a going concern basis for a lump sum consideration with effect from "Appointed Date 2" i.e. April 2, 2021

SALIENT FEATURES OF THE SCHEME

The Scheme is broadly divided into 3 parts.

Part II of the Scheme seeks to amalgamate and consolidate the business of Brahmi into and with APSEZ pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment

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thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail. Consequently, from the Appointed Date 1 i.e. April 1, 2021 and upon this Scheme coming into effect, Sarguja, being a wholly owned subsidiary of Brahmi, shall become the wholly owned subsidiary of APSEZ.

Part III of the Scheme proposes to amalgamate the business of Adani Tracks, a wholly owned subsidiary of APSEZ into and with Sarguja pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail. As per the chronology proposed in the Scheme, pursuant to the amalgamation of Brahmi into APSEZ from the Appointed Date 1, Sarguja shall become the wholly owned subsidiary of APSEZ, and consequently, Part III of the scheme proposes an amalgamation of two consequent wholly owned subsidiaries of APSEZ, being Adani Tracks and Sarguja.

Upon the amalgamation of Adani Tracks into and with Sarguja pursuant to the Scheme becoming effective on the Effective Date, Sarguja will issue its Equity Shares to the shareholders of Adani Tracks on the Record Date, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of Adani Tracks and Sarguja, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.

Part IV of the Scheme seeks the transfer and vesting of the Divestment Business Undertaking of APSEZ with Sarguja pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(42C) and other provisions of the Income-tax Act, 1961 and other applicable laws.

Upon the scheme becoming effective with effect from the Appointed Date 2 i.e. April 2, 2021, the Divestment Business Undertaking of APSEZ in its entirety shall, without any further act, instrument, deed, matter or thing be transferred to and vested in and/or be deemed to be and stand transferred to and vested in Sarguja as a 'going concern' on a slump sale basis in accordance with Section 2(42C) of the Income Tax Act, 1961 for a lump sum consideration, subject to provisions of the scheme.

PURPOSE OF VALUATION AND APPOINTING AUTHORITY

We have been appointed by the managements acting through the Board of Directors of the Companies as an independent valuer to issue a valuation report for recommendation of lump sum consideration for transfer of the Divestment Business Undertaking as a going concern on a Slump Sale by APSEZ to Sarguja in connection with the Scheme in terms of provisions of Section 230 and 232 of the Companies Act, 2013 and as per requirements of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended ('SEBI Circular') issued under Regulations 11, 37 and 94 read with Regulation 101(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Thus, valuation is required by the Companies for the following purposes –

- a) as a basis of determining the lump sum consideration for the aforementioned transfer of the Divestment Business Undertaking as a going concern on a Slump Sale by APSEZ to Sarguja for a lump sum consideration in connection with the Scheme
- b) for filings with regulatory authorities as per the extant laws.

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IDENTITY OF THE VALUER

Yash K. Mehta (Proprietor, Y. K. Mehta & Associates, Chartered Accountants) is registered under Companies (Registered Valuers and Valuation) Rules, 2017 to act as a valuer in respect of Securities or Financial Assets and has been granted Certificate of Registration No. IBBI/RV/06/2019/11647.

DATE OF APPOINTMENT AND VALUATION DATE

We have been appointed as an independent valuer for determining the lump sum consideration for the aforementioned proposed transfer and vesting of the Divestment Business Undertaking by way of Slump Sale on a going concern basis by APSEZ to Sarguja in connection with the Scheme vide engagement letter dated January 20, 2021.

The date of the last available management certified financial information of the company, as made available is December 31, 2020. The valuation would have to be carried out as on the Appointed Date 2 of the Scheme, but the management of the company has represented that providing the financial information as on the Appointed Date 2 of the Scheme would not be possible. Accordingly, we have based our valuation on the latest available management certified financial statements, i.e. December 31, 2020 (hereinafter referred to as "Valuation Date"). Hence, events and circumstances occurring subsequent to the valuation date are indeterminable and thus not considered in the report.

NATURE AND SOURCES OF THE INFORMATION USED OR RELIED UPON

The following information, verbally or in written form, as has been made available to us by the managements have been inter-alia used in the valuation:

- Draft scheme of arrangement as provided by the managements
- Memorandum and Articles of Association of APSEZ;
- Business profile and shareholding pattern of the Companies;
- Audited financial statements of APSEZ for the year ended March 31, 2020;
- Carved-out financial statements of divestment business undertaking for the year ended March 31 2020;
- Provisional financial statements of APSEZ for the 9 months ended on December 31, 2020;
- Carved-out provisional financial statements of divestment business undertaking for the 9 months ended on December 31, 2020;
- Management Certified Block of assets of the Divestment Business Undertaking and the corresponding written down value as per the provisions of the Income Tax Act, 1961 as on December 31, 2020
- Background information provided by the managements of the Companies through emails, documents or during discussions.
- Other publicly available information

It may be noted that the managements of the Companies have been provided an opportunity to review factual information in our report as part of our standard practice to make sure that factual inaccuracies, omissions etc. are avoided in our final Report.

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VALUATION STANDARDS FOLLOWED AND PROCEDURES ADOPTED IN CARRYING OUT THE VALUATION AND INSPECTIONS & INVESTIGATIONS UNDERTAKEN

We have performed the valuation analysis, to the extent possible, in accordance with the Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India. In connection with this exercise, we have adopted the following procedures to carry out the valuation analysis:

- Necessary information as requested and received from the managements
- Discussions with the managements on understanding of the businesses of the Divestment Business Undertaking
- Analysis of the present shareholding structure and proposed shareholding structure post the Scheme becoming effective
- Obtained and analysed data available in public domain, as considered relevant by us
- Selection of valuation approach and valuation methodology/ (ies), in accordance with the valuation standards, as considered appropriate and relevant by us

MAJOR FACTORS TAKEN INTO ACCOUNT DURING THE VALUATION

The major factors taken into account are as under:

- 1) That the consideration shall be discharged by Sarguja to APSEZ as a lump sum consideration for transfer and vesting of the Divestment Business Undertaking by way of Slump Sale on a going concern basis in accordance with Section 2(42C) of the IT Act. Accordingly, no independent values are being assigned to the individual assets and liabilities of the Divestment Business Undertaking.
- 2) That post the scheme becoming effective, Sarguja will be a wholly owned subsidiary of APSEZ and shareholders of APSEZ will hence be the ultimate beneficial owners of Sarguja. The lump sum consideration for the proposed transfer and vesting of the Divestment Business Undertaking will flow to the holding Company from its wholly owned subsidiary.

DISCLOSURE OF VALUER INTEREST OR CONFLICT

We have been appointed as an independent valuer to issue a valuation report for recommendation of a lump sum consideration for transfer of the Divestment Business Undertaking as a going concern on a Slump Sale by APSEZ to Sarguja in connection with the Scheme in terms of provisions of Section 230 and 232 of the Companies Act, 2013 and as per requirements of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended ('SEBI Circular') issued under Regulations 11, 37 and 94 read with Regulation 101(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. We are independent of the Companies and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.

CONCLUSION

The managements have recommended a lump sum consideration of **Rs. 188.65 crores** for the transfer of the Divestment Business Undertaking by Adani Ports and Special Economic Zone Limited to Sarguja Rail Corridor Private Limited by way of a Slump Sale on a going concern basis in connection with the Scheme under Sections 230-232 of the Companies Act, 2013 and other applicable provisions.

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We have been informed by the managements that the lump sum consideration has been arrived at taking into account the net-worth as defined under Section 50B of Income Tax Act, 1961, the extract of which is as follows:-

For computing the net-worth, the aggregate value of total assets shall be,

- (a) in the case of depreciable assets, the written down value of the block of assets determined in accordance with the provisions contained in sub-item (C) of item (i) of sub-clause (c) of clause (6) of section 43;
- (b) in the case of capital assets in respect of which the whole of the expenditure has been allowed or is allowable as a deduction under section 35AD, nil; and
- (c) in the case of other assets, the book value of such assets.

"Net Worth" shall be aggregate value of total assets of the undertaking or division as reduced by the value of liabilities of such undertaking or division as appearing in its books of accounts.

Based on our review, information made available to us and discussions with the managements, we understand that the lump sum consideration recommended by the managements considers specific taxation considerations and other aspects relevant and applicable to the managements of the Companies. As the Divestment Business Undertaking of APSEZ is proposed to be transferred and vested by APSEZ to Sarguja, which is the consequent wholly owned subsidiary of APSEZ, the ultimate beneficiaries of the Divestment Business Undertaking of APSEZ will remain the same after the divestment.

We believe that the recommended lump sum consideration is fair considering the aforementioned factors.

As mentioned above, post the Scheme becoming effective, Sarguja will be a wholly owned subsidiary of APSEZ. Thus, all the shareholders of APSEZ will be the ultimate beneficial owners of Sarguja (wherein the Divestment Business Undertaking is being vested) in the same ratio (inter se) as they hold shares in APSEZ. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Approach	Divestment Business Undertaking	
	Value Per Share (Rs.)	Weight (%)
Market Approach	NA	NA
Income Approach	NA	NA
Cost Approach	NA	NA

RESTRICTIONS ON USE OF THE REPORT

The Valuation Report has been issued to the managements of the Companies for its own consumption as well as compliance of the applicable laws. This report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it has been prepared (please refer section titled "Purpose of valuation and appointing authority" for more details). The report may however be shared with any regulatory/ statutory authorities for the purpose for which it is prepared, if required.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection to the aforesaid purpose of valuation without our prior written consent except as mandated under any legal/ regulatory requirements.

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Y. K. Mehta & Associates

chartered accountants

CAVEATS, LIMITATIONS AND DISCLAIMERS

1) While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

2) The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. Whilst we consider our value to be both reasonable and defensible based on the information available to us, others may place a different value.

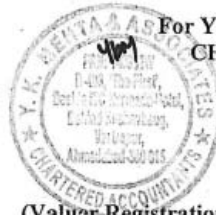
3) Our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final consideration is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the consideration. The Valuation report should not be construed as a recommendation to make or divest any investment in the Company and we do not express any opinion on the suitability or otherwise of entering into any transaction with the companies.

4) An analysis of such nature is necessarily based on the prevailing financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

5) In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/ on behalf of the Companies. This report is issued on the understanding that the Companies have drawn our attention to all material information, which they are aware of concerning their financial positions and any other matter, which may have impact on our opinion of the fair value. If the information provided to us is revised in any form or manner, the valuation may need to be updated. Any projections of future events described in this report or used during the course of valuation represent the general expectancy concerning such events as at the time of issuance of the Report as envisaged by the managements of the Companies. These future events may or may not occur as anticipated. Further, there may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.

Date: March 3, 2021

Place: Ahmedabad



For Y. K. MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS

Y. K. Mehta.

YASH K. MEHTA
PROPRIETOR

(M. No.: 137442)

(Valuer Registration No.: IBBI/RV/06/2019/11647)

UDIN: 21137442AAAAAG4033

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THIRD VALUATION REPORT



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Senapati Bapat Marg, Dadar (W)
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Ref. No.: LM/Mar32/2021

March 03, 2021

To,

The Board of Directors
Sarguja Rail Corridor Private Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad 382 421

The Board of Directors
Adani Tracks Management Services Private
Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad - 382 421

Dear Sir(s)/ Madam(s),

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

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated February 03, 2021 to recommend the fair equity share swap ratio for amalgamation of Adani Tracks Management Services Private Limited ('ATMSPL') with Sarguja Rail Corridor Private Limited ('SRCPL') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

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

The cut-off date for the present valuation exercise has been considered as at March 31, 2021 and the market factors have been considered till March 02, 2021. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

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

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

Regards,

For BDO Valuation Advisory LLP

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



Lata R Gujar More

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

Partner

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



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1. Brief Background of the Companies

Adani Tracks Management Services Private Limited ('ATMSPL')

- 1.1. Adani Tracks Management Services Private Limited ("ATMSPL") (CIN: U45202GJ2019PTC109348) is a company incorporated under the provisions of the Companies Act, 1956. ATMSPL is engaged in the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility including without limitation to act as managers, administrators, executors, receivers, operators, custodians, nominees, promoters, developers, agents, attorneys, representatives, counsellors, consultants and advisers of railway projects. ATMSPL is a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited and it does not have any major operations.
- 1.2. The issued and paid up share capital of ATMSPL as on date of report is INR 0.5 Mn divided into 50,000 equity shares of INR 10/- each.

Sarguja Rail Corridor Private Limited ('SRCPL')

- 1.3. SRCPL (CIN: U60200DL2010PTC202278), is a wholly owned subsidiary of Brahmi Tracks Management Services Private Limited, is incorporated under the provisions of the Companies Act, 1956. SRCPL is engaged in the business of undertaking development and construction of Railway Corridor / Private Siding to cater to transportation of coal from coal mines Parsa East and Kanta Basan, Kanta and Kente Extension ("Mining Site") to the nearest railway line of Indian Railways i.e., Surajpur Road Railway Station.
- 1.4. SRCPL has taken ~1,000 acres of land on lease from Chhattisgarh State Power Generation Company Limited ("CSPGCL") for a period of 50 years vide Land Lease Agreement dated December 8, 2017 for the purpose of setting up the Private Siding.
- 1.5. The Construction of Phase-I of 33 kms (i.e., Private Siding connecting from Surajpur Road Railway Station to Ramanujnagar Loading Point) and Phase-II of 37 kms (i.e., Private Siding connecting from Ramanujnagar Loading Point to Mining Site), a total of 70 kms, has been completed and rakes movement on Phase-I has commenced from October 2014 and Phase-II has commenced from April 2018.
- 1.6. SRCPL has entered into a Track Access and Usage Agreement with Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RRVUNL") on July 22, 2015 whereby SRCPL gives RRVUNL the non-exclusive right to use the Private Siding. The Agreement also stipulates the Annual Contracted Quantity of coal in the 'Access Schedule'.
- 1.7. As per the said Agreement, the Annual Contracted Capacity of Coal was 11.00 Million Metric Tonnes per annum ("MMTPA") for FY 2020, 12.49 MMTPA for FY 2021 and is 15.93 MMTPA from FY 2022 to FY 2044.

- 1.8. The RRVUNL's peak requirement of coal is 35.20 MMTPA based on the RRVUNL notification for annual coal requirement.
- 1.9. RRVUNL in joint venture with Adani Enterprise Limited ("AEL") is the mine developer and operator for PEKB, Parsa, Kente Extn. AEL is also the mine developer and operator for Gidhmuri & Paturia in joint venture Sainik Mining & Allied Services Limited.

2. Purpose of Valuation

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

- Merger of ATMSPL into SRCPL on a going concern basis.
- Under Proposed Scheme, as consideration for the merger of ATMSPL to SRCPL, the equity shareholders of ATMSPL will be issued equity shares of SRCPL.

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

2.2. In this regard, we have been appointed to undertake the valuation to recommend the fair equity share swap ratio for the Proposed Scheme.

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3. Exclusions and Limitations

- 3.1. Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 3.2. The scope of work is restricted to recommendation of fair equity share swap ratio for amalgamation of ATMSPL into ARCPL.
- 3.3. This report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the report date and (iii) are based on the provisional financial statements of the Companies as at March 31, 2021. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur post the Report date and March 31, 2021.
- 3.4. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the companies for providing select information and only in connection with the purpose mentioned above or for sharing with shareholders, creditors, Regional Directors, Registrar of Companies, National Company Law Tribunal and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
- 3.5. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not conducted any geological study for analyzing the reserves of mines. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies or any of its subsidiaries or associated companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 3.6. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.7. Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the subject property has been obtained while conducting this valuation exercise. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues.

- 3.8. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our report.
- 3.9. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.10. During the course of our work, we have relied upon the certain opinion documents made available by the management and representatives of the Companies. Though we have reviewed it, we have not independently verified the same. As these opinions/assumptions require the exercise of judgment and are subject to uncertainties, there can be no assurance that these assumptions are accurate.
- 3.11. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 3.12. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.13. Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if the information provided to us changes.
- 3.14. We have considered relevant valuation approaches based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 3.15. Our scope is limited to the purposes stated hereinabove. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Arrangement with the provisions of any law including the Companies Act 2013, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Arrangement.

- 3.16. Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
- 3.17. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 3.18. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any party in relation to the issue of this report.
- 3.19. BDO Val owes responsibility to only the Boards of Directors of ATMSPL and SRCPL; with reference to terms of engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Clients. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.
- 3.20. This Report does not look into the business/commercial reasons behind the Proposed Arrangement nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Arrangement as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available.
- 3.21. Further this Report does not in any manner address the prices at which the equity shares of the Companies will trade following the announcement of the Scheme and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting to be held in connection with the Proposed Arrangement.

- 3.22. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Clients (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.
- 3.23. Further, after declaration of Covid-19 as a pandemic by World Health Organization and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

4. Sources of Information

- 4.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management representatives of the Companies:
- Audited financial statements of SRCPL for FY 18, FY 19 and FY 20;
 - Unaudited financial statements of SRCPL for the period ended January 31, 2021
 - Provisional balance sheet for the year ended March 31, 2021 of SRCPL and
 - Interim Condensed financial statements of ATMSPL for the period ended March 02, 2021;
 - Tax Audit Report and Tax Computation, for FY 19 and FY 20;
 - Details of carried forward losses, unabsorbed Depreciation and MAT credit as on March 31, 2020;
 - Detailed Seller Model with assumptions;
 - Private Siding Agreement with South East Central Railway dated April 11, 2018;
 - Private Siding Notification dated April 20, 2018 and June 12, 2018 issued by Ministry of Railways, Government of India;
 - Track Access and Usage Agreement between SRCPL and RRVUNL dated July 22, 2015;
 - Land Lease Agreement between SRCPL and CSPGCL dated October 29, 2015 and December 08, 2017;

- Operations & Maintenance Agreement between SRCPL and United Rail-Road Consultants Private Limited dated March 12, 2018;
- Operations Agreement between SRCPL and CSPGCL dated October 29, 2015;
- Credit Assessment Report of SRCPL issued by Crisil based on information available as on November 2019;
- Credit Rating Report for the Bank Loan Facilities of SRCPL issued by Brickwork Ratings India Pvt Ltd dated November 12, 2019;
- Debenture Subscription Agreement between SRCPL and Universal Trade and Investments Limited dated June 6, 2017 and addendum to this Agreement dated June 22, 2017;
- Debenture Purchase Agreement dated June 23, 2020 by and among Universal Trade and Investments Limited, Adani Properties Private Limited and SRCPL;
- Facility Agreement executed among SRCPL, Bank of Baroda and IndusInd Bank dated January 30, 2018;
- Sanction letters from Bank of Baroda and IndusInd Bank dated June 17, 2017 and September 1, 2017;
- Sanction letter from Bank of Baroda for fresh term loan dated July 9, 2020;
- Loan Agreement between SRCPL and Adani Properties Private Limited dated March 16, 2020;
- Pre-Feasibility Report for Prior Environmental Clearance of Kente Extension Opencast Coal Mine & Integrated Washery Project;
- Mining Plan and Mine Closure Plan for Parsa Coal Block dated September 15, 2016;
- Relevant data and information provided to us by the management and representatives of the Companies either in written or oral form or in form of soft copy and information available in public domain.
- Draft Composite Scheme of Arrangement; and
- Management Representation Letter addressed to BDO VAL.

5. Procedures Adopted

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

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

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

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

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6. Valuation Approaches

- 6.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 6.2. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.3. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards ("IVS") for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council ('IVSC') in carrying out the valuation exercise.
- 6.4. The Report Date is the valuation date ('Valuation Date'). For valuation exercise, market parameters have been considered up to and including March 02, 2021.
- 6.5. There are three generally accepted approaches to valuation:
- (a) "Cost" Approach
 - (b) "Income" Approach
 - (c) "Market" Approach

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

Cost Approach

Summation Method

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

This valuation approach is mainly used in case where the assets base dominates earnings capability. Since, ATMSPL is does not have any major operations, we have considered Summation method to arrive at valuation of ATMSPL.

Income Approach

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

Discounted Cash Flow Method

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

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

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

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

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

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

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

SRCPL owns the infrastructure assets railway track, wherein the future earning capability of the asset is important. Therefore, we have considered DCF Method under Income Approach for valuation of SRCPL.

Market Approach

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

i. Market Price Method

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

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

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

iii. Comparable Transactions Multiple Method

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

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

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

7. Conclusion on Valuation Approach

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

ATMSPL: Since there are no major operations in the company, Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation. We have not considered market price method as the shares of ATMSPL are not listed on recognized stock exchange.

Since ATMSPL does not have any operations as on the valuation date, we have considered Summation method under Cost approach for the valuation of ATMSPL.

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

We have considered the Discounted Cash Flow Method under Income Approach to valuation of SRCPL as the true worth of the SRCPL's business would be reflected in its future earnings potential. The cashflows on the basis of contractual revenue from RRVUNL from PEKB, Parsa, Kente Extn mines and an additional off take from the identified and potential explorable mines in the Hasdeo Arand Coal Field.

8. Basis of Fair Equity Share Swap Ratio

- 8.1. The basis of the fair equity share swap ratio for the Proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove including various qualitative factors relevant to the company / undertaking and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations
- 8.2. Further as discussed earlier we have used Summation Method under Cost Approach to arrive at valuation of ATMSPL, and Discounted Cash Flow under Income Approach to arrive at valuation of SRCPL.



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

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9. Conclusion

9.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

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

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

a) In the event of amalgamation of ATMSPL into SRCPL:

Valuation Approach	Valuation Method	ATMSPL		SRCPL	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Income Approach	DCF Method	NA	NA	252.2	100%
Market Approach	MP Method	NA	NA	NA	NA
Cost Approach	Summation Method	10.0	100%	NA	NA
Value Per Share		10.0		252.2	
Swap Ratio (Rounded Off)		25.22		NA	

NA= Not Adopted/Not Applicable

9.3. Recommendation:

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

1. 100 equity shares of face value INR 10 each fully paid up of SRCPL for every 2,522 equity shares of face value of INR 10 each fully paid of ATMSPL for the amalgamation of ATMSPL into SRCPL.

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CLARIFICATION ON THE THIRD VALUATION REPORT



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

Ref. No.: LM/Apr24-6/2021

April 24, 2021

To,

The Board of Directors
Sarguja Rail Corridor Private Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad 382 421

The Board of Directors
Adani Tracks Management Services Private
Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad - 382 421

Dear Sir(s)/ Madam(s),

Sub: Clarification to Valuation Report Dated March 03, 2021 bearing its reference number LM/Mar32/2021 issued to Recommend the Share Swap Ratio for the Proposed Scheme of Arrangement

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide letter dated February 03, 2021 to recommend the fair equity share swap ratio for amalgamation of Adani Tracks Management Services Private Limited ('ATMSPL') with Sarguja Rail Corridor Private Limited ('SRCPL') (together referred to as 'Client(s)' or 'Companies') on a going concern basis, as per the Proposed Scheme of Arrangement pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Proposed Scheme').

Further to our report, we are requested to clarify and provide the following:

-In case any method suggested in the format has not been used, reason for not using such method shall be specifically provided immediately below the table for all the companies involved in the scheme and confirm whether the valuer is registered valuer.

In response to above, we submit hereby that:

We hereby confirm that we are the independent registered valuers and fair valuation has been carried by us in an independent capacity.

On consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair equity share swap ratio for the amalgamation of ATMSPL into SRCPL would be as follows (recommendation):

In the event of amalgamation of ATMSPL into SRCPL:

Valuation Approach	Valuation Method	ATMSPL		SRCPL	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Income Approach ¹	DCF Method	NA	NA	252.2	100%
Market Approach ²	MP Method	NA	NA	NA	NA
Cost Approach ³	Summation Method	10.0	100%	NA	NA
Value Per Share		10.0		252.2	
Swap Ratio (Rounded Off)		25.22		NA	

NA= Not Adopted/Not Applicable

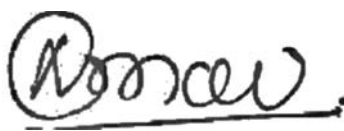
1. Discounted Cash Flow Method (DCF) under the Income Approach has not been considered for valuation of ATMSPL, as ATMSPL does not have any operations as on the valuation date. However, DCF Method has been considered for valuing SRCPL.
2. Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of the Companies in absence of exact comparable companies to business and non-availability of comparable transactions for similar business.
We have not considered market price method as the shares of the Companies are not listed on recognized stock exchange.
3. Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of SRCPL in a "going concern scenario", we have not considered Cost Approach for valuation of SRCPL.

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

Regards,

For BDO Valuation Advisory LLP

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




Lata R Gujar More

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

SECOND FAIRNESS OPINION


Vivro Financial Services Private Limited**Regd. Office :**

Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380007

Tel. : +91 (79) 4040 4242

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March 3, 2021

To,

The Board of Directors

Adani Ports And Special Economic Zone Limited

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

To,

The Board of Directors

Sarguja Rail Corridor Private Limited

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

Subject: Fairness Opinion Report on the valuation report issued by Yash K. Mehta, for the proposed transfer of Divestment Business Undertaking from Adani Ports And Special Economic Zone Limited to Sarguja Rail Corridor Private Limited and the vesting as a going concern on a slump sale basis for a lump sum consideration, as per the scheme of amalgamation ("Scheme") in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("SEBI Circular") issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations")

Adani Ports And Special Economic Zone Limited (hereinafter referred to as 'APSEZ'), is a company having CIN as L63090GJ1998PLC034182, incorporated on May 26, 1998, primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. APSEZ's business constitutes its Mundra Rail Business (hereinafter referred to as "Divestment Business Undertaking"). The equity shares of APSEZ are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, "Stock Exchanges").

Adani Tracks Management Services Private Limited (hereinafter referred to as 'Adani Tracks'), is a private company having CIN U45202GJ2019PTC109348, incorporated on July 31, 2019 and is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Brahmi Tracks Management Services Private Limited (hereinafter referred to as 'Brahmi'), is a private company having CIN U70103GJ2019PTC110704, incorporated on November 7, 2019 and is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.



Sarguja Rail Corridor Private Limited (hereinafter referred to as 'Sarguja'), is a private company having CIN U60200GJ2010PTC115649, incorporated on May 5, 2010 and is a wholly owned subsidiary of Brahmi, engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh.

Pursuant to a proposed composite scheme of arrangement under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of law, (hereinafter referred to as 'the Scheme'), the management of APSEZ, Adani Tracks, Brahmi and Sarguja, propose to enter into a scheme of arrangement as follows (The terms not defined herein would carry the meaning as per the Scheme):

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

Part II: Amalgamation of Brahmi into and with APSEZ

Part III: Amalgamation of Adani Tracks into and with Sarguja

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

Part V: General terms & conditions

Accordingly, APSEZ has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 (hereinafter referred to as 'Vivro', 'VFSPL', 'Merchant Banker', 'we', 'us', 'our'), vide an Engagement Letter dated January 20, 2021 to issue a Fairness Opinion Report on the valuation report issued by Yash K. Mehta, Registered Valuer, registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: IBBI/RV/06/2019/11647) (hereinafter referred to as the 'Registered Valuer', the 'Valuer'), vide his valuation report dated March 3, 2021 (hereinafter referred to as the 'Valuation Report'). In connection with the same, we hereby attach our Fairness Opinion Report in terms of the SEBI Circular.

For, Vivro Financial Services Private Limited



Jayesh Vithlani
Sr. Vice President
Ahmedabad



FAIRNESS OPINION REPORT

DIVESTMENT OF THE RAILWAY BUSINESS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED ON A SLUMP SALE BASIS ('TRANSFEROR COMPANY')

TO

SARGUJA RAIL CORRIDOR PRIVATE LIMITED ('TRANSFeree COMPANY')

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder)

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and Submitted By:

VIVRO

Vivro Financial Services Private Limited



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1. SCOPE AND PURPOSE OF THIS FAIRNESS OPINION REPORT

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



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



2. SOURCES OF INFORMATION

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

- 2.1 Proposed draft scheme of amalgamation between APSEZ, Adani Tracks, Sarguja and Brahmi, and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;
- 2.2 Valuation Report of Yash K Mehta, Registered Valuer, dated March 3, 2021;
- 2.3 Audited financial statements of APSEZ for the year ended on March 31, 2020;
- 2.4 Limited review financial statements of APSEZ for the 9 months ended on December 31, 2020;
- 2.5 Carved-out unaudited management certified financial statements of the Divestment Business Undertaking for the year ended on March 31, 2020;
- 2.6 Carved-out unaudited management certified financial statements of the Divestment Business Undertaking for the 9 months ended on December 31, 2020;
- 2.7 Written down value of the depreciable assets of the Divestment Business Undertaking as per the applicable provisions of the Income Tax Act, 1961 as on December 31, 2020;
- 2.8 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.
- 2.9 The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on the value of the Divestment Business Undertaking) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.



3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

- 3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 3.2 We owe responsibility only under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the management or their directors, employees or agents of the Companies.
- 3.3 In the course of the valuation, we were provided with both written and verbal information, which we have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. We have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 3.4 This Fairness Opinion Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Fairness Opinion Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Companies as on date of this Fairness Opinion Report. Events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 3.5 This Fairness Opinion Report is subject to the scope, the sources of the information and limitations detailed herein. As such the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 3.6 We have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Fairness Opinion Report, nor provided any accounting, tax or legal advice to the Companies, neither are we required to do so, in terms of the Engagement Letter.



- 3.7 We have not carried out a revaluation of any assets of the Companies, nor physically verified any assets of the Companies, neither are we required to in terms of the Engagement Letter.
- 3.8 We are independent of the Companies and hold no specific interest in the Companies or any of the assets of the Companies, nor do we have any conflict of interest with the Companies.
- 3.9 The fee for this Fairness Opinion Report is not contingent upon the recommendation given.
- 3.10 We are aware that based on the opinion of the value expressed in this Fairness Opinion Report, we may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.



4. BACKGROUND

4.1 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

APSEZ is a public limited company incorporated on May 26, 1998 under the Companies Act, 1956, having CIN L63090GJ1998PLC034182 and its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat-382421. The Equity shares of APSEZ are listed on BSE Limited and National Stock Exchange of India Limited. APSEZ is primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. The shareholding pattern of APSEZ as on December 31, 2020, is as follows:

Particulars	Equity Shares of Rs. 2 each	Shareholding % of Equity Shares	Preference Shares of Rs.10 each	Shareholding % of Preference Shares
Promoter & Promoter Group	1,29,49,91,018	63.74%	25,01,824	100.00%
Public	73,67,60,743	36.26%		
Total	2,03,17,51,761	100.00%	25,01,824	100.00%

APSEZ's business constitutes its Mundra Rail Business wherein APSEZ owns and maintains a two line railway track from Mundra Port to Adipur Junction, aggregating to around 75 kms which consists of the railway tracks, the railway signaling systems, the railway platforms and bridges. These tracks are used for the transport of goods to and from the Mundra Port.

4.2 SARGUJA RAIL CORRIDOR PRIVATE LIMITED

Sarguja is a private limited company incorporated on May 5, 2010 under the Companies Act, 1956, having CIN U60200GJ2010PTC115649 and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat – 382421. Sarguja is engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh. The shareholding pattern of Sarguja (Face value: Rs. 10) as on March 2, 2021, is as follows:



Particulars	Equity Shares	% Shareholding
Promoter & Promoter Group	20,00,00,000	100.00%
Total	20,00,00,000	100.00%

4.3 **ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED**

Adani Tracks is a private company incorporated on July 31, 2019 under the Companies Act, 2013, having CIN U45202GJ2019PTC109348, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Adani Tracks is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

4.4 **BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED**

Brahmi, is a private company incorporated on November 07, 2019 under the Companies Act, 2013, having CIN U70103GJ2019PTC110704, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Brahmi is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.



5. SALIENT FEATURES OF THE SCHEME

- 5.1 As mentioned above this Composite Scheme of Amalgamation is divided into 3 parts.
- 5.2 Part II of the Scheme seeks to amalgamate and consolidate the business of Brahmi into and with APSEZ pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail. Consequently, from the Appointed Date 1 and upon this Scheme coming into effect, Sarguja, being a wholly owned subsidiary of Brahmi, shall become the wholly owned subsidiary of APSEZ.
- 5.3 Upon the amalgamation of Brahmi into and with APSEZ pursuant to the Scheme becoming effective on the Effective Date, APSEZ will issue its Equity Shares to the shareholders of Brahmi on the Record Date 1, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of APSEZ and Brahmi, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.
- 5.4 Part III of the Scheme proposes to amalgamate the business of Adani Tracks, a wholly owned subsidiary of APSEZ into and with Sarguja pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail. As per the chronology proposed in the Scheme, pursuant to the amalgamation of Brahmi into APSEZ from the Appointed Date 1, Sarguja shall become the wholly owned subsidiary of APSEZ, and consequently, Part III of the scheme proposes an amalgamation of two consequent wholly owned subsidiaries of APSEZ, being Adani Tracks and Sarguja.
- 5.5 Upon the amalgamation of Adani Tracks into and with Sarguja pursuant to the Scheme becoming effective on the Effective Date, Sarguja will issue its Equity Shares to the shareholders of Adani Tracks on the Record Date 2, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of Adani Tracks and Sarguja, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.
- 5.6 Part IV of the Scheme seeks the transfer and vesting of the Divestment Business Undertaking of APSEZ with Sarguja pursuant to the provisions of, inter-alia, Sections 230 to 232 of the



Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(42C) and other provisions of the Income-tax Act, 1961 and other applicable laws.

- 5.7 Upon the scheme becoming effective with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, without any further act, instrument, deed, matter or thing be transferred to and vested in and/or be deemed to be and stand transferred to and vested in Sarguja as a 'going concern' on a slump sale basis in accordance with Section 2(42C) of the Income Tax Act, 1961 for a lump sum consideration, subject to provisions of the scheme.
- 5.8 The Scheme envisages the slump sale of Divestment Business Undertaking of APSEZ into its consequent wholly owned subsidiary Sarguja in compliance with the provisions of Section 2(42C) of the IT Act, such that the transfer of the undertaking shall be for a lump sum consideration without values being assigned to the individual assets and liabilities.



6. VALUER'S RECOMMENDATION

- 6.1 As required under the engagement letter entered into between APSEZ and Yash K Mehta, Registered Valuer, the scope of valuation services for the proposed composite Scheme of arrangement is specific to Part IV of the Scheme, being the divestment of the Divestment Business Undertaking of APSEZ on a Slump Sale basis.
- 6.2 The fair basis of the valuation as proposed in Part IV of the Scheme has been determined after taking into consideration all the factors and methodologies in the Valuation Report, dated March 3, 2021 issued by Yash K Mehta, Registered Valuer.
- 6.3 As the divestment of the Divestment Business Undertaking of APSEZ is effected by APSEZ to Sarguja, which is the consequent wholly owned subsidiary of APSEZ, the ultimate beneficiaries of the Divestment Business Undertaking of APSEZ remain the same.
- 6.4 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, dated March 3, 2021 issued by Yash K Mehta, Registered Valuer, it has been recommended that the consideration for Divestment Business Undertaking on a slump sale basis under Part IV of the Scheme shall be as follows:

"INR 188.65 Crores (Rupees One Hundred Eighty Eight Crores Sixty Five Lakhs) lump sum Consideration for the divestment of the Divestment Business Undertaking of APSEZ to Sarguja on a Slump Sale basis".



7. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the consideration recommended under the Valuation Report for the Divestment Business Undertaking of APSEZ, as recommended by Yash K Mehta, Registered Valuer, for the proposed Scheme, is fair.

For, Vivro Financial Services Private Limited



Jayesh Vithlani

Sr. Vice President

Date: March 3, 2021

Place: Ahmedabad



THIRD FAIRNESS OPINION



Vivro Financial Services Private Limited

Regd. Office :

Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 4040 4242

www.vivro.net

March 3, 2021

To,

The Board of Directors

Sarguja Rail Corridor Private Limited

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

To,

The Board of Directors

Adani Tracks Management Services Private Limited

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

Subject: Fairness Opinion Report on the valuation report issued by BDO Valuation Advisory LLP, for the proposed amalgamation of Adani Tracks Management Services Private Limited with Sarguja Rail Corridor Private Limited, as per the scheme of amalgamation ("Scheme") in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("SEBI Circular") issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations")

Adani Ports And Special Economic Zone Limited (hereinafter referred to as 'APSEZ'), is a company having CIN as L63090GJ1998PLC034182, incorporated on May 26, 1998, primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. APSEZ's business constitutes its Mundra Rail Business (hereinafter referred to as "Divestment Business Undertaking"). The equity shares of APSEZ are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, "Stock Exchanges").

Adani Tracks Management Services Private Limited (hereinafter referred to as 'Adani Tracks'), is a private company having CIN U45202GJ2019PTC109348, incorporated on July 31, 2019 and is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Brahmi Tracks Management Services Private Limited (hereinafter referred to as 'Brahmi'), is a private company having CIN U70103GJ2019PTC110704, incorporated on November 7, 2019 and is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Sarguja Rail Corridor Private Limited (hereinafter referred to as 'Sarguja'), is a private company having CIN U60200GJ2010PTC115649, incorporated on May 5, 2010 and is a wholly owned



subsidiary of Brahmi, engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh.

Pursuant to a proposed composite scheme of arrangement under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of law, (hereinafter referred to as 'the Scheme'), the management of APSEZ, Adani Tracks, Brahmi and Sarguja, propose to enter into a scheme of arrangement as follows (The terms not defined herein would carry the meaning as per the Scheme):

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

Part II: Amalgamation of Brahmi into and with APSEZ

Part III: Amalgamation of Adani Tracks into and with Sarguja

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

Part V: General terms & conditions

Accordingly, Sarguja has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 (hereinafter referred to as 'Vivro', 'VFSP', 'Merchant Banker', 'we', 'us', 'our'), vide an Engagement Letter dated January 20, 2021 to issue a Fairness Opinion Report on the valuation report issued by BDO Valuation Advisory LLP registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: IBBI/RV-E/02/2019/103)(hereinafter referred to as the 'Registered Valuer', the 'Valuer') vide their valuation report dated March 3, 2021 (hereinafter referred to as the 'Valuation Report'). In connection with the same, we hereby attach our Fairness Opinion Report in terms of the SEBI Circular.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
Sr. Vice President
Ahmedabad



FAIRNESS OPINION REPORT

AMALGAMATION OF

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

('TRANSFEROR COMPANY')

WITH

SARGUJA RAIL CORRIDOR PRIVATE LIMITED

('TRANSFeree COMPANY')

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder)

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and Submitted By:

VIVRO

Vivro Financial Services Private Limited



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1. SCOPE AND PURPOSE OF THIS FAIRNESS OPINION REPORT

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



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



2. SOURCES OF INFORMATION

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

- 2.1 Proposed draft scheme of amalgamation between APSEZ, Adani Tracks, Sarguja and Brahmi, and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;
- 2.2 Valuation Report of BDO Valuation Advisory, LLP, Registered Valuer, dated March 3, 2021;
- 2.3 Track Access & Usage Agreement executed between Sarguja & Rajasthan Rajya Vidyut Utpadan Nigam Limited dated July 22, 2015;
- 2.4 Audited financial statements of Sarguja for FY 2018, FY 2019 and FY 2020;
- 2.5 Management certified financial estimates of Sarguja for the year ended March 31, 2021;
- 2.6 Management certified financial unaudited statements of Adani Tracks for the period ended March 02, 2021;
- 2.7 Debenture Subscription Agreement executed between Sarguja and Universal Trade and Investments Limited dated June 6, 2017 and addendum to this Agreement dated June 22, 2017;
- 2.8 Debenture Purchase Agreement dated June 23, 2020 executed by and among Universal Trade and Investments Limited, Adani Properties Private Limited and Sarguja;
- 2.9 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.
- 2.10 The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on the equity share swap ratio of amalgamation) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.



3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

- 3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 3.2 We owe responsibility only under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. 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 management or their directors, employees or agents of the Companies.
- 3.3 In the course of the valuation, we were provided with both written and verbal information, which we have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. We have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 3.4 This Fairness Opinion Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Fairness Opinion Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Companies as on date of this Fairness Opinion Report. Events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 3.5 This Fairness Opinion Report is subject to the scope, the sources of the information and limitations detailed herein. As such the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 3.6 We have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Fairness Opinion Report, nor provided any accounting, tax or legal advice to the Companies, neither are we required to do so, in terms of the Engagement Letter.



- 3.7 We have not carried out a revaluation of any assets of the Companies, nor physically verified any assets of the Companies, neither are we required to in terms of the Engagement Letter.
- 3.8 We are independent of the Companies and hold no specific interest in the Companies or any of the assets of the Companies, nor do we have any conflict of interest with the Companies.
- 3.9 The fee for this Fairness Opinion Report is not contingent upon the recommendation given.
- 3.10 We are aware that based on the opinion of the value expressed in this Fairness Opinion Report, we may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.



4. BACKGROUND

4.1 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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

4.2 SARGUJA RAIL CORRIDOR PRIVATE LIMITED

Sarguja is a private limited company incorporated on May 5, 2010 under the Companies Act, 1956, having CIN U60200GJ2010PTC115649 and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat – 382421. Sarguja is engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh. The shareholding pattern of Sarguja (Face value: Rs. 10) as on March 2, 2021, is as follows:

Particulars	Equity Shares	% Shareholding
Promoter & Promoter Group	20,00,00,000	100.00%
Total	20,00,00,000	100.00%

4.3 ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

Adani Tracks is a private company incorporated on July 31, 2019 under the Companies Act, 2013, having CIN U45202GJ2019PTC109348, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat – 382421. Adani Tracks is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility. The shareholding pattern of Adani Tracks (Face value: Rs. 10) as on March 2, 2021, is as follows:



Particulars	Equity Shares	% Shareholding
Promoter & Promoter Group	50,000	100.00%
Total	50,000	100.00%

4.4 **BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED**

Brahmi, is a private company incorporated on November 07, 2019 under the Companies Act, 2013, having CIN U70103GJ2019PTC110704, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Brahmi is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.



5. SALIENT FEATURES OF THE SCHEME

- 5.1 As mentioned above this Composite Scheme of Arrangement is divided into 3 parts.
- 5.2 With effect from the Appointed Date 2 and upon this Scheme becoming effective, Adani Tracks along with all its assets, liabilities, contracts, employees, licenses, records, approvals being integral parts of Adani Tracks shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in Sarguja, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any.
- 5.3 Part III of the Scheme envisages the amalgamation of the Adani Tracks into Sarguja in compliance with the provisions of Section 2(1B) of the IT Act, such that:
- (a) all the properties of Adani Tracks, immediately before the amalgamation, shall become the property of Sarguja, by virtue of this amalgamation;
 - (b) all the liabilities of Adani Tracks, immediately before the amalgamation, shall become the liabilities of Sarguja, by virtue of this amalgamation and;
 - (c) shareholders holding not less than three-fourths in value of the shares in Adani Tracks (other than shares already held therein immediately before the amalgamation by, or by a nominee for, Sarguja or its subsidiary) will become shareholders of Sarguja by virtue of the amalgamation.
- 5.4 Upon the amalgamation of Adani Tracks into and with Sarguja pursuant to the Scheme becoming effective on the Effective Date, Sarguja will issue its equity shares to the shareholders of Adani Tracks on the record date, in accordance with the equity share swap ratio approved by the Board of Directors of each of Adani Tracks and Sarguja, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.
- 5.5 The name of Sarguja without any further act, instrument or deed, shall stand changed to "Adani Tracks Management Services Private Limited" and the Memorandum of Association of the Sarguja and its Articles of Association shall stand accordingly modified, changed and amended with effect from the Effective Date.



6. VALUER'S RECOMMENDATION

- 6.1 As informed to us by the management of the Companies, the scope of valuation services for the proposed composite Scheme of arrangement is to carry out the valuation of equity shares of Adani Tracks and Sarguja to determine the equity share swap ratio.
- 6.2 The equity share swap ratio has been arrived at on the basis of relative valuation of the equity shares of Adani Tracks and Sarguja based on methodology, as explained in the Valuation Report dated March 3, 2021 issued by BDO Valuation Advisory LLP and various qualitative factors relevant to Adani Tracks and Sarguja respectively, and the business dynamics as well as growth potential of the businesses, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.3 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, dated March 3, 2021 issued by BDO Valuation Advisory LLP, Registered Valuer, it has been recommended that the equity share swap ratio for the amalgamation of Adani Tracks with and into Sarguja, under the proposed Scheme shall be as follows:

"100 equity shares of face value INR 10 each fully paid up of Sarguja for every 2,522 equity shares of face value of INR 10 each fully paid of Adani Tracks for the amalgamation of Adani Tracks into Sarguja".



7. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the equity share swap ratio, recommended by BDO Valuation Advisory LLP, Registered Valuer, for the amalgamation of Adani Tracks with and into Sarguja, for the proposed Scheme, is fair.

For, Vivro Financial Services Private Limited



Jayesh Vithlani

Sr. Vice President

Date: March 3, 2021

Place: Ahmedabad



COMPLAINTS REPORT SENT TO BSE



June 1, 2021

BSE Limited

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

Scrip Code: 532921

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

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

Dear Sir,

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

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

The period of 21 days from the hosting of said documents by the BSE on its website i.e. May 10, 2021 expired on May 31, 2021, accordingly, please find attached herewith Report on Complaints.

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

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
CIN: L63090GJ1998PLC034182

Tel +91 79 2656 5555
Fax +91 79 2555 5500
info@adani.com
www.adaniports.com



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



Ports and
Logistics

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**

Kamlesh Bhagia

Company Secretary & Compliance Officer



Encl: a/a

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
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Complaints Report

Part A

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

Part B

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

For Adani Ports and Special Economic Zone Limited

Kamlesh Bhagia

Kamlesh Bhagia
Company Secretary



Date: June 1, 2021
Place: Ahmedabad

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
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Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India

COMPLAINTS REPORT SENT TO NSE

adani

Ports and
Logistics

May 27, 2021

National Stock Exchange of India Limited

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

Scrip Code: ADANI PORTS

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

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

Dear Sir,

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

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

The period of 21 days from the hosting of said documents by the NSE on its website i.e. May 3, 2021 expired on May 24, 2021, accordingly, please find attached herewith Report on Complaints.

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

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
CIN: L63090GJ1998PLC034182

Tel +91 79 2656 5555
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info@adani.com
www.adaniports.com





Ports and
Logistics

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**

Kamlesh Bhagia
Company Secretary & Compliance Officer



Encl: a/a

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
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www.adaniports.com

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

Complaints Report

Part A

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

Part B

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

For Adani Ports and Special Economic Zone Limited

Kamlesh Bhagia

Kamlesh Bhagia
Company Secretary



Date: May 27, 2021

Place: Ahmedabad

Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
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www.adaniports.com

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

OBSERVATION LETTER FROM BSE

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
 T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
 Corporate Identity Number: L67120MH2005PLC155188



DCS/AMAL/JR/R37/1996/2021-22

“E-Letter”

July 09, 2021

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

Sir,

Sub: Observation letter regarding Draft Scheme of Arrangement between Adani Ports and Special Economic Zone Limited (APSEZ), Brahmi Tracks Management Services Private Limited (Brahmi), Adani Tracks Management Services Private Limited (Adani Tracks) and Sarguja Rail Corridor Private Limited (Sarguja) and their respective Shareholders.

We are in receipt of the Draft Scheme of Arrangement of Adani Ports and Special Economic Zone Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 09, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company shall ensure that it will seek approval from the public shareholders through e-voting in terms of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and the Scheme shall be acted upon only if the votes cast by the majority of public shareholders are in favour of the Scheme and more than the number of votes cast by the public shareholders against it. Further, the Company shall ensure that details in this regard are disclosed in the Scheme, before filing the same with Hon’ble NCLT.”
- “Company shall ensure that the financials of the Companies involved in the Scheme are not more than 6 months old, before filing the same with the Hon’ble NCLT.”
- “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.

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

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

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

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

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

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

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

Yours faithfully,

Sd/-

**Sabah Vaze
Manager**

OBSERVATION LETTER FROM NSE



National Stock Exchange Of India Limited

Ref: NSE/LIST/26625_II

July 09, 2021

The Company Secretary
 Adani Ports and Special Economic Zone Limited
 Adani Corporate House, Shantigram,
 Near Vaishno Devi Circle, S. G. Highway,
 Khodiyar, Ahmedabad - 382421

Kind Attn.: Mr. Kamlesh Bhagia

Dear Sir,

Sub: Observation Letter for Draft Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited, Adani Ports and Special Economic Zone Limited, Adani Tracks Management Services Private Limited, Sarguja Rail Corridor Private Limited and their respective shareholders and creditors

We are in receipt of the Draft Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited ("Brahmi"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Tracks Management Services Private Limited ("Adani Tracks"), Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors vide application dated April 01, 2021.

Based on our letter reference no Ref: NSE/LIST/26625_I submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company shall ensure that it will seek approval from the public shareholders through e-voting in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and the Scheme shall be acted upon only if the votes cast by the majority of public shareholders are in favour of the Scheme and more than the number of votes cast by the public shareholders against it. Further, the Company shall ensure that details in this regard are disclosed in the scheme, before filing the same with Hon'ble National Company Law Tribunal (NCLT).*
- d. *The Company shall ensure that the financials of the companies involved in the scheme are not more than 6 months old, before filing the same with Hon'ble NCLT.*

This Document is Digitally Signed



Signer: Harshad P Dharod
 Date: Fri, Jul 9, 2021 17:36:51 IST
 Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051,
 India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769

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

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

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

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

The validity of this “Observation Letter” shall be six months from July 09, 2021 within which the scheme shall be submitted to NCLT.

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

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

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

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Signer: Harshad P Dharod
Date: Fri, Jul 9, 2021 17:36:51 IST
Location: NSE

SUMMARY OF ALL THE VALUATION REPORTS

SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

Adani Ports and Special Economic Zone Limited <u>Registered Office:</u> Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421 CIN:L63090GJ1998PLC034182	Brahmi Tracks Management Services Private Limited <u>Registered Office:</u> Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421 CIN: U35100GJ2019PTC110704
Adani Tracks Management Services Private Limited <u>Registered Office:</u> Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421 CIN: U45202GJ2019PTC109348	Sarguja Rail Corridor Private Limited <u>Registered Office:</u> Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421 CIN: U60200GJ2010PTC115649

1. Adani Ports and Special Economic Zone Limited ("**APSEZ**"), Adani Tracks Management Services Private Limited ("**Adani Tracks**"), Brahmi Tracks Management Services Private Limited ("**Brahmi**") and Sarguja Rail Corridor Private Limited ("**Sarguja**"), engaged the following valuers:
 - a) BDO Valuation Advisory LLP ("**BDO**") (IBBI No.: IBBI/RV-E/02/2019/103), registered valuer for carrying out fair valuation of amalgamation of Brahmi with APSEZ and amalgamation of Adani Tracks with Sarguja.
 - b) Deutsche Equities India Private Limited ("**DB**") as a second valuer for carrying out valuation of amalgamation of Brahmi with APSEZ.
 - c) Y. K. Mehta & Associates, Chartered Accounts, ("**YKM**") (IBBI No.: IBBI/RV/06/2019/11647), registered valuer for carrying out fair valuation for transfer of the Divestment Business Undertaking (Mundra Rail Business), as a going concern on Slump Sale basis.

The valuers have issued their valuation report dated March 3, 2021.

2. APSEZ appointed JM Financial Limited ("**JM Financial**") and J. P. Morgan India Private Limited ("**JP Morgan**"), SEBI registered Merchant Bankers to provide an independent opinion as to the fairness of the Share Swap Ratio recommended by BDO for amalgamation of Brahmi with APSEZ.
3. JM Financial and JP Morgan reviewed the valuation report issued by BDO and the draft scheme and carried out independent analysis. JM Financial and

JP Morgan vide their respective report dated March 3, 2021 opined to the Board of Directors of APSEZ that the valuation opined by BDO is fair, from a financial point of view.

4. Sarguja appointed Vivro Financial Services Private Limited ("**Vivro**"), a SEBI registered Merchant Banker to provide an independent opinion as to the fairness of the Share Swap Ratio recommended by BDO for amalgamation of Adani Tracks with Sarguja.
5. Vivro reviewed the valuation report issued by BDO and the draft scheme and carried out independent analysis. Vivro vide its report dated March 3, 2021 opined to the Board of Directors of Sarguja and Adani Tracks that the Share Swap Ratio opined by BDO is fair.
6. APSEZ appointed Vivro to provide an independent opinion as to the fairness of the lump sum consideration recommended by YKM for transfer of the Divestment Business Undertaking (Mundra Rail Business), as a going concern on Slump Sale basis from APSEZ to Sarguja.
7. Vivro reviewed the valuation report issued by YKM and the draft scheme and carried out independent analysis. Vivro vide its report dated March 3, 2021 opined to the Board of Directors of APSEZ and Sarguja that the valuation opined by YKM is fair.
8. The BDO, registered valuer had carried out independent analysis using generally accepted valuation methodologies in arriving the valuation for amalgamation of Brahmi with APSEZ. APSEZ is a listed entity and Brahmi is an unlisted entity which acts as a holding company of Sarguja. The approach adopted by the registered valuer in determining the same is summarized as under:
 - a) APSEZ valuation: Considering APSEZ is a listed entity which is actively traded in market, Discounted Cash Flow Method (DCF) under the Income Approach has not been considered for APSEZ and instead average of the listed price as prescribed under the regulations prescribed by Securities and Exchange Board of India, is considered.

Brahmi valuation: Brahmi does not have any operations as on the valuation date and holds investment in Sarguja and hence, Income approach is not considered for valuation of Brahmi. However, DCF Method has been considered for valuing Sarguja, which represents the fair value of Brahmi adjusted with net debt at Brahmi level
 - b) Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of the Companies in absence of

exact comparable companies to business and non-availability of comparable transactions for similar business.

Market price method for Brahmi has not been considered as the shares of the Brahmi are not listed on recognized stock exchange.

- c) Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of APSEZ in a "going concern scenario", the same has not considered Cost Approach for valuation of APSEZ.
9. The BDO, registered valuer had carried out independent analysis using generally accepted valuation methodologies in arriving the valuation for amalgamation of Adani Tracks with Sarguja. The approach adopted by the registered valuer in determining the same is summarized as under:
- a) Discounted Cash Flow Method (DCF) under the Income Approach has not been considered for valuation of Adani Tracks, as Adani Tracks does not have any operations as on the valuation date. However, DCF Method has been considered for valuing Sarguja.

- b) Comparable Companies Multiple Method ('CCM') and Comparable Transactions Multiple Method ('CTM') under the Market Approach have not been considered for the valuation of the Companies in absence of exact comparable companies to business and non-availability of comparable transactions for similar business.

Market price method for Adani Tracks and Sarguja has not been considered as the shares of the Companies are not listed on recognized stock exchange.

- c) Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of Sarguja in a "going concern scenario", the same has not considered Cost Approach for valuation of Sarguja. With regards to Adani Tracks, considering DCF approach and CCM method are not applicable, the same has been valued considering Cost Approach.
10. The YKM, registered valuer had carried out independent analysis using generally accepted valuation methodologies in arriving the valuation for transfer of the Divestment Business Undertaking (Mundra Rail Business). The approach adopted by the registered valuer in determining the same is summarized as under:

Post the Scheme becoming effective, Sarguja will be a wholly owned subsidiary of APSEZ and all the shareholders of APSEZ will be ultimate beneficial owners of Sarguja (wherein the Divestment Business Undertaking is being vested). Accordingly, valuation approaches as indicated in the

format prescribed by NSE and BSE have not been undertaken as they are not relevant in the instant case.

The lump sum consideration recommended by the management considers specific taxation considerations and other aspects relevant and applicable to the managements of the Companies, considering the ultimate beneficiaries of the Divestment Business Undertaking (Mundra Rail Business) of APSEZ will remain the same after the divestment

11. The valuation reports and the fairness opinion as placed, were approved by the board of directors of the respective companies.

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



Karan Adani
Whole-Time Director & CEO
DIN: 03088095

**For Brahmi Track Management
Services Pvt. Ltd.**



Pritamkumar Shah
Director
DIN: 09057708

**For Adani Tracks Management
Services Pvt. Ltd.**



Subrat Tripathy
Director
DIN: 06890393

For Sarguja Rail Corridor Pvt. Ltd.



Dilip Kumar Jha
Director
DIN: 06829315

Date : March 3, 2021
Place : Ahmedabad

REPORT ADOPTED BY THE DIRECTORS OF APSEZ

adani

Ports and
Logistics

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 3, 2021.

Background

1. The proposed composite scheme of arrangement between Brahmi Tracks Management Services Private Limited ("Brahmi") and Adani Ports and Special Economic Zone Limited ("APSEZ" or "Company") and Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("Act") and in accordance with Section 2(42C) of the Income Tax Act, 1961, *inter-alia*, provides for:

- (i) amalgamation of Brahmi with APSEZL, with effect from the Appointed Date 1 i.e. April 1, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- (ii) amalgamation of Adani Tracks with Sarguja, with effect from the Appointed Date 2 i.e. April 2, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- (iii) transfer of the Divestment Business Undertaking (Mundra Rail Business), as a going concern on Slump Sale basis, with effect from the Appointed Date 2 i.e. April 2, 2021, by APSEZ to Sarguja for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the Income Tax Act.

The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on March 3, 2021.

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

Adani Ports and Special Economic Zone Ltd
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad - 382421
Gujarat, India
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Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India

- a) A draft of the proposed Scheme.
- b) Fair Equity Share Swap Ratio Report dated March 3, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of Brahmi with APSEZ.
- c) Fairness opinion dated March 3, 2021 issued by JM Financial Limited and J. P. Morgan India Private Limited, SEBI registered Merchant Bankers, to the APSEZ, providing their respective fairness opinions on Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of Brahmi with APSEZ.
- d) Fair Equity Share Swap Ratio Report dated March 3, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of Adani Track with Sarguja.
- e) Fairness opinion dated March 3, 2021 issued by Vivro Financial Services Private Limited, SEBI registered Merchant Banker, to the Sarguja, providing its fairness opinion on the Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of Adani Track with Sarguja.
- f) Valuation report dated March 3, 2021 issued by Y. K. Mehta & Associates, Chartered Accountant, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to transfer of Mundra Rail Business, by APSEZ to Sarguja.
- g) Fairness opinion dated March 3, 2021 issued by Vivro Financial Services Private Limited, SEBI registered Merchant Banker, to the APSEZ, providing its fairness opinion on the lump sum consideration as recommended by Y. K. Mehta & Associates, Chartered Accountant, registered valuer, in relation to transfer of Mundra Rail Business, by APSEZ to Sarguja.
- h) Draft of the Auditors' Certificate to be issued by the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and/or the accounting standards and principles.

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- i) Report of the Executive Committee with recommendations.
- j) Report of the Audit Committee dated March 3, 2021, recommending the Scheme to the Board for approval.
- k) Report of the Committee of Independent Directors of APSEZ dated March 3, 2021, recommending the Scheme to the Board for approval.
- l) Other presentations, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

Effect of the proposed Scheme

1. Shareholders (including promoter and non-promoter)

Under Part II of the Scheme, an arrangement is sought to be entered into between APSEZ and its equity shareholders. Upon Part II of the Scheme becoming effective, the equity shareholders of Brahmi, shall become the equity shareholders of APSEZ in the manner as stipulated in Clause 5.1 of Part II of the Scheme. Upon effectiveness of Part II of the Scheme, the shareholding of promoters/promoter group in the paid-up equity share capital of APSEZ shall stand increased.

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

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

2. Creditors

Under Part II of the Scheme, there is no arrangement with the creditors of APSEZ. No compromise is offered under Part II of the Scheme to any of the creditors of APSEZ. The liabilities of the creditors of APSEZ, under Part II of the

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Scheme, is neither being reduced nor being extinguished. The creditors of APSEZ would in no way be affected by Part II of the Scheme.

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

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

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

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

3. Employees, Directors and Key Managerial Personnel

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

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

None of the directors or the key managerial personnel (as defined under the Act and the rules framed thereunder) of APSEZ and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest either in Part II or Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if any, and/or to the extent that some of

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the directors are promoters of APSEZ and/or to the extent that the said promoters/promoter group of APSEZ holding shares in APSEZ and in Brahmi and/or to the extent of the shares being allotted by APSEZ to the equity shareholders of Brahmi, who are forming part of the promoter group of APSEZ, upon the effectiveness of Part II of the Scheme and/or that the said director(s), key managerial personnel and their respective relatives are the partners, directors, members of the companies, firms, bodies corporate and/or beneficiaries of trust that hold shares in APSEZ, if applicable.

Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) 100 equity shares of face value Rs. 2/- each fully paid up of APSEZ for every 708 equity shares of face value of Rs. 2/- each fully paid of Brahmi for the amalgamation of Brahmi with APSEZ.
 - b) 100 equity shares of face value Rs. 10/- each fully paid up of Sarguja for every 2522 equity shares of face value of Rs. 10/- each fully paid of Adani Tracks, for the amalgamation of Adani Tracks with Sarguja
 - c) lump sum consideration of Rs. 188.65 crores, for transfer and vesting of Divestment Business Undertaking (Mundra Rail Business) of APSEZ by way of slump sale on a going concern basis into Sarguja.
2. No special valuation difficulties were reported by the valuers.

Adoption of the Report by the Board

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

By order of the Board

For Adani Ports and Special Economic Zone Limited



Karan Adani

Whole-Time Director & CEO

DIN: 03088095



Date: March 3, 2021

Place: Ahmedabad

Adani Ports and Special Economic Zone Ltd
Adani Corporate House, Shantigram,
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REPORT ADOPTED BY THE DIRECTORS OF BRAHMI**BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED**

(Formerly known as Brahmi Build Estate Private Limited)

Regd. Office: "Adani Corporate House", Shantigram, Near Vaishno Devi Circle,

S. G. Highway, Khodiyar, Ahmedabad 382421

CIN: U35100GJ2019PTC110704

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 3, 2021.

Background

1. The proposed composite scheme of arrangement between Brahmi Tracks Management Services Private Limited ("Brahmi" or "Company") and Adani Ports and Special Economic Zone Limited ("APSEZ") and Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("Act") and in accordance with Section 2(42C) of the Income Tax Act, 1961, *inter-alia*, provides for:

- (i) amalgamation of Brahmi with APSEZL, with effect from the Appointed Date 1 i.e. April 1, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- (ii) amalgamation of Adani Tracks with Sarguja, with effect from the Appointed Date 2 i.e. April 2, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- (iii) transfer of the Divestment Business Undertaking (Mundra Rail Business), as a going concern on Slump Sale basis, with effect from the Appointed Date 2 i.e. April 2, 2021, by APSEZ to Sarguja for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the Income Tax Act.

The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on March 3, 2021.

- 2. As per provisions of Section 232(2)(c) of the Act requires that the directors of the APSEZ to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
- 3. This report of the Board is accordingly being made in pursuance of the requirements of Sections 232(2)(c) of the Act.
- 4. The following documents, were placed before the Board:
 - a) A draft of the proposed Scheme.
 - b) Fair Equity Share Swap Ratio Report dated March 3, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section

BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

(Formerly known as Brahmi Build Estate Private Limited)

Regd. Office: "Adani Corporate House", Shantigram, Near Vaishno Devi Circle,

S. G. Highway, Khodiyar, Ahmedabad 382421

CIN: U35100GJ2019PTC110704

247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of Brahmi with APSEZ.

- c) Fairness opinion dated March 3, 2021 issued by JM Financial Limited and J. P. Morgan India Private Limited, SEBI registered Merchant Bankers, to the APSEZ, providing their respective fairness opinions on Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of Brahmi with APSEZ.
- d) Draft of the Auditors' Certificate to be issued by the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and/or the accounting standards and principles.
- e) Other presentations, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

Effect of the proposed Scheme

1. Shareholders (promoter)

Under Part II of the Scheme, an arrangement is sought to be entered into between Brahmi and its equity shareholders. Upon Part II of the Scheme becoming effective, the equity shareholders of Brahmi, shall become the equity shareholders of APSEZ in the manner stipulated in Clause 5.1 of Part II of the Scheme. Further, upon Part II of the Scheme becoming effective, Sarguja shall become the wholly owned subsidiary of APSEZ.

2. Creditors

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

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

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

3. Employees, Directors and Key Managerial Personnel

As stated in Clause 1.2(m) of Part II of the Scheme, and with effect from the Effective Date, APSEZ has undertaken to engage all the staff and employees of Brahmi, if any, without any break or interruption in their services and on the same

BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

(Formerly known as Brahmi Build Estate Private Limited)

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

CIN: U35100GJ2019PTC110704

terms and conditions (and which are not less favourable than those) on which they are engaged by Brahmi as on the Effective Date. In the circumstances, the rights of the staff and employees of Brahmi would in no way be affected by Part II of the Scheme.

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

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

Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) 100 equity shares of face value Rs. 2/- each fully paid up of APSEZ for every 708 equity shares of face value of Rs. 2/- each fully paid of Brahmi for the amalgamation of Brahmi with APSEZ.
2. No special valuation difficulties were reported by the valuers.

Adoption of the Report by the Board

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

By order of the Board

For Brahmi Tracks Management Services Private Limited
(Formerly known as Brahmi Build Estate Private Limited)



Pritamkumar Shah
Director
DIN: 09057708

REPORT ADOPTED BY THE DIRECTORS OF ADANI TRACKS

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 3, 2021.

Background

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

The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on March 3, 2021.

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

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

Effect of the proposed Scheme

1. Shareholders (promoter)

Under Part III of the Scheme, an arrangement is sought to be entered into between Adani Tracks and its equity shareholders. Upon Part III of the Scheme becoming effective, the equity shareholders of Adani Tracks, shall become the equity shareholders of Sarguja in the manner stipulated in Clause 5.1 of Part III of the Scheme.

2. Creditors

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

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

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

3. Employees, Directors and Key Managerial Personnel

As stated in Clause 1.2(m) of Part III of the Scheme, and with effect from the Effective Date, Sarguja has undertaken to engage all the staff and employees of Adani Tracks, if any, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by Adani Tracks as on the Effective Date. In the circumstances, the rights of the staff and employees of Adani Tracks would in no way be affected by Part III of the Scheme.

Upon Part III of the Scheme becoming effective, Adani Tracks shall stand dissolved without being wound up. In the circumstances, the directors of Adani Tracks shall cease to be the directors of Adani Tracks.

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

Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) 100 equity shares of face value Rs. 10/- each fully paid up of Sarguja for every 2522 equity shares of face value of Rs. 10/- each fully paid of Adani Tracks, for the amalgamation of Adani Tracks with Sarguja
2. No special valuation difficulties were reported by the valuers.

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Adoption of the Report by the Board

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

By order of the Board

For Adani Tracks Management Services Private Limited


Subrat Tripathy
Director
DIN: 06890393



Date: March 3, 2021

Place: Ahmedabad

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REPORT ADOPTED BY THE DIRECTORS OF SARGUJA

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SARGUJA RAIL CORRIDOR PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 3, 2021.

Background

1. The proposed composite scheme of arrangement between Brahmi Tracks Management Services Private Limited ("Brahmi") and Adani Ports and Special Economic Zone Limited ("APSEZ"), and Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja" or "Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("Act") and in accordance with Section 2(42C) of the Income Tax Act, 1961, *inter-alia*, provides for:

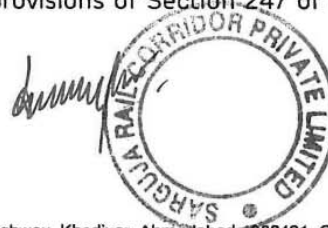
- (i) amalgamation of Brahmi with APSEZL, with effect from the Appointed Date 1 i.e. April 1, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- (ii) amalgamation of Adani Tracks with Sarguja, with effect from the Appointed Date 2 i.e. April 2, 2021, pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.
- (iii) transfer of the Divestment Business Undertaking (Mundra Rail Business), as a going concern on Slump Sale basis, with effect from the Appointed Date 2 i.e. April 2, 2021, by APSEZ to Sarguja for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act and in accordance with Section 2(42C) of the Income Tax Act.

The scheme is proposed to be effective from the Appointed Date (as defined in the Scheme) and operative from the Effective Date (as defined in the Scheme) and was approved by the Board of Directors at its meeting held on March 3, 2021.

2. As per provisions of Section 232(2)(c) of the Act requires that the directors of the Company to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
3. This report of the Board is accordingly being made in pursuance of the requirements of Sections 232(2)(c) of the Act.
4. The following documents, were placed before the Board:
 - a) A draft of the proposed Scheme.
 - b) Fair Equity Share Swap Ratio Report dated March 3, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section-247 of the

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Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of Brahmi with APSEZ.

- c) Fairness opinion dated March 3, 2021 issued by JM Financial Limited and J. P. Morgan India Private Limited, SEBI registered Merchant Bankers, to the APSEZ, providing their respective fairness opinions on Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of Brahmi with APSEZ.
- d) Fair Equity Share Swap Ratio Report dated March 3, 2021 issued by BDO Valuation Advisory LLP, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to the amalgamation of Adani Track with Sarguja.
- e) Fairness opinion dated March 3, 2021 issued by Vivro Financial Services Private Limited, SEBI registered Merchant Banker, to the Sarguja, providing its fairness opinion on the Fair Equity Share Swap Ratio Report of BDO Valuation Advisory LLP, registered valuer, in relation to the amalgamation of Adani Track with Sarguja.
- f) Valuation report dated March 3, 2021 issued by Y. K. Mehta & Associates, Chartered Accountant, registered valuer, pursuant to the provisions of Section 247 of the Act, stipulating inter alia the methodology adopted and the valuation arrived at in relation to transfer of Mundra Rail Business, by APSEZ to Sarguja.
- g) Fairness opinion dated March 3, 2021 issued by Vivro Financial Services Private Limited, SEBI registered Merchant Banker, to the APSEZ, providing its fairness opinion on the lump sum consideration as recommended by Y. K. Mehta & Associates, Chartered Accountant, registered valuer, in relation to transfer of Mundra Rail Business, by APSEZ to Sarguja.
- h) Draft of the Auditors' Certificate to be issued by the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and/or the accounting standards and principles.
- i) Other presentations, documents and information made to/ furnished before the Board pertaining to the draft Scheme.

Effect of the proposed Scheme

1. Shareholders (promoter)

Under Part III of the Scheme, an arrangement is sought to be entered into between Sarguja and its equity shareholders. Upon Part III of the Scheme becoming effective, the equity shareholders of Adani Tracks, shall become the equity shareholders of Sarguja in the manner as stipulated in Clause 5.1 of Part III of the Scheme.

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

2. Creditors

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

No rights of the creditors are being affected pursuant to Part IV of the Scheme. The liability towards the creditors of Sarguja is neither being reduced nor being extinguished. The creditors of Sarguja would in no way be affected by Part IV of the Scheme.

No rights of the debenture holders are being affected pursuant to Part III and Part IV of the Scheme. Under Part III and Part IV of the Scheme, the debenture holders shall continue to be the debenture holders of Sarguja. As on date, there are no debenture trustee(s).

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

3. Employees, Directors and Key Managerial Personnel

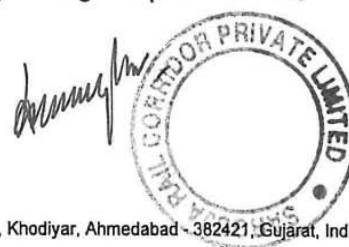
Under Part III of the Scheme, no rights of the staff and employees of Sarguja are being affected. The services of the staff and employees of Sarguja, shall continue on the same terms and conditions on which they were engaged by Sarguja.

Under Part IV of the Scheme, no rights of the existing staff and employees of Sarguja are being affected. Further, upon Part IV of the Scheme becoming effective and with effect from the Appointed Date 2 (as defined in the Scheme), the Divestment Employees (as defined in the Scheme) of APSEZ shall become the employees of Sarguja without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of APSEZ immediately prior to the transfer of the Divestment Business Undertaking.

None of the directors or the key managerial personnel (as defined under the Act and the rules framed thereunder) of Sarguja and their respective relatives (as defined under the Act and the rules framed thereunder) have any material interest either in Part III or Part IV of the Scheme except to the extent of the equity shares held by them in APSEZ, if any, and/or that the said director(s), key managerial personnel and

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

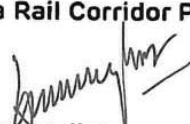
Valuation Reports

1. Based on the valuation reports, the Board of Directors approved the following:
 - a) 100 equity shares of face value Rs. 2/- each fully paid up of APSEZ for every 708 equity shares of face value of Rs. 2/- each fully paid of Brahmi for the amalgamation of Brahmi with APSEZ.
 - b) 100 equity shares of face value Rs. 10/- each fully paid up of Sarguja for every 2522 equity shares of face value of Rs. 10/- each fully paid of Adani Tracks, for the amalgamation of Adani Tracks with Sarguja
 - c) lump sum consideration of Rs. 188.65 crores, for transfer and vesting of Divestment Business Undertaking (Mundra Rail Business) of APSEZ by way of slump sale on a going concern basis into Sarguja.
2. No special valuation difficulties were reported by the valuers.

Adoption of the Report by the Board

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

By Order of the Board
Sarguja Rail Corridor Private Limited


Dilip Kumar Jha
Director (DIN: 06829315)



Date: March 3, 2021
Place: Ahmedabad

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AUDITED FINANCIAL STATEMENTS OF APSEZ FOR THE YEAR ENDED 31 MARCH 2021

**Deloitte
Haskins & Sells LLP**

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of Adani Ports and Special Economic Zone Limited Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of **Adani Ports and Special Economic Zone Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to:

- (i) Note 4(b)(ii) to the standalone financial statements regarding the management's assessment of its investment of Rs. 115.89 crores and outstanding loans aggregating Rs. 441.63 crores (including accrued interest of Rs. 28.20 crore) in Adani Murmugao Port Terminal Private Limited ("AMPTPL") and investment of Rs. 370.05 crores and outstanding loans aggregating Rs. 864.55 crores (including interest accrued Rs. 43.79 Crores) in Adani Kandla Bulk Terminal Private Limited ("AKBTPL"), as at March 31, 2021, subsidiaries of the Company, being considered recoverable based on the various judgements and estimates related to cargo traffic, port tariffs, inflation, discount rates, implications expected to arise from COVID-19 pandemic, and operational benefits over the balance concession period to determine the cashflows for AMPTPL and AKBTPL and receipt of future relaxation of revenue share in case of AMPTPL. Accordingly, for the



(LLP Registration No. AAB-8737)
Deloitte Haskins & Sells LLP, Chartered Accountants, 19th floor, Snapath-V, S.G. Highway, Ahmedabad - 380 015, Gujarat, India.

reasons stated in the said Note, no provision towards impairment of carrying values of the aforesaid investments and loans is considered necessary at this stage.

- (ii) Note 42 to the standalone financial statements which describes a matter relating to delay in achievement of scheduled Commercial Operational Date ("COD" i.e. December 03, 2019) for the development of international deep-water multipurpose seaport being constructed by a wholly owned subsidiary, Adani Vizhinjam Port Private Limited ("AVPPL"), at Vizhinjam, Kerala as stipulated under the relevant Concession Agreement and status of the arbitration proceedings initiated by AVPPL to resolve disputes with the Government authorities over various matters relating to development of the project, which led to delay in achieving scheduled COD, as at reporting date, detailed in the said note.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Non-current Investment and Loans to Adani Murmugao Port Terminal Private Limited ("AMPTPL") and Adani Kandla Bulk Terminal Private Limited ("AKBTPL") – Refer to Note 4(b)(ii) to the standalone financial statements

Key Audit Matter Description

The Company has equity investments of Rs. 370.05 crores and Rs. 115.89 crores in AMPTPL and AKBTPL respectively. Further the Company has also provided loans of Rs. 864.55 crores (including interest accrued Rs. 43.79 crores) and Rs. 441.63 crores (including interest accrued Rs. 28.20 crores) to these entities respectively.

The Company has carried out detailed evaluation of recoverable values of its equity investments in and loans to these companies considering various factors, as further explained in Note 4(b)(ii) to the standalone financial statements. The Company used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future revenues and discount rates. Based on such assessment the management has concluded that the carrying value of the investments and loans are good and recoverable. Any adverse changes in these assumptions could have a significant impact on either the recoverable value, or the amount of any impairment charge, or both.

We focused on this area as Key Audit Matter due to the size/materiality of the balances of equity investment in and loans to these companies, and due to the multitude of factors and assumptions involved in determining the forecasted revenues/cash flows and discount rate in the projection period requiring significant judgments to estimate the recoverable values

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future revenue and operating margin and



selection of the discount rate for these assets included the following, among others:

- Evaluated the Design and Implementation of the relevant internal controls and tested the operating effectiveness of such internal controls over impairment assessment process, which *inter-alia* included the management's control over reasonableness of the assumptions considered to forecasts of future revenues and operating margin, and the selection of the discount rate.
- We obtained the investment valuations from the management and performed the following substantive procedures:
 - Evaluated the reasonableness of revenue related assumptions considered in the projections with the company's historical revenue growth and internal communications to management, Audit Committee and the Board of Directors
 - Evaluated the appropriateness of other key assumptions considered, in developing the projections by considering the historical accuracy of the Company's estimates in the prior periods.
 - With internal fair-value specialists, we evaluated the reasonableness of (1) the valuation methodology and (2) the discount rate considered, by
 - Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation.
 - Developing a range of independent estimates and comparing those to the discount rate selected by management.
- Performed a sensitivity analysis to determine the effect of variation in the cash flow estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other



comprehensive income , cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty



exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.



- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements ;
 - ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)

Kartikya Raval

Kartikya Raval
Partner
(Membership No. 106189)
(UDIN: 21106189AAAAEN3060)

Place: Ahmedabad
Date: May 04, 2021

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI PORTS AND
SPECIAL ECONOMIC ZONE LIMITED**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i)
of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Adani Ports and Special Economic Zone Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 21106189AAAAEN3060)

Place: Ahmedabad
Date: May 04, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of property, plant and equipment

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Gross Block as at Balance sheet Date (Rs. in crore)	Net Block as at Balance sheet Date (Rs. in crore)	Remarks
Reclaimed land measuring 1093.53 Hectares	180.18	126.00	The said land pertains to reclaimed land at the Mundra Port, which are pending to be registered in the name of the Company. (Refer note 3(a)(vi)&(vii) of standalone financial statements)
612 Residential Flats and a Hostel Building	130.75	114.89	The said flats and building are located at Samundra Township, Mundra and are pending to be registered in the name of the Company. (Refer note 3 (a)(iv) of the standalone financial statements)



In respect of immovable properties of land and building that have been taken on lease and disclosed as Right of Use Assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub clauses (a), (b), and (c) of clause (iii) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, and considering the legal opinion taken by the Company on applicability of section 185 of the Companies Act, 2013, in respect of certain loan transactions and that the same have been given in the ordinary course of business, the Company has complied with the provisions of the Section 185 of the Companies Act, 2013 in respect of grant of loans and providing guarantees and securities, as applicable. Further, based on the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2021 on account of disputes are given below:



Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (Rs. in Crore)	Amount Unpaid (Rs. in Crore)
Customs Act, 1962	Custom Duty	Commissioner of Customs & Excise, Ahmedabad	June, 2008	2.00	2.00
		Assistant Commissioner of Customs, Mundra	July, 2003	0.14	0.14
Finance Act, 1994	Service Tax	Supreme Court	December, 2004 to March, 2006	11.21	6.71
		High Court of Gujarat	April, 2004 to September, 2011	173.63	173.63
		Commissioner of Service Tax, Ahmedabad	September, 2009 to March, 2010	0.61	0.61
		Commissioner/Additional Commissioner of Service Tax, Ahmedabad	April, 2011 to March, 2017	500.34	500.34
		High Court of Gujarat	April, 2004 to August, 2009	6.72	6.72
		Commissioner of Service Tax, Ahmedabad	April, 2009 to March, 2011	0.17	0.17
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12 to AY 2016-17	122.16	85.58
		Commissioner of Income Tax (Appeal)	AY 2012-13 to AY 2014-15	3.65	3.65

There are no dues of Sales Tax, Excise Duty, Value Added Tax and Goods and Services Tax as on March 31, 2021 on account of disputes.



- (viii) In our opinion and according to the information and explanations given to us, as at the reporting date, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans from the government.
- (ix) In our opinion and according to the information and explanations given to us, and overall examination of the balance sheet, monies raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and considering the legal opinion taken by the Company on applicability of Section 188(1)(d) of the Companies Act, 2013, in respect of loans given by the Company to its subsidiary companies, the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 21106189AAAAEN3060)

Place: Ahmedabad
Date: May 04, 2021

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

adani

Balance Sheet as at March 31, 2021

₹ in Crore

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3 (a)	9,845.43	10,182.22
Right-of-Use assets	3 (b)	364.57	318.08
Capital Work-in-Progress		590.23	675.36
Goodwill	3 (d)	44.86	44.86
Other Intangible Assets	3 (c)	27.41	37.60
Financial Assets			
(i) Investments	4	20,768.88	15,603.89
(ii) Loans	6	14,666.23	10,094.50
(iii) Other Financial Assets			
- Bank Deposits having maturity over twelve months	11	81.11	0.20
- Other Financial Assets other than above	7	2,821.42	2,515.96
Deferred Tax Assets (net)	26	483.23	954.39
Other Non-Current Assets	8	917.00	967.44
		50,610.37	41,394.50
Current Assets			
Inventories	9	74.22	86.92
Financial Assets			
(i) Investments	10	926.02	11.89
(ii) Trade Receivables	5	1,092.61	1,519.62
(iii) Customers' Bill Discounted	5	539.81	613.05
(iv) Cash and Cash Equivalents	11	3,310.74	4,408.39
(v) Bank Balances other than (iv) above	11	153.40	35.78
(vi) Loans	6	704.71	1,571.00
(vii) Other Financial Assets	7	785.33	1,655.30
Other Current Assets	8	361.12	516.19
		7,947.96	10,418.14
Total Assets		58,558.33	51,812.64
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	406.35	406.35
Other Equity	13	21,394.93	19,458.82
Total Equity		21,801.28	19,865.17
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	30,950.12	24,637.75
(ii) Other Financial Liabilities	15	160.66	136.40
Provisions	19	2.40	-
Other Non-Current Liabilities	16	563.08	625.52
		31,676.26	25,399.67
Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	1,733.40	2,202.12
(ii) Customers' Bill Discounted	17	539.81	613.05
(iii) Trade and Other Payables	18		
- total outstanding dues of micro enterprises and small enterprises		1.94	0.58
- total outstanding dues of creditors other than micro enterprises and small enterprises		214.75	217.07
(iv) Other Financial Liabilities	15	1,510.18	2,334.00
Other Current Liabilities	16	1,064.17	1,136.49
Provisions	19	16.54	44.49
		5,080.79	6,547.80
Total Liabilities		36,757.05	31,947.47
Total Equity And Liabilities		58,558.33	51,812.64

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Kartikaya Raval

Kartikaya Raval
Partner

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273Kamlesh D. Adani
[Wholetime Director and CEO]
DIN: 03088095Kamlesh D. Adani
[Company Secretary]R. S. Adani
Rajesh S. Adani
[Director]
DIN : 00006322Deepak Maheshwari
[Chief Financial Officer]

Place : Ahmedabad

Date : May 4, 2021

Place : Ahmedabad

Date : May 04, 2021

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Statement of Profit and Loss for the year ended March 31, 2021

adani
₹ in Crore

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from Operations	20	4,377.15	4,643.28
Other Income	21	2,266.31	2,902.97
Total Income		6,643.46	7,546.25
EXPENSES			
Operating Expenses	22	919.47	1,067.44
Employee Benefits Expense	23	235.01	224.61
Finance Costs	24		
Interest and Bank Charges		2,201.15	1,878.55
Derivative Loss/(Gain) (net)		125.70	(126.67)
Depreciation and Amortisation Expense	3	619.18	553.29
Foreign Exchange (Gain)/Loss (net)		(718.48)	1,581.71
Other Expenses	25	351.79	335.59
Total Expenses		3,733.82	5,514.52
Profit Before Tax		2,909.64	2,031.73
Tax Expense:	26		
Current tax		948.74	367.25
Deferred tax		32.97	(269.77)
Total Tax Expense		981.71	97.48
Profit for the year	(A)	1,927.93	1,934.25
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(3.65)	(1.43)
Income tax impact		1.27	0.50
		(2.38)	(0.93)
Net Gains on FVTOCI Equity Investments		12.50	15.00
Income tax impact		(1.94)	(2.76)
		10.56	12.24
Total Other Comprehensive Income (net of tax)	(B)	8.18	11.31
Total Comprehensive Income for the year (net of tax)	(A)+(B)	1,936.11	1,945.56
Earnings per Share - (Face value of ₹ 2 each)			
Basic and Diluted (in ₹)	27	9.49	9.43

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner



For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]
DIN : 00006273

Karan Adani
[Wholesale Director and CEO]
DIN: 03088095

Kamlesh Bhagia
[Company Secretary]

R. S. Adani
Rajesh S. Adani
[Director]
DIN : 00006322

Deepak Maheshwari
[Chief Financial Officer]

Place : Ahmedabad

Date : May 4, 2021

Place : Ahmedabad

Date : May 04, 2021



ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Statement of Cash Flows for the year ended March 31, 2021

adani
Ports and
Special Economic Zone

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flows from Operating Activities		
Net profit before Tax	2,909.64	2,031.73
Adjustments for :		
Depreciation and Amortisation Expense	619.18	553.29
Unclaimed Liabilities / Excess Provision Written Back	(0.29)	(0.11)
Cost of assets transferred under Finance Lease	0.11	0.51
Recognition of Deferred Income under Long Term Land Lease / Infrastructure Usage Agreements	(62.24)	(62.24)
Financial Guarantees Income	(3.80)	(2.71)
Amortisation of Government Grant	(0.10)	(0.09)
Finance Costs	2,201.15	1,878.55
Derivative Loss /(Gain) (net)	125.70	(126.67)
Effect of exchange rate change	(718.48)	1,650.76
Interest Income (Including for change in fair valuation)	(2,194.05)	(2,075.03)
Dividend Income	(7.01)	(702.84)
Net gain on sale of Current Investment	(4.62)	(27.11)
Amortisation of fair valuation adjustment on Security Deposit	1.72	1.72
Gain on Sale / Discard of Property, Plant and Equipment (net)	(0.09)	(8.36)
Operating Profit before Working Capital Changes	2,866.82	3,111.40
Adjustments for :		
Decrease in Trade Receivables	408.13	32.92
Decrease/(Increase) in Inventories	12.70	(24.36)
Decrease/(Increase) in Financial Assets	57.96	(169.18)
Decrease/(Increase) in Other Assets	307.24	(77.80)
(Decrease) in Provisions	(7.94)	(1.64)
Increase in Trade and Other Payables	0.99	18.80
Increase in Financial Liabilities	11.56	55.46
(Decrease)/Increase in Other Liabilities	(72.32)	752.34
Cash Generated from Operations	3,585.14	3,697.94
Direct Taxes (paid) (Net of Refunds)	(543.34)	(527.99)
Net Cash generated from Operating Activities	3,041.80	3,169.95
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment (Including capital work-in-progress, other Intangible assets, capital advances and capital creditors)	(553.07)	(863.25)
Proceeds from Sale of Property, Plant and Equipment	4.06	77.40
Investments made in Subsidiaries / Associates / Joint ventures	(5,017.55)	(2,623.45)
Redemption of investment in Subsidiary	630.00	500.20
Proceeds from sale of Investment	6.03	78.47
Deposit given against Commitments (net)	(258.20)	(60.00)
Loans given	(36,357.71)	(36,842.70)
Loans received back	31,865.09	36,464.68
(Deposits in)/Proceeds from Bank Deposits (net) (including margin money deposits)	(198.53)	(17.03)
Proceeds from sale of Investments in Mutual Fund (net)	16.51	29.03
Investment made in Pass Through Certificates	(926.02)	-
Sale of Investments in short term Debentures and Commercial Papers (net)	-	492.00
Dividend Received	7.01	702.84
Interest Received	2,815.78	2,030.46
Net Cash used in Investing Activities	(7,966.60)	(31.35)



ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Statement of Cash Flows for the year ended March 31, 2021

adani

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash Flows from Financing Activities		
Proceeds from Non-Current Borrowings	16,418.98	11,427.07
Repayment of Non-Current Borrowings	(10,141.13)	(5,740.79)
Proceeds from Current Borrowings	5,100.00	6,772.41
Repayment of Current Borrowings	(6,350.00)	(6,833.05)
Net movement in Other Current Borrowings (maturity period less than 3 months)	775.40	(3,652.29)
Payment on buy-back of equity shares	-	(1,960.00)
Payment on redemption of preference shares (refer note 12(b)(iii))	-	(12.40)
Transaction costs for buyback of equity shares	-	(10.72)
Interest & Finance Charges Paid	(1,953.13)	(1,858.37)
Repayment of lease liabilities	(1.80)	(1.20)
Loss on settlement / cancellation of derivative contracts	(20.94)	(20.47)
Payment of Dividend on Equity and Preference Shares	(0.23)	(690.93)
Net Cash generated from/(used in) Financing Activities	3,827.15	(2,580.74)
D. Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)	(1,097.65)	557.86
E. Cash and Cash Equivalents at the Beginning of the Year	4,408.39	3,850.53
F. Cash and Cash Equivalents at the End of the Year (refer note 11)	3,310.74	4,408.39
Components of Cash & Cash Equivalents (refer note 11)		
Cash on Hand	0.18	0.16
Balances with Scheduled Banks		
- In Current Accounts	2,806.07	4,408.23
- In Fixed Deposit Accounts	504.49	-
Cash and Cash Equivalents at the end of the year	3,310.74	4,408.39

Summary of significant accounting policies refer note 2.2

Note:

- The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under note (15) (c).

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Kartik Raval
Kartik Raval
Partner



For and on behalf of the Board of Directors

Gautam S. Adani
Gautam S. Adani

[Chairman and Managing Director]

DIN : 00006273

Haran Adani
Haran Adani

[Wholtime Director and CEO]
DIN: 03088095

Kamlesh Bhagia
Kamlesh Bhagia

[Company Secretary]

R. S. Adani
Rajesh S. Adani

[Director]

DIN : 00006322

Deepak Maheshwari
Deepak Maheshwari
[Chief Financial Officer]

Place : Ahmedabad

Date : May 4, 2021

Place : Ahmedabad

Date : May 04, 2021

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED
Statement of Changes in Equity for the year ended March 31, 2021
Particulars

Particulars	Equity Share Capital		Other Equity					Total	
	Capital	Equity Component of Non-Cumulative Redeemable Preference shares	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Reserve and Surplus	Debt Redemption Reserve	General Reserve	Capital Redemption Reserve	Other Comprehensive Income
Balance as at April 1, 2019	414.19	165.88	2,535.70	(71.07)	514.04	2,575.87		14,193.80	163.26
Profit for the year								1,934.25	
Other Comprehensive Income								(0.93)	
Re-measurement Loss on defined benefit plans (net of tax)									
Net Gains on FVTOCI Equity Investments (net of tax)									
Total Comprehensive Income for the year								1,933.32	12.24
Foreign exchange (loss) / gain during the year				(16.79)					
Amortised in statement of profit and loss				87.86					
Dividend								(691.58)	
Buyback of equity Shares (refer note 12(a)(ii))	(7.84)		(1,952.16)						
Transaction costs for buyback									
Transfer to Capital Redemption Reserve upon buyback (refer note 12(a)(ii))									
Transfer to General Reserve					(162.49)			7.84	
Pre-mature redemption of Preference Shares (refer note 12(b)(iii))		(14.17)							
Gain on Pre-mature redemption of Preference Shares								18.52	
Transfer to Debenture Redemption Reserve								(125.65)	
Impact due to remeasurement of Deferred Tax (refer note 12(b)(iii))		14.82							
Balance as at March 31, 2020	406.35	166.53	583.54		477.20	2,719.80		15,328.41	175.50
Profit for the year								1,927.93	
Other Comprehensive Income								(2.38)	
Re-measurement loss on defined benefit plans (net of tax)									
Net Gains on FVTOCI Equity Investments (net of tax)									
Total Comprehensive Income for the year								1,925.55	10.56
Transfer to General Reserve					(46.17)				
Transfer to Debenture Redemption Reserve					125.66			(125.66)	
Balance as at March 31, 2021	406.35	166.53	583.54		556.69	2,765.97		17,128.30	186.06
The accompanying notes form an integral part of the standalone financial statements									

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikaya Raval
Kartikaya Raval
Partner

For and on behalf of the Board of Directors

Gautam S. Adani
[Chairman and Managing Director]

DIN : 00006273

Deepak Maheshwari
[Chief Financial Officer]

DIN : 03088095

Place : Ahmedabad
Date : May 04, 2021



R. S. Adani

Rajesh S. Adani
[Director]

DIN : 00006272

Deepak Maheshwari
[Chief Financial Officer]

DIN : 03088095

Place : Ahmedabad
Date : May 04, 2021

AUDITED FINANCIAL STATEMENTS OF BRAHMI FOR THE YEAR ENDED 31 MARCH 2021**ADWANI PESHAVARIA & CO.**

CHARTERED ACCOUNTANTS

A-428, 4th Floor, Sumel Business Park-III, Opp. New Cloth Market, Kankaria Road,
Ahmedabad - 380 002 • (O) 079-22191895 • Email :apc6613@gmail.com**Independent Auditor's Report****To the Members of Brahmi Tracks Management Services Private Limited (Formerly known as Brahmi Estate Private Limited)****Report on the audit of the Financial Statements****Opinion**

We have audited the accompanying Financial Statements of Brahmi Tracks Management Services Private Limited ("the Company") (Formerly known as Brahmi Estate Private Limited), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year the ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its Losses, total comprehensive Loss, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



ADWANI PESHAVARIA & CO.

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Independent Auditor's Report (Continued)

RE: Brahmi Tracks Management Services Private Limited
(Formerly known as Brahmi Estate Private Limited)

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Auditor's Responsibility

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

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

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



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Independent Auditor's Report (Continued)

RE: Brahmi Tracks Management Services Private Limited
(Formerly known as Brahmi Estate Private Limited)

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



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Independent Auditor's Report (Continued)

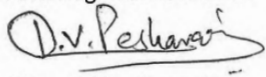
RE: Brahmi Tracks Management Services Private Limited
(Formerly known as Brahmi Estate Private Limited)

- c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided and the Company being a private limited company, provisions of Section 197 read with Schedule V of the Companies Act, 2013 is not applicable to the Company. Accordingly, reporting under section 197(16) of the Act is not applicable.

Place: Ahmedabad
Date: 10th June, 2021



For, Adwani Peshavaria & Co.
Chartered Accountants
Firm Reg. No. 137123W

Dhaval V Peshavaria
Partner
Membership No. 147712
UDIN: 21147712AAAACC1177

ADWANI PESHAVARIA & CO.

CHARTERED ACCOUNTANTS

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Annexure - A to The Independent Auditor's Report

RE: Brahmi Tracks Management Services Private Limited

(Formerly known as Brahmi Estate Private Limited)

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:

- (i) The Company does not have any fixed assets, accordingly the provisions of paragraph 1(a) to (c) of the Order are not applicable.
- (ii) The company does not hold any physical inventory. Accordingly the provisions of paragraph 3 (ii) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not granted any loans or provided any guarantees or securities to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of grant of loans.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- (vi) The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, Goods and Service Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales tax, service tax, duty of customs, value added tax, cess, provident fund and duty of excise.



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Annexure - A to The Independent Auditor's Report (Continued)

RE: Brahmi Tracks Management Services Private Limited

(Formerly known as Brahmi Estate Private Limited)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March 2021 for a year of more than six months from the date they became payable.
- (c) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly, the provisions of paragraph 3(viii) of the Order are not applicable.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and Term Loans.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided and the Company being a private limited company, provisions of Section 197 read with Schedule V of the Companies Act, 2013 is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly, the provisions of Clauses 3(xv) of the Order are not applicable to the Company.



ADWANI PESHAVARIA & CO.

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Annexure - A to The Independent Auditor's Report (Continued)

RE: Brahmi Tracks Management Services Private Limited

(Formerly known as Brahmi Estate Private Limited)

(xvi) Based on our examination of the financial statements of the company and as per the information and explanations given to us, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clauses 3(xvi) of the Order are not applicable to the Company.

Place: Ahmedabad

Date: 10th June, 2021



For, Adwani Peshavaria & Co.

Chartered Accountants

(Firm Reg. No. 137123W)

Dhaval V Peshavaria

Partner

Membership No. 147712

UDIN: 21147712AAAACC1177

ADWANI PESHAVARIA & CO.

CHARTERED ACCOUNTANTS

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Annexure-B to The Independent Auditor's Report

RE: Brahmi Tracks Management Services Private Limited
(Formerly known as Brahmi Estate Private Limited)

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).

Opinion

We have audited the internal financial controls over financial reporting of **Brahmi Tracks Management Services Private Limited** (the company) as of 31st March, 2021 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



ADWANI PESHAVARIA & CO.

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Annexure-B to The Independent Auditor's Report

RE: Brahmi Tracks Management Services Private Limited

(Formerly known as Brahmi Estate Private Limited)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Ahmedabad
Date: 10th June, 2021



For, Adwani Peshavaria & Co.

Chartered Accountants
(Firm Reg. No. 137123W)

Dhaval V Peshavaria
Partner
Membership No. 147712
UDIN: 21147712AAAACC1177

Brahmi Tracks Management Services Private Limited
(Formerly Known as Brahmi Build Estate Private Limited)
Balance Sheet as at 31st March, 2021

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non Current Assets			
Financial Assets			
Investments	4	3,786,650,000	-
		3,786,650,000	-
Current Assets			
Financial Assets			
Cash and Cash Equivalents	5	99,086	27,245
Other Current Assets	6	2,839,988	-
Total Current Assets		2,939,074	27,245
Total Assets		3,789,589,074	27,245
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	1,000,000,000	10,000
Other Equity	8	(8,250,926)	(12,755)
		991,749,074	(2,755)
Total Equity		991,749,074	(2,755)
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	9	2,797,810,000	25,000
Total Non-current Liabilities		2,797,810,000	25,000
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	10	30,000	5,000
Total Current Liabilities		30,000	5,000
Total Liabilities		2,797,840,000	30,000
Total Equity and Liabilities		3,789,589,074	27,245

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For, ADWANI PESHAVARIA & CO.
Chartered Accountants
Firm Registration Number : 137123W

D.V. Peshavaria

Dhaval V Peshavaria
Partner
(M No.147712)

Place : Ahmedabad
Date : 10th June, 2021

For and on behalf of the board of directors of
Brahmi Tracks Management Services Private Limited
(Formerly Known as Brahmi Build Estate Private Limited)

Sameer Devda

Mr. Sameer Devda
Company Secretary
M.No. A44998

Place : Ahmedabad
Date : 10th June, 2021

Jatin Shah

Mr Pritam Shah
Director
DIN: 09057708

Place : Ahmedabad
Date : 10th June, 2021

Jatin Shah

Mr Jatin Shah
Director
DIN: 00361346

Place : Ahmedabad
Date : 10th June, 2021



Brahmi Tracks Management Services Private Limited
(Formerly Known as Brahmi Build Estate Private Limited)
Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Notes	For the Year ended 31st March, 2021 (Amount in Rs.)	For the Period 07th November, 2019 to 31st March, 2020 (Amount in Rs.)
Revenue			
Revenue from Operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Operating expenses		-	-
Employee Benefits Expenses		-	-
Finance Costs		-	-
Depreciation and Amortisation Expenses		-	-
Other Expenses	11	8,238,171	12,755
Total Expenses		8,238,171	12,755
(Loss) Before Tax		(8,238,171)	(12,755)
Tax Expenses:	12		
Current Tax		-	-
Deferred Tax		-	-
(Loss) after tax		(8,238,171)	(12,755)
Other Comprehensive Income			
-Items that may be reclassified to profit or loss		-	-
-Items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year		-	-
Total comprehensive (Loss) for the year		(8,238,171)	(12,755)
Earnings Per Equity Share (Face Value Rs. 2 Per Share)			
Basic & Diluted earnings per Share		(0.20)	(12.76)

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For, ADWANI PESHAVARIA & CO.

Chartered Accountants

Firm Registration Number : 137123W

D.V. Peshavaria

Dhaval V Peshavaria
Partner
(M No.147712)

Place : Ahmedabad
Date : 10th June, 2021



For and on behalf of the board of directors of

Brahmi Tracks Management Services Private Limited

(Formerly Known as Brahmi Build Estate Private Limited)

Jameer Devda

Mr. Jameer Devda
Company Secretary
M.No. A44998

Place : Ahmedabad
Date : 10th June, 2021

Pritam Shah

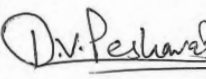

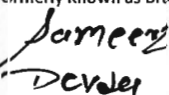
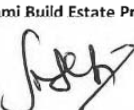


Mr Pritam Shah
Director
DIN: 09057708

Place : Ahmedabad
Date : 10th June, 2021

Jatin Shah

Mr Jatin Shah
Director
DIN: 00361346

Place : Ahmedabad
Date : 10th June, 2021

Brahmi Tracks Management Services Private Limited (Formerly Known as Brahmi Build Estate Private Limited) Statement of Cash flow the year ended 31st March, 2021		
Particulars	For the year ended 31st March, 2021 (Amount in Rs.)	For the Period 7th November, 2019 to 31st March, 2020 (Amount in Rs.)
A. Cash flow from operating activities		
(Loss) before tax	(8,238,171)	(12,755)
Operating (loss) before working capital changes	(8,238,171)	(12,755)
Changes in Working Capital:		
Increase / (Decrease) in Operating Liabilities :		
Other Financial Liabilities	25,000	5,000
Other Current Assets	(2,839,988)	-
Cash (Used in) / generated from operations	(11,053,159)	(7,755)
Less: Direct Taxes Paid	-	-
Net cash (used in) / generated from operating activities (A)	(11,053,159)	(7,755)
B. Cash flow from investing activities		
Purchase of Investment in Subsidiary	(3,786,650,000)	-
Net cash (used in) / generated from investing activities (B)	(3,786,650,000)	-
C. Cash flow from financing activities		
Proceeds from borrowings	3,797,815,000	25,000
Repayment of borrowings	(1,000,030,000)	-
Proceeds from Issue of Equity Shares	999,990,000	10,000
Net cash (used in) / generated from financing activities (C)	3,797,775,000	35,000
Net (decrease) / increase in cash and cash equivalents (A+B+C)	71,841	27,245
Cash and cash equivalents at the beginning of the year	27,245	-
Cash and cash equivalents at the end of the year	99,086	27,245
Disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are included below		
Changes in liabilities arising from financing activities		
	Amount in Rs.	
Particulars	Borrowings	
As on 1st April, 2019	-	
Taken during the year	25,000	
Repaid during the year	-	
As on 31st March, 2020 (Refere Note No. 9)	25,000	
As on 1st April, 2020	25,000	
Taken during the year	3,797,815,000	
Repaid during the year	(1,000,030,000)	
As on 31st March, 2021 (Refere Note No. 9)	2,797,810,000	
The Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of The Companies (Indian Accounting Standards) Rules, 2015 (as amended).		
Previous year's figures have been regrouped wherever necessary, to confirm to this year's classification.		
The accompanying notes forming part of the financial statements		
As per our attached report of even date		
For, ADWANI PESHAVARIA & CO. Chartered Accountants Firm Registration Number : 137123W	For and on behalf of the board of directors of, Brahmi Tracks Management Services Private Limited (Formerly Known as Brahmi Build Estate Private Limited)	
 Dhaval V Peshavaria Partner (M No.147712)	  Mr. Sameer Devda Company Secretary M.No. A44998	 Mr. Pritam Shah Director DIN: 09057708
 Place : Ahmedabad Date : 10th June, 2021	Place : Ahmedabad Date : 10th June, 2021	 Mr. Jatin Shah Director DIN: 00361346 Place : Ahmedabad Date : 10th June, 2021

Brahmi Tracks Management Services Private Limited
(Formerly Known as Brahmi Build Estate Private Limited)
Statement of Changes in equity for the year ended on 31st March, 2021

A. Equity Share Capital

Particulars	No. Shares	Amount in Rs.
Balance as at 31st March, 2019	-	-
Changes in equity share capital during the year	1,000	10,000
Balance as at 31st March, 2020	1,000	10,000
Changes in equity share capital during the year	499,999,000	999,990,000
Balance as at 31st March, 2021	500,000,000	1,000,000,000

B. Other Equity

Particulars	(Amount in Rs.)	
	Retained Earnings	Total
Balance as at 31st March, 2019	-	-
(Loss) For the year	(12,755)	(12,755)
Other Comprehensive Income for the year	-	-
Balance as at 31st March, 2020	(12,755)	(12,755)
(Loss) For the year	(8,238,171)	(8,238,171)
Other Comprehensive Income for the year	-	-
Balance as at 31st March, 2021	(8,250,926)	(8,250,926)

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For, ADWANI PESHAVARIA & CO.

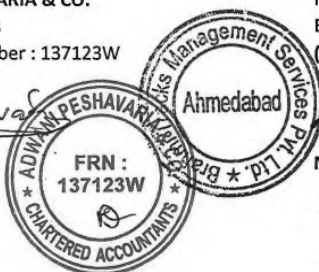
Chartered Accountants

Firm Registration Number : 137123W

D.V. Peshavaria

Dhaval V Peshavaria
Partner
(M No.147712)

Place : Ahmedabad
Date : 10th June, 2021



For and on behalf of the board of directors of

Brahmi Tracks Management Services Private Limited

(Formerly Known as Brahmi Build Estate Private Limited)

Sameer Devda

Mr. Sameer Devda
Company Secretary
M.No. A44998

Place : Ahmedabad
Date : 10th June, 2021

Pritam Shah

Mr Pritam Shah
Director
DIN: 09057708

Place : Ahmedabad
Date : 10th June, 2021

Jatin Shah

Mr Jatin Shah
Director
DIN: 00361346

Place : Ahmedabad
Date : 10th June, 2021

AUDITED FINANCIAL STATEMENTS OF ADANI TRACKS FOR THE YEAR ENDED 31 MARCH 2021

807, Abhijeet-1,
Mithakhali Six Roads,
Navrangpura, Ahmedabad-380009
Phone - 079-48901710
E-mail info@sdco.in Website: www.sdco.in

SHAH DHANDHARIA & CO LLP
CHARTERED ACCOUNTANTS
(LLPIN – AAW6528)



Independent Auditor's Report
To the Members of Adani Tracks Management Services Private Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Adani Tracks Management Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021





Independent Auditor's Report

To the Members of Adani Tracks Management Services Private Limited (Continue)

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

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021



Independent Auditor's Report

To the Members of Adani Tracks Management Services Private Limited (Continue)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021



Independent Auditor's Report

To the Members of Adani Tracks Management Services Private Limited (Continue)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided. Accordingly, reporting under section 197(16) of the Act is not applicable.

Place: Ahmedabad
Date : 28th April 2021



For, **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Reg. No. 118707W / W100724

Ankit v. Ajmera

Ankit Ajmera
Partner
Membership No. 434347
UDIN- 21434347AAAADJ4559



Annexure - A to the Independent Auditor's Report
RE: Adani Tracks Management Services Private Limited

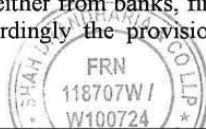
(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2021, we report that:

- (i) The company does not have any Property, Plant and Equipment. Accordingly, the provisions of paragraph 3(i) (a) to (c) of the Order are not applicable.
- (ii) The Company has not carried out any significant commercial activities during the year ended on 31st March, 2021 and hence it does not carry any Inventory. Accordingly the provisions of paragraph 3(ii) (a) & (b) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3(iv) of the Order are not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The company has not done any significant commercial activity during the year under review. Accordingly, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income Tax, Goods and Service Tax (GST) and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Value Added Tax, Cess, Provident Fund, employees' state insurance, Duty of Customs and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3(viii) of the Order are not applicable.



Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021



Annexure - A to the Independent Auditor's Report
RE: Adani Tracks Management Services Private Limited (Continue)
(Referred to in Paragraph I of our Report of even date)

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place: Ahmedabad
Date: 28th April 2021



For, **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Reg. No. 118707W / W100724

Ankit v. Ajmera

Ankit Ajmera
Partner
Membership No. 434347
UDIN- 21434347AAAADJ4559

807, Abhijeet-1,

Mithakhali Six Roads,
Navrangpura, Ahmedabad-380009

Phone - 079-48901710

E-mail info@sdco.in Website: www.sdco.in

SHAH DHANDHARIA & CO LLP

CHARTERED ACCOUNTANTS

(LLPIN – AAW-6528)



Annexure – B to the Independent Auditor's Report
RE: Adani Tracks Management Services Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021



Annexure – B to the Independent Auditor's Report
RE: Adani Tracks Management Services Private Limited (continue)
(Referred to in Paragraph 2(f) of our Report of even date)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Ahmedabad
Date: 28th April 2021



For, **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Reg. No. 118707W / W100724

Ankit v. Ajmera

Ankit Ajmera
Partner
Membership No. 434347
UDIN- 21434347AAAADJ4559

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Balance Sheet as at March 31, 2021

adani
 Ports and Logistics

(Amount in Rupees)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Current Assets			
(i) Trade Receivables	3	64,000	-
(ii) Cash and cash equivalents	4	4,57,064	5,00,000
		5,21,064	5,00,000
Total assets		5,21,064	5,00,000
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	5	5,00,000	5,00,000
Other equity	6	(20,303)	(20,000)
Total equity		4,79,697	4,80,000
LIABILITIES			
Current liabilities			
Financial liabilities			
(i) Trade payables	7	-	-
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors Other than micro and small enterprises		33,150	20,000
(ii) Other Financial Liabilities	8	5,967	-
Other current liabilities	9	2,250	-
		41,367	20,000
Total liabilities		41,367	20,000
Total equity and liabilities		5,21,064	5,00,000

The accompanying notes form an integral part of the standalone financial statements
 As per our report of even date

For Shah Dhandharia & Co. LLP
 Chartered Accountants
 Firm Registration No : 118707W/W100724

Ankit Ajmera
 Partner
 Membership No. : 434347

Place : Ahmedabad
 Date : April 28, 2021



For and on behalf of the Board of Directors

Sandeep Mehta

Capt. Sandeep Mehta
 Director
 DIN : 00897409

Place : Ahmedabad
 Date : April 28, 2021



Avinash Rai

Avinash Rai
 Director
 DIN : 08406981

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2021

adani
 Ports and
 Logistics

(Amount in Rupees)

Particulars	Notes	For the year ended March 31, 2021	For the period from July 31, 2019 to March 31, 2020
INCOME			
Other income	10	64,000	-
Total Income		64,000	-
EXPENSES			
Other expenses	11	64,303	20,000
Total expenses		64,303	20,000
Loss before tax		(303)	(20,000)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the Year	(A)	(303)	(20,000)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax impact, (charge)		-	-
Total other comprehensive income for the year	(B)	-	-
Total comprehensive income for the year (net of tax)	(A)+(B)	(303)	(20,000)
Earnings per Share - (Face value of ₹ 10 each)			
Basic	12	(0.01)	(0.40)
Diluted		(0.01)	(0.40)

The accompanying notes form an integral part of the standalone financial statements
 As per our report of even date

For Shah Dhandharia & Co. LLP
 Chartered Accountants
 Firm Registration No : 118707W/W100724

For and on behalf of the Board of Directors

Ankit v. Ajmera

Ankit Ajmera
 Partner
 Membership No. : 434347

Place : Ahmedabad
 Date : April 28, 2021



Sandeep Mehta

Capt. Sandeep Mehta
 Director
 DIN : 00897409

Place : Ahmedabad
 Date : April 28, 2021



Avinash Rai
 Director
 DIN : 08406981

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2021



Particulars	Equity share capital	Other equity		Total
		Reserves and surplus	Other comprehensive income	
		Retained earnings		
As on April 01, 2019	-	-	-	-
Loss for the year	-	(20,000)	-	(20,000)
Other comprehensive income				
Re-measurement gains on defined benefit plans (net of tax)	-	-	-	-
Total comprehensive income for the year	-	(20,000)	-	(20,000)
				-
Shares issued during the period	5,00,000	-	-	5,00,000
As on March 31, 2020	5,00,000	(20,000)	-	4,80,000
				-
As on April 01, 2020	5,00,000	(20,000)	-	4,80,000
Loss for the year	-	(303)	-	(303)
Other comprehensive income				
Re-measurement gains on defined benefit plans (net of tax)	-	-	-	-
Total comprehensive income for the year	-	(303)	-	(303)
				-
As on March 31, 2021	5,00,000	(20,303)	-	4,79,697

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date

For Shah Dhandharia & Co. LLP
Chartered Accountants
Firm Registration No : 118707WW100724

Ankit v. Ajmera
Ankit Ajmera
Partner
Membership No. : 434347

Place : Ahmedabad
Date : April 28, 2021



For and on behalf of the Board of Directors

Sandeep Mehta
Capt. Sandeep Mehta
Director
DIN : 00897409

Place : Ahmedabad
Date : April 28, 2021

Avinash Rai
Avinash Rai
Director
DIN : 08406981



ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
Cash Flow Statement for the year ended on March 31, 2021

adani
Parts and
Logistics

	(Amount in Rupees)	
Particulars	For the year ended March 31, 2021	For the period from July 31, 2019 to March 31, 2020
Cash flow from operating activities		
Loss before tax	(303)	(20,000)
Operating loss before working capital changes	(303)	(20,000)
Movements in working capital :		
Increase in trade receivables	(64,000)	-
Increase in other current liabilities	2,250	-
Increase in trade payables	13,150	20,000
Cash flow (used in) operations	(42,936)	-
Direct taxes paid (net of refunds)	-	-
Net Cash flow (used in) operating activities (A)	(42,936)	-
Cash Flow From Investing Activities		
Net cash flow (used in) from investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from Issuance of Share Capital	-	5,00,000
Net cash flow (used in) from financing activities (C)	-	5,00,000
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(42,936)	5,00,000
Cash and cash equivalents at the beginning of the year	5,00,000	-
Cash and cash equivalents at the end of the year	4,57,064	5,00,000
Components of cash and cash equivalents		
With banks-on current account	4,57,064	5,00,000
Total cash and cash equivalents (Note 4)	4,57,064	5,00,000

The accompanying notes form an integral part of the standalone financial statements

Notes:

(1) Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(2) The Company considers deposits of original maturity of less than 3 months as a part of cash and cash equivalents.

As per our report of even date

For Shah Dhandharia & Co. LLP
Chartered Accountants
Firm Registration No : 118707W/W100724

For and on behalf of the Board of Directors

Ankit Ajmera
Partner
Membership No. : 434347

Place : Ahmedabad
Date : April 28, 2021



Capt. Sandeep Mehta
Director
DIN : 00897409

Place : Ahmedabad
Date : April 28, 2021

Avinash Rai
Director
DIN : 08406981

AUDITED FINANCIAL STATEMENTS OF SARGUJA FOR THE YEAR ENDED 31 MARCH 2021

807, Abhijeet-1,
Mithakhali Six Roads,
Navrangpura, Ahmedabad-380009
Phone - 079-48901710
E-mail info@sdco.in Website: www.sdco.in

SHAH DHANDHARIA & CO LLP
CHARTERED ACCOUNTANTS
(LLPIN – AAW-6528)

**Independent Auditor's Report****To the Members of Sarguja Rail Corridor Private Limited****Report on the audit of the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of Sarguja Rail Corridor Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021



Independent Auditor's Report To the Members of Sarguja Rail Corridor Private Limited (Continue)

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

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Independent Auditor's Report

To the Members of Sarguja Rail Corridor Private Limited (Continue)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

1. The Financial Statements of the Company for the year ended 31st March 2020 was audited by the previous auditor, whose audit report dated 14th July 2020 on these comparative Financial Statements, expressed an unqualified opinion.
2. Though the company has a negative net current assets position, however it has been able to meet its entire finance obligation and the management of the company has arranged for an alternative source of finance to manage the liquidity and accordingly the accounts have been prepared under going concern basis.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';

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Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021



**Independent Auditor's Report
To the Members of Sarguja Rail Corridor Private Limited (Continue)**

- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided except for Director Sitting Fees. Accordingly, reporting under section 197(16) of the Act is not applicable.

Place: Ahmedabad
Date : 03 June 2021

For **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Reg. No. 118707W / W100724

Ankit Ajmera
Partner
Membership No. 434347
UDIN - 21434347AAAADK4366



Annexure - A to the Independent Auditor's Report
RE: Sarguja Rail Corridor Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management in a phased periodic manner over the period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment, to the standalone financial statements, are held in the name of the company, except for leasehold land and assets constructed on the same.
- (ii) The company carries inventory in the nature of stores and spares which has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) (a) The Company has granted unsecured loans to 1 party covered in the register maintained under section 189 of the Act. According to the information and explanation given to us and the records produced to us, the terms and conditions of the grant of such loan are not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There are no amounts of loan granted to such party covered in the register maintained under section 189 of the Act, which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, given any guarantees or provided any securities to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company is engaged in the business of providing infrastructural facilities and accordingly the provisions of Section 186 (except subsection (1) of Section 186) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 (1) of the Act in respect of loans given.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of cost records as prescribed by the Central Government under section 148(1) of the Act are not applicable to the company for the year under review.



Annexure - A to the Independent Auditor's Report
RE: Sarguja Rail Corridor Private Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, Goods and Service Tax, provident fund, employees' state insurance and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company has not taken any loan either from financial institutions or from the government. The company has issued 0% Compulsory Convertible Debentures on which no interest payment or principal repayment is to be done.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided except for Director Sitting Fees. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.



Annexure - A to the Independent Auditor's Report
RE: Sarguja Rail Corridor Private Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place: Ahmedabad
Date : 03 June 2021

For **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Reg. No. 118707W / W100724

Ankit Ajmera
Partner
Membership No. 434347
UDIN - 21434347AAAADK4366



Annexure – B to the Independent Auditor’s Report

RE: Sarguja Rail Corridor Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibilities for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Annexure – B to the Independent Auditor's Report
RE: Sarguja Rail Corridor Private Limited (continue)

(Referred to in Paragraph 2(f) of our Report of even date)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Ahmedabad
Date : 03 June 2021

For **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Reg. No. 118707W / W100724

Ankit Ajmera
Partner
Membership No. 434347
UDIN - 21434347AAAADK4366

SARGUJA RAIL CORRIDOR PRIVATE LIMITED

Balance Sheet as at 31 March 2021

		(Rs. in Lacs)	
	Notes	As at 31-Mar-2021	As at 31-Mar-2020
ASSETS			
(I) Non-Current Assets			
(a) Property, Plant and Equipment	3	134,912.59	146,161.59
(b) Capital Work-In-Progress	4	5,009.22	3,221.37
(c) Other Intangible Assets	3	-	-
(d) Financial Assets			
(i) Other Financial Asset	5	455.85	11,806.92
(e) Income Tax Assets (net)		-	105.96
(f) Deferred Tax Asset	29	5,154.46	3,484.07
(g) Other Non-current Assets	6	959.53	1,258.22
		146,491.65	166,038.13
(II) Current Assets			
(a) Inventories - Stores and Spares		211.27	187.92
(b) Financial Assets			
(i) Investments	7	11,249.99	-
(ii) Trade Receivables	8	10,006.22	9,585.00
(iii) Cash & cash Equivalents	9	2,047.10	9,218.66
(iv) Bank Balances other than (iii) above	10	20,038.36	557.40
(v) Loans	11	20,000.00	20,000.00
(vi) Other Financial Assets	12	3,094.98	778.58
(c) Other Current Assets	13	360.05	343.71
		67,007.97	40,671.27
Total Assets		213,499.62	206,709.40
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	20,000.00	20,000.00
(b) Other Equity		27,158.43	12,683.39
Total Equity		47,158.43	32,683.39
LIABILITIES			
(I) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	55,251.57	158,487.77
(ii) Other Financial Liabilities	16	2,953.74	2,906.33
(b) Provisions	17	22.91	24.70
		58,228.22	161,418.80
(II) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	772.25	694.82
(ii) Trade Payables	19		
- Total outstanding dues to micro and small enterprises		99.25	146.83
- Total outstanding dues other than micro and small enterprises		1,034.74	1,014.78
(iii) Other Financial Liabilities	20	105,037.19	10,169.73
(b) Other Current Liabilities	21	946.14	578.75
(c) Income Tax Liabilities (net)		217.47	-
(d) Provisions	22	5.93	2.30
		108,112.97	12,607.21
Total Equity and Liabilities		213,499.62	206,709.40

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For **Shah Dhandharia & Co LLP**

Chartered Accountants

Firm Registration Number : 118707W / W100724

Ankit

Ajmera

Ankit Ajmera

Partner

Membership No. 434347

Place : Ahmedabad

Date : 03-Jun-2021

For and on behalf of the board of directors of
Sarguja Rail Corridor Private Limited

UMA

SHANKAR

Uma Shankar

Director

DIN: 06819290

VIKAS

SRIVASTAVA

Vikas Srivastava

Company Secretary

Membership No. F7252

DILIP

KUMAR JHA

Dilip Kumar Jha

Director

DIN : 06829315

SARGUJA RAIL CORRIDOR PRIVATE LIMITED

Statement of Profit and Loss for the year ended on 31 March 2021

		(Rs. in Lacs)	
	Notes	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Income			
Revenue from Operations	23	45,230.50	41,648.32
Other Income	24	3,852.28	2,228.62
Total Income		49,082.78	43,876.94
Expenses			
Operating Expenses	25	2,365.38	3,676.83
Employee Benefits Expense	26	239.71	263.31
Finance Costs	27	15,600.01	18,250.26
Depreciation and Amortisation Expense	3	11,444.17	11,367.42
Other Expenses	28	2,861.40	2,077.10
Total Expenses		32,510.67	35,634.92
Profit / (Loss) Before Exceptional items and Tax		16,572.11	8,242.02
Add/(Less) : Exceptional items (refer note no. 39(b))		(869.45)	-
Profit / (Loss) After Exceptional Items & Before Tax		15,702.66	8,242.02
Tax Expense			
Current Tax		2,837.70	1,533.46
Deferred Tax (including MAT)		(1,670.87)	(1,531.66)
Adjustment of Earlier Years		61.67	-
Total Tax Expenses		1,228.50	1.80
Profit / (Loss) For The Year		14,474.16	8,240.22
Other Comprehensive Income			
- Item that will be reclassified to Profit & Loss account		-	-
- Item that will not be reclassified to Profit & Loss account			
(a) Remeasurement of post employee benefit obligation		1.36	(5.16)
(b) Income tax relating to these items		(0.48)	1.80
Total Other Comprehensive Income / (Loss)		0.88	(3.36)
Total Comprehensive Income for the Year		14,475.04	8,236.86
Earning per Equity Share of Rs.10 each			
Basic		7.24	4.12
Diluted		7.24	4.12

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For **Shah Dhandharia & Co LLP**

Chartered Accountants

Firm Registration Number : 118707W / W100724

Ankit Ajmera
Digitally signed by Ankit Ajmera
 DN: cn=Ankit Ajmera, o=Shah Dhandharia & Co LLP, ou=Shah Dhandharia & Co LLP, email=an@sdh.co.in, c=IN

Ankit Ajmera

Partner

Membership No. 434347

Place : Ahmedabad

Date : 03-Jun-2021

For and on behalf of the board of directors of

Sarguja Rail Corridor Private Limited

UMA SHANKAR
Digitally signed by
 UMA SHANKAR
 Date: 2021.06.03
 18:45:07 +05'30'

Uma Shankar
 Director
 DIN: 06819290

VIKAS SRIVASTAVA
Digitally signed by
 Vikas Srivastava
 Date: 2021.06.03
 18:45:07 +05'30'

Vikas Srivastava

Company Secretary

Membership No. F7252

DILIP KUMAR JHA
Digitally signed by
 DILIP KUMAR JHA
 Date: 2021.06.03
 18:42:31 +05'30'

Dilip Kumar Jha
 Director
 DIN : 06829315

Statement of Changes in Equity for the year ended on 31 March 2021

(Rs. in Lacs)

B. Other Equity

(Rs. in Lacs)

Dilip Kumar Jha
Director
DIN : 06829315

SARGUJA RAIL CORRIDOR PRIVATE LIMITED
Statement of Cash Flows for the year ended on 31 March 2021

	(Rs. in Lacs)	
	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	15,702.66	8,242.02
Adjustment on account of :		
Depreciation and Amortisation Expense	11,444.17	11,367.42
Finance Costs	15,600.01	18,250.26
Interest Income	(3,381.52)	(1,164.51)
Liability no longer required written back	(14.41)	-
Dividend Income from Mutual Funds	(203.56)	(706.40)
Bad Debts / Provision for Doubtful Debts, Loans & Advances	-	309.81
Operating Profit / (Loss) Before Working Capital Changes	39,147.35	36,298.60
Movements in Working Capital :		
Decrease / (Increase) in Inventories	(23.36)	13.74
Decrease / (Increase) in Trade Receivables	(421.22)	(2,234.29)
Decrease / (Increase) in Loans	-	-
Decrease / (Increase) in Other Current Financial Assets	(64.23)	(655.92)
Decrease / (Increase) in Other Current Assets	(16.34)	793.88
Decrease / (Increase) in Other Non Current Financial Assets	0.40	711.10
Decrease / (Increase) in Other Non Current Assets	14.92	9.35
Increase / (Decrease) in Trade Payables	(13.21)	546.94
Increase / (Decrease) in Provisions	3.20	(7.43)
Increase / (Decrease) in Other Current Financial Liabilities	(360.91)	(914.69)
Increase / (Decrease) in Other Current Liabilities	367.39	391.12
Cash from / (Used in) Operations	38,633.99	34,952.40
Less : Direct Taxes Paid / (Received)	2,575.47	1,462.30
Net Cash From / (Used in) Operating Activities	36,058.52	33,490.10
II. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	1,129.34	1,379.04
Capital Expenditure on Property, Plant & Equipments (after adjustment of increase/decrease of CWIP, Capital Creditors and Advances)	(1,793.68)	(3,104.81)
Investment In Other Bank Deposit (Net)	(8,130.28)	(724.07)
Loans to Other Related Parties (Net)	-	(20,000.00)
Purchase of Mutual Funds	(49,609.07)	(39,661.50)
Sale of Mutual Funds	38,562.64	47,585.52
Net Cash From / (Used in) Investing Activities	(19,841.05)	(14,525.81)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Borrowings	57,885.61	4,189.61
Repayment Of Borrowings	(65,285.66)	(175.00)
Finance Cost Paid	(15,716.00)	(17,504.92)
Payment on account of Lease Liability	(272.98)	(272.98)
Net Cash From / (Used in) Financing Activities	(23,389.03)	(13,763.29)
Net Increase / (Decrease) in Cash & Cash Equivalents	(7,171.56)	5,200.99
Cash & Cash Equivalents at the beginning of the year	9,218.66	4,017.67
Cash & Cash Equivalents at the end of the year	2,047.10	9,218.66

SARGUJA RAIL CORRIDOR PRIVATE LIMITED
Statement of Cash Flows for the year ended on 31 March 2021

Notes to Statement of Cash Flow:

- (i) Reconciliation of Cash and cash equivalents with the Balance Sheet:

Particulars	As at	As at
	31-Mar-2021	31-Mar-2020
Cash and cash equivalents as per Balance Sheet (Refer note 9)	2,047.10	9,218.66

- (ii) The statement of cash flow has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

- (ii) Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

As at 31st March, 2021 :

Particulars	As at 31st March, 2020	Cash Flows	Non Cash Changes	As at 31st March, 2021
Non - Current borrowings	165,877.79	(7,477.48)	-	158,400.31
Current borrowings	694.82	77.43	-	772.25
Total	166,572.61	(7,400.05)	-	159,172.56

As at 31st March, 2020 :

Particulars	As at 31st March, 2019	Cash Flows	Non Cash Changes	As at 31st March, 2020
Non - Current borrowings	161,931.53	3,946.26	-	165,877.79
Current borrowings	626.47	68.35	-	694.82
Total	162,558.00	4,014.61	-	166,572.61

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Shah Dhandharia & Co LLP**

Chartered Accountants

Firm Registration Number : 118707W / W100724

Ankit

Ajmera

Ankit Ajmera

Partner

Membership No. 434347

Place : Ahmedabad

Date : 03-Jun-2021

For and on behalf of the board of directors of
Sarguja Rail Corridor Private Limited

UMA

SHANKAR

Uma Shankar

Director

DIN: 06819290

VIKAS

SRIVASTA

VA

Vikas Srivastava

Company Secretary

Membership No. F7252

DILIP

KUMAR JHA

Dilip Kumar Jha

Director

DIN : 06829315

ABRIDGED PROSPECTUS OF BRAHMI

VIVRO

Vivro Financial Services Private Limited
Regd. Office :

 Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
 Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 4040 4242

www.vivro.net

August 10, 2021

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

Dear Sirs/Madams,

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Brahmi Tracks Management Services Private Limited in the format of abridged prospectus in relation to the composite scheme of arrangement proposed between Brahmi Tracks Management Services Private Limited ("Brahmi"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme" or "Scheme of Arrangement")

This is with reference to our engagement letter dated January 20, 2021 entered with Adani Ports and Special Economic Zone Limited ("APSEZ") for certifying the adequacy and accuracy of disclosure of information pertaining to Brahmi Tracks Management Services Private Limited ("Brahmi") prepared by Brahmi and to be sent to the shareholders of APSEZ at the time of seeking their approval for the Scheme.

The Scheme of Arrangement, *inter alia*, provides for a) Amalgamation of Brahmi with APSEZ, b) Amalgamation of Adani Tracks with Sarguja, c) Transfer of Divestment Business Undertaking (as defined in Scheme) as going concern on slump sale by APSEZ to Sarguja for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("**SEBI Circular**") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of Brahmi ("**Abridged Prospectus**") as prepared by Brahmi and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders APSEZ at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.



Page 1 of 2

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by Brahmi and its promoter and as well discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of Brahmi is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by Brahmi and its promoter, explanations provided by the management of Brahmi and its promoter and information available in public domain. Wherever required, appropriate representations from Brahmi and its promoter have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares and/or secured and/or unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the Scheme or as to the financial performance of Brahmi following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in APSEZ or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
SVP – Capital Markets



Place: Ahmedabad

Encl.: As above

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited ("**Brahmi**"), Adani Ports and Special Economic Zone Limited ("**APSEZ**"), Adani Tracks Management Services Private Limited ("**Adani Tracks**") and Sarguja Rail Corridor Private Limited ("**Sarguja**") and their respective shareholders and creditors in terms of requirement specified in SEBI Circular - CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("**SEBI Circular**").

THIS DOCUMENT CONTAINS 5 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED <i>(Formerly known as Brahmi Build Estate Private Limited)</i> Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad -382 421, Gujarat, India. Telephone: +91-79-2656 5555; Email: brahmi.tracksmtg@yahoo.com ; Website: NA CIN: U35100GJ2019PTC110704 Contact Person: Mr. Sameer Devda, Company Secretary
PROMOTER
Adani Rail Infra Private Limited
DETAILS OF THE SCHEME
<p>The Composite Scheme of Arrangement is proposed between Brahmi Tracks Management Services Private Limited ("Brahmi"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Composite Scheme of Arrangement, <i>inter alia</i>, provides for a) Amalgamation of Brahmi with APSEZ, b) Amalgamation of Adani Tracks with Sarguja, c) Transfer of Divestment Business Undertaking (<i>as defined in Scheme</i>) as going concern on slump sale by APSEZ to Sarguja for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.</p>
STATUTORY AUDITOR
Advani Peshavaria & Co. A-428, 4 th Floor, Sumel Business Park III, Opp. New Cloth Market, Kankaria Road, Ahmedabad – 380002 Gujarat, India. Telephone: +91- 079-22191895; Email: apc6613@gmail.com

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Sr. No.	Particulars	Page No.
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2	Business Model/Business Overview and Strategy	2
3	Board of Directors of Brahmi	3
4	Shareholding Pattern as on June 30, 2021	3
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6	Internal Risk Factors	4
7	Summary of Outstanding Litigations, Claims and Regulatory Action	4
8	Rationale of Scheme of Arrangement	4-5
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PROMOTER OF BRAHMI

Adani Rail Infra Private Limited ("Adani Rail")

Adani Rail Infra Private Limited is a private company limited by shares incorporated on July 21, 2005 under the Companies Act, 1956 in the state of Gujarat. The registered office of Adani Rail is located at Adani House Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The Corporate Identity Number (CIN) of Adani Rail is U60231GJ2005PTC046473. The Issued, subscribed and paid-up share capital of Adani Rail as on June 30, 2021 is ₹59,14,00,000/- (Rupees Fifty Nine Crores and Fourteen Lakhs only) divided into 5,90,10,000 equity shares of ₹10 each and 1,30,000 preference shares of ₹10 each.

Adani Rail is engaged in the business of trading in commodities.

Promoters of Adani Rail

Sr. No.	Name of Promoters & Promoter Group	No. of Equity Shares Held (as on June 30, 2021)	% of Holding
1.	S.B. Adani Family Trust*	5,90,10,000	100
Total Shareholding		5,90,10,000	100

*Held by Gautam S. Adani and Rajesh S. Adani as nominees of S.B. Adani Family Trust

Board of Directors of Adani Rail

Sr. No.	Name of Directors	Designation	DIN
1.	Bhavik Bharkat Kumar Shah	Managing Director	00005781
2.	Jatin Champaklal Shah	Director	00361346
3.	Deepa Chandraprakash Nair	Director	08683404

Adani Rail is holding 50,00,00,000 Equity Shares (including 1 Equity Share held through nominee members) constituting 100% of the total equity share capital of Brahmi.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Brahmi Tracks Management Services Private Limited (Formerly known as Brahmi Build Estate Private Limited) is a private company limited by shares incorporated on November 7, 2019 under the Companies Act, 2013 in the state of Gujarat. The Registered Office of Brahmi is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382 421, Gujarat, India. The Corporate Identity Number (CIN) of Brahmi is U35100GJ2019PTC110704. The Issued, subscribed and paid-up share capital of Brahmi as on June 30, 2021 is ₹100,00,00,000/- (Rupees One Hundred Crores only) divided into 50,00,00,000 equity shares of ₹2 each. Brahmi is wholly owned subsidiary of Adani Rail Infra Private Limited.

Brahmi is authorized by its memorandum of association to carry on the business of development, establishment, construction, repairing, operations, maintenance, leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management to railway projects or facility including without limitation to act as managers, administrators, executors, receivers, operators, custodians, nominees, promoters, developers, agents, attorneys, representatives, counselors, consultants and advisers of railway projects.

Pursuant to the Composite Scheme of Arrangement, Brahmi is proposed to be amalgamated with APSEZ.



BOARD OF DIRECTORS OF BRAHMI

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	Jatin Champaklal Shah	00361346	Director	He has more than 25 years of experience in the field of corporate finance, treasury, mergers & acquisitions, cash management, syndication, IPOs and operations. <i>Other current Directorship in Indian companies:</i> 1. Adani Dhamra LPG Terminal Private Limited 2. Shankheshwar Buildwell Private Limited 3. Adani Rail Infra Private Limited 4. Adani Finserve Private Limited
2	Pritamkumar Nenmal Shah	09057708	Director	He has more than 15 years of experience in the field of corporate finance, treasury, mergers & acquisitions, cash management, syndication, IPOs and operations. <i>Other current Directorship in Indian companies:</i> 1. Mah-Hill Properties Private Limited

SHAREHOLDING PATTERN AS ON JUNE 30, 2021

Particulars	Number of shares	% of total share capital
Promoter and Promoter Group	50,00,00,000	100%
Public	0	0%
Total	50,00,00,000	100%

AUDITED FINANCIALS

Standalone Financials

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020*
Total income from operations (net)	-	-
Net Profit / (Loss) before tax and extraordinary items	(82,38,171)	(12,755)
Net Profit / (Loss) after tax and extraordinary items	(82,38,171)	(12,755)
Equity Share Capital	100,00,00,000	10,000
Reserves and Surplus / Other Equity	(82,50,926)	(12,755)
Net Worth	99,17,49,074	(2,755)
Basic Earnings per share (₹)	(0.20)	(12.76)
Diluted Earnings per share (₹)	(0.20)	(12.76)
Return on Net Worth (%)	(0.83%)	NA
Net Asset value per share (₹)	1.98	(2.76)

*for the period from November 7, 2019 to March 31, 2020.

Note:

- (1) Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.
- (2) Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.



- (3) *Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by total number of outstanding Equity Shares as at the end of the respective period*

Consolidated Financials – Not Applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme;
2. Brahmi, presently, does not carry on any business activity;
3. Brahmi is an unlisted company and its equity shares are not listed on any stock exchange and hence not available for trading;
4. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected.
5. Brahmi has negative cash flow from operations during previous two financial years.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against Brahmi and amount involved - Nil
- B. Brief details of top 5 material outstanding litigations against Brahmi and amount involved - Nil
- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against Adani Rail, Promoter of Brahmi in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Adani Rail, the Promoter of Brahmi: Nil

RATIONALE OF SCHEME OF ARRANGEMENT

- A. Over the years, there has been growth in logistic sector. The Government of India has also come out with various public private participation scheme to efficiently meet the increasing demand in the logistics sector. With Dedicated Freight Corridor implementation, the rail share is expected to increase meaningfully. Thus, there is significant opportunity in developing the rail assets considering the growth demand and infrastructure build requirement.
- B. It is the objective of APSEZ to (i) consolidate the rail assets under one entity which will diligently work for the development, maintenance and operation of existing and new railway across the country; (ii) tap private partnership opportunity for developing the first mile – last mile connectivity and increasing the network capacity for rail transport; and (iii) create centre of excellence to bring best practice, operational efficiency, technological integration and common skill set.
- C. The Scheme will result in, *inter alia*, the following benefits:
 - (i) Consolidation of all rail business, productive utilization of combined resources, operational and administration efficiencies, economics of scale, reduction in overheads and other expenses, reduction in multiplicity of legal and regulatory compliances, and consequential creation of greater value for shareholders and all other stakeholders;
 - (ii) Track footprint of Sarguja will supplement to APSEZ's strategy of providing end to end logistics for hinterland to hinterland cargo movement;



- (iii) Availability of expanded business pre-qualifications, increased net worth to enable to bid for larger and more complex rail infrastructure projects and provide better access to the funds for growth opportunities; and
- (iv) Benefit from the complementary skills of the combined management team, which in turn would enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Brahmi Tracks Management Services Private Limited
(Formerly known as ~~Brahmi Build Estate Private Limited~~)


Pritam Shah
Director
DIN: 09057708



Place: Ahmedabad
Date: August 10, 2021

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Scheme of Arrangement.

ABRIDGED PROSPECTUS OF ADANI TRACKS

VIVRO

Vivro Financial Services Private Limited
Regd. Office :

 Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
 Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 4040 4242

www.vivro.net

August 10, 2021

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

Dear Sirs/Madams,

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Adani Tracks Management Services Private Limited in the format of abridged prospectus in relation to the composite scheme of arrangement proposed between Brahmi Tracks Management Services Private Limited ("Brahmi"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme" or "Scheme of Arrangement")

This is with reference to our engagement letter dated January 20, 2021 entered with Adani Ports and Special Economic Zone Limited ("**APSEZ**") for certifying the adequacy and accuracy of disclosure of information pertaining to Adani Tracks Management Services Private Limited ("**Adani Tracks**") prepared by Adani Tracks and to be sent to the shareholders of APSEZ at the time of seeking their approval for the Scheme.

The Scheme of Arrangement, *inter alia*, provides for a) Amalgamation of Brahmi with APSEZ, b) Amalgamation of Adani Tracks with Sarguja, c) Transfer of Divestment Business Undertaking (as defined in Scheme) as going concern on slump sale by APSEZ to Sarguja for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("**SEBI Circular**") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of Adani Tracks ('**Abridged Prospectus**') as prepared by Adani Tracks and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders APSEZ at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.



Page 1 of 2

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by Adani Tracks and APSEZ and as well discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of Adani Tracks is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by Adani Tracks and APSEZ, explanations provided by the management of Adani Tracks and APSEZ and information available in public domain. Wherever required, appropriate representations from Adani Tracks and APSEZ have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares and/or secured and/or unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the Scheme or as to the financial performance of Adani Tracks and APSEZ following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in APSEZ or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
SVP – Capital Markets



Place: Ahmedabad

Encl.: As above

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited (“**Brahmi**”), Adani Ports and Special Economic Zone Limited (“**APSEZ**”), Adani Tracks Management Services Private Limited (“**Adani Tracks**”) and Sarguja Rail Corridor Private Limited (“**Sarguja**”) and their respective shareholders and creditors in terms of requirement specified in SEBI Circular - CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (“**SEBI Circular**”).

THIS DOCUMENT CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad -382 421, Gujarat, India Telephone: +91-79-26565555; Email: kamlesh.bhagia@adani.com ; Website: NA CIN: U45202GJ2019PTC109348 Contact Person: Mr. Kamlesh Bhagia
PROMOTER
Adani Ports and Special Economic Zone Limited
DETAILS OF THE SCHEME
<p>The Composite Scheme of Arrangement is proposed between Brahmi Tracks Management Services Private Limited (“Brahmi”), Adani Ports and Special Economic Zone Limited (“APSEZ”), Adani Tracks Management Services Private Limited (“Adani Tracks”) and Sarguja Rail Corridor Private Limited (“Sarguja”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Composite Scheme of Arrangement, <i>inter alia</i>, provides for a) Amalgamation of Brahmi with APSEZ, b) Amalgamation of Adani Tracks with Sarguja, c) Transfer of Divestment Business Undertaking (<i>as defined in Scheme</i>) as going concern on slump sale by APSEZ to Sarguja for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.</p>
STATUTORY AUDITOR
Shah Dhandharia & Co. LLP 807, Abhijeet-1, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380009, Gujarat, India. Telephone: +91-079-48901710; Email: pravin@sdco.in

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PROMOTER OF ADANI TRACKS

Adani Ports and Special Economic Zone Limited (APSEZ)

Adani Ports and Special Economic Zone Limited is a public company limited by shares incorporated on May 26, 1998 under the Companies Act, 1956 in the State of Gujarat. The Registered Office of APSEZ is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India. The Corporate Identity Number (CIN) of APSEZ is L63090GJ1998PLC034182. The Issued, subscribed and paid-up share capital of APSEZ as on June 30, 2021 is ₹410,85,21,762/- divided into 204,17,51,761 equity shares of ₹2/- each and 25,01,824 Non-Cumulative Redeemable Preference Shares of ₹10/- each. The Equity Shares of APSEZ are listed on National Stock Exchange of India Limited and BSE Limited. The secured non-convertible debentures issued by APSEZ from time to time are listed on wholesale debt market segment of BSE Limited. Further, the commercial paper issued by APSEZ from time to time are also listed on BSE Limited. The unsecured senior notes issued by APSEZ from time to time are listed on Singapore Exchange Securities Trading Limited. Some of the unsecured senior notes issued by APSEZ are also listed on India International Exchange (IFSC) Limited.

APSEZ is engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha.

Promoters and Promoter Group of APSEZ

Sr. No.	Name of Promoters & Promoter Group	No. of Shares Held (as on June 30, 2021)	% of Holding
1.	Gautambhai Shantilal Adani	1	0.00
2.	Rajeshbhai Shantilal Adani	1	0.00
3.	Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust)	79,93,53,935	39.15
4.	Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust)	-	-
5.	Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust)	30,000	0.00
6.	Adani Tradeline LLP	13,81,93,549	6.77
7.	Adani Properties Private Limited	16,85,000	0.08
8.	Worldwide Emerging Market Holding Limited	8,32,95,368	4.08
9.	Afro Asia Trade and Investments Limited	8,99,45,212	4.41
10.	Emerging Market Investment DMCC	8,41,79,195	4.12
11.	Flourishing Trade and Investment Limited	10,38,47,944	5.09
12.	Infinite Trade and Investment Limited	19,30,430	0.09
Total Shareholding		1,30,24,60,635	63.79

(Source – www.bseindia.com)

Board of Directors of APSEZ

Sr. No.	Name of Directors	Designation	DIN
1.	Mr. Gautam Shantilal Adani	Chairperson and MD	00006273
2.	Mr. Rajesh Shantilal Adani	Non-Executive Director	00006322
3.	Mr. Karan Gautam Adani	Whole Time Director & CEO	03088095
4.	Mr. Malay Ramesh Mahadevia	Director	00064110
5.	Mrs. Avantika Singh Aulakh, IAS	Director	07549438
6.	Mr. Bharat Kanaiyalal Sheth	Independent Director	00022102
7.	Mr. Ganesan Raghuram	Independent Director	01099026



Sr. No.	Name of Directors	Designation	DIN
8.	Mr. Palamadai Sundararajan Jayakumar	Independent Director	01173236
9.	Mr. Gopal Krishna Pillai	Independent Director	02340756
10.	Mrs. Nirupama Rao	Independent Director	06954879

APSEZ is holding 50,000 Equity Shares (including 6 Equity Shares held through nominee members) constituting 100% of the total equity share capital of Adani Tracks.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Adani Tracks is a private company limited by shares incorporated on July 31, 2019 under the Companies Act, 2013 in the state of Gujarat. The CIN of Adani Tracks is U45202GJ2019PTC109348 and its registered office is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad -382 421, Gujarat, India. Adani Tracks is a wholly owned subsidiary of APSEZ.

Adani Tracks is authorized by its memorandum to carry on the business of development, establishment, construction, repairing, operations, maintenance leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management of railway projects.

Pursuant to the Composite Scheme of Arrangement, Adani Tracks is proposed to be amalgamated with Sarguja.

BOARD OF DIRECTORS OF ADANI TRACKS

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	Avinash Chand Rai	08406981	Director	<p>He holds a bachelor's degree in mechanical engineering from Guru Ghasidas University, Bilaspur. He has experience of over 26 years in the mining, metals and shipping business.</p> <p><i>Other current directorships in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Ayn Logistics Infra Private Limited 2. Adani Krishnapatnam Port Limited 3. Adani Pipelines Private Limited 4. MPSEZ Utilities Limited 5. Adani Warehousing Services Private limited 6. Adani KP Agriwarehousing Private Limited 7. Adani Krishnapatnam Container Terminal Private Limited 8. Mundra SEZ Textile and Apparel Park Private Limited 9. Adani Hospitals Mundra Private Limited
2	Sajal Mittra	02625510	Additional Director	<p>He holds master's degree in Politics (International Relations and Affairs) from Jawaharlal Nehru University, Delhi. He brings with over 32 years of wide experience in planning & execution infrastructure projects, developing multi-modal logistics parks on a pan-India basis and setting up of a midcap, high growth organization from its inception. He has worked in various capacities in Indian Railways.</p>



Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
				<i>Other current directorships in Indian companies:</i> 1. Krishnapatnam Railway Company Limited 2. Kutch Railway Company Limited 3. Bharuch Dahej Railway Company Limited 4. Hazira Infrastructure Limited 5. Blupith Consultancy Private Limited
3	Capt. Sandeep Mehta	00897409	Director	He has over 37 years of experience in the maritime industry including senior management positions in Container Liner Shipping & Logistics sector and keen proponent of Port privatization and development of free market in the Port and Railway Business. He has played a vital role in establishing Mundra Port as one of the leading Port in India. <i>Other current directorships in Indian companies:</i> 1. Dighi Port Limited 2. Dholera Port and Special Economic Zone Limited 3. Adani NYK Auto Logistics Solutions Private Limited 4. Adani Kattupalli Port Limited 5. Adani International Container Terminal Private Limited 6. Adani Ennore Container Terminal Private Limited 7. Adani CMA Mundra Terminal Private Limited 8. Mundra International Gateway Terminal Private Limited 9. Adani Shipping (India) Private Limited 10. Adani Murrugao Port Terminal Private Limited

SHAREHOLDING PATTERN AS ON JUNE 30, 2021

Particulars	Number of shares	% of total share capital
Promoter and Promoter Group	50,000	100%
Public	0	0%
Total	50,000	100%

AUDITED FINANCIALS

Standalone Financials

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020*
Total income from operations (net)	-	-
Net Profit / (Loss) before tax and extraordinary items	(303)	(20,000)
Net Profit / (Loss) after tax and extraordinary items	(303)	(20,000)
Equity Share Capital	5,00,000	5,00,000
Reserves and Surplus / Other Equity	(20,303)	(20,000)



Particulars	As at March 31, 2021	As at March 31, 2020*
Net Worth	4,79,697	4,80,000
Basic Earnings per share (₹)	(0.01)	(0.40)
Diluted Earnings per share (₹)	(0.01)	(0.40)
Return on Net Worth (%)	(0.06%)	(4.17%)
Net Asset value per share (₹)	9.59	9.60

*for the period from July 31, 2019 till March 31, 2020

- (1) Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus as disclosed in the above table.
- (2) Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.
- (3) Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by total number of outstanding Equity Shares as at the end of the respective period.

Consolidated Financials – Not Applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme.
2. Adani Tracks, presently, does not carry on any business activity.
3. Adani Tracks is an unlisted company and its equity shares are not listed on any stock exchange and hence not available for trading.
4. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected.
5. Adani Tracks has negative cash flow from operations during previous financial year.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against Adani Tracks and amount involved - Nil
- B. Brief details of top 5 material outstanding litigations against Adani Tracks and amount involved - Nil
- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against APSEZ, the Promoter of Adani Tracks in last 5 financial years including outstanding action, if any:
 - a. During the financial year 2018-19, BSE Limited and National Stock Exchange of India Limited have imposed fine of ₹9.44 Lakhs each on APSEZ for non-compliance of provisions of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to composition of board of directors in relation to appointment of one independent director during the quarter ended December 31, 2018 and March 31, 2019.
- D. Brief details of outstanding criminal proceedings against APSEZ, the Promoter of Adani Tracks:

A criminal complaint was filed on September 6, 2018 before the Judicial Magistrate at Mundra, Kutch ("Court") by the Agriculture Officer, Mundra (the "Complainant") against Mosaic India Private Limited and its representative (the "Importer") and APSEZ and its representative (the "Handling Agent" and together with the Importer, the "Respondents") alleging import of non-certified chemical fertilizers by the



Importer in violation of the provisions of the Fertilizers Control Order, 1985 and the Essential Commodities Act, 1955. APSEZ has filed a discharge application before the Court and the matter is currently pending.

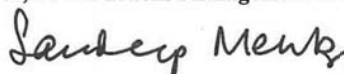

RATIONALE OF SCHEME OF ARRANGEMENT

- a) Over the years, there has been growth in logistic sector. The Government of India has also come out with various public private participation schemes to efficiently meet the increasing demand in the logistics sector. With Dedicated Freight Corridor implementation, the rail share is expected to increase meaningfully. Thus, there is significant opportunity in developing the rail assets considering the growth demand and infrastructure build requirement.
- b) It is the objective of APSEZ to (i) consolidate the rail assets under one entity which will diligently work for the development, maintenance and operation of existing and new railway lines across the country; (ii) tap private partnership opportunity for developing the first mile – last mile connectivity and increasing the network capacity for rail transport; and (iii) create centre of excellence to bring best practice, operational efficiency, technological integration and common skill set.
- c) The Scheme will result in, *inter alia*, the following benefits:
 - (i) consolidation of all rail business, productive utilization of combined resources, operational and administration efficiencies, economics of scale, reduction in overheads and other expenses, reduction in multiplicity of legal and regulatory compliances, and consequential creation of greater value for shareholders and all other stakeholders;
 - (ii) track footprint of Sarguja will supplement to APSEZ's strategy of providing end to end logistics for hinterland to hinterland cargo movement;
 - (iii) availability of expanded business pre-qualifications, increased net worth to enable to bid for larger and more complex rail infrastructure projects and provide better access to the funds for growth opportunities; and
 - (iv) benefit from the complementary skills of the combined management team, which in turn would enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Adani Tracks Management Services Private Limited

Capt. Sandeep Mehta
Director

Place: Mumbai

Date: August 10, 2021

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.

ABRIDGED PROSPECTUS OF SARGUJA

VIVRO

Vivro Financial Services Private Limited
Regd. Office :

Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 4040 4242

www.vivro.net

August 10, 2021

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

Dear Sirs/Madams,

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Sarguja Rail Corridor Private Limited in the format of abridged prospectus in relation to the composite scheme of arrangement proposed between Brahmi Tracks Management Services Private Limited ("Brahmi"), Adani Ports and Special Economic Zone Limited ("APSEZ"), Adani Tracks Management Services Private Limited ("Adani Tracks") and Sarguja Rail Corridor Private Limited ("Sarguja") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme" or "Scheme of Arrangement")

This is with reference to our engagement letter dated January 20, 2021 entered with Adani Ports and Special Economic Zone Limited ("**APSEZ**") for certifying the adequacy and accuracy of disclosure of information pertaining to Sarguja Rail Corridor Private Limited ("**Sarguja**") prepared by Sarguja and to be sent to the shareholders of APSEZ at the time of seeking their approval for the Scheme.

The Scheme of Arrangement, *inter alia*, provides for a) Amalgamation of Brahmi with APSEZ, b) Amalgamation of Adani Tracks with Sarguja, c) Transfer of Divestment Business Undertaking (as defined in Scheme) as going concern on slump sale by APSEZ to Sarguja for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("**SEBI Circular**") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of Sarguja ('**Abridged Prospectus**') as prepared by Sarguja and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders APSEZ at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, confirmations, representations, statements and certificates provided to us by Sarguja and its promoter and as well discussions with its management, directors and



officers, we confirm that the information contained in the Abridged Prospectus of Sarguja is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by Sarguja and its promoter, explanations provided by the management of Sarguja and its promoter and information available in public domain. Wherever required, appropriate representations from Sarguja and its promoter have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares and/or secured and/or unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the Scheme or as to the financial performance of Sarguja following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in APSEZ or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
SVP – Capital Markets



Place: Ahmedabad

Encl.: As above

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement between Brahmi Tracks Management Services Private Limited (“**Brahmi**”), Adani Ports and Special Economic Zone Limited (“**APSEZ**”), Adani Tracks Management Services Private Limited (“**Adani Tracks**”) and Sarguja Rail Corridor Private Limited (“**Sarguja**”) and their respective shareholders and creditors in terms of requirement specified in SEBI Circular - CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended read with SEBI Master Circular - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (“**SEBI Circular**”).

THIS DOCUMENT CONTAINS 5 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

SARGUJA RAIL CORRIDOR PRIVATE LIMITED		
Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India.		
Telephone: +91-79-2656 5555; Email: vikas.srivastava2@adani.com; Website: www.adani.com		
CIN: U60200GJ2010PTC115649		
Contact Person: Vikas Srivastava, Company Secretary		
PROMOTER		
Brahmi Tracks Management Services Private Limited		
DETAILS OF THE SCHEME		
The Composite Scheme of Arrangement is proposed between Brahmi Tracks Management Services Private Limited (“ Brahmi ”), Adani Ports and Special Economic Zone Limited (“ APSEZ ”), Adani Tracks Management Services Private Limited (“ Adani Tracks ”) and Sarguja Rail Corridor Private Limited (“ Sarguja ”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Composite Scheme of Arrangement, <i>inter alia</i> , provides for a) Amalgamation of Brahmi with APSEZ, b) Amalgamation of Adani Tracks with Sarguja, c) Transfer of Divestment Business Undertaking (<i>as defined in Scheme</i>) as going concern on slump sale by APSEZ to Sarguja for a lump sum consideration and various other matters consequential or otherwise integrally connected therewith.		
STATUTORY AUDITOR		
Shah Dhandharia & Co. LLP		
807, Abhijeet-1, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380009, Gujarat, India.		
Telephone: +91-079-48901710; Email: audit@sdco.in		

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PROMOTER OF SARGUJA

Brahmi Tracks Management Services Private Limited

Brahmi Tracks Management Services Private Limited (*Formerly known as Brahmi Build Estate Private Limited*) is a private company limited by shares incorporated on November 7, 2019 under the Companies Act, 2013 in the state of Gujarat. The Registered Office of Brahmi is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382 421, Gujarat, India. The Corporate Identity Number (CIN) of Brahmi is U35100GJ2019PTC110704. The Issued, subscribed and paid-up share capital of Brahmi as on June 30, 2021 is ₹100,00,00,000/- (Rupees One Hundred Crores only) divided into 50,00,00,000 equity shares of ₹ 2 each. Brahmi is wholly owned subsidiary of Adani Rail Infra Private Limited.

Brahmi is authorized by its memorandum of association to carry on the business of development, establishment, construction, repairing, operations, maintenance, leasing, consultancy and management and/or other services of any type in connection with setting up railway tracks, railway sidings, railway locomotives and management to railway projects or facility including without limitation to act as managers, administrators, executors, receivers, operators, custodians, nominees, promoters, developers, agents, attorneys, representatives, counselors, consultants and advisers of railway projects.

The promoter of Brahmi is Adani Rail Infra Private Limited.

Board of Directors of Brahmi

Sr. No.	Name of Directors	Designation	DIN
1.	Pritamkumar Nenmal Shah	Additional Director	09057708
2.	Jatin Champaklal Shah	Additional Director	00361346

Brahmi is holding 20,00,00,000 Equity Shares (including 6 Equity Shares held through nominee member) constituting 100% of the total equity share capital of Sarguja.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Sarguja has developed, operates and maintains ~70 km of (Private Siding) Common Rail Corridor (CRC), from Parsa East & Kanta Basan (PEKB), Parsa and Kente Extension (KE) coal blocks to the nearest Indian railway main line at Surajpur station. The track is located in the northern central part of Hasdeo-Arand Coalfield in Sarguja district of Chhattisgarh. The track has been laid out on ~ 1,000 acre of land on long term lease (until October, 2065) from Chattisgarh State Power Generation Company Limited with clear right of way.

Sarguja derives its revenue from the railway track access charges to the customer against use of the rail corridor. Rajasthan Rajya Vidyut Utpadan Nigam Ltd (“RRVUNL”) is the anchor customer which has 3 allotted mines in the Parsa and Kente basin of 29 MMTPA total capacity out of which one mine is currently operational at 15 MTPA.

Pursuant to the Scheme, Adani Tracks is proposed to be amalgamated with Sarguja and the Divestment Business Undertaking (*as defined in Scheme*) of APSEZ is proposed to be transferred to Sarguja as going concern on slump sale for a lump sum consideration.

BOARD OF DIRECTORS OF SARGUJA

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	Uma Shankar	06819290	Director	He holds degree of B.Sc. (Mining Engineering) from B.I.T. Sindri and has more than 37 years in Mine.

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
				Planning, Mine Development, Construction & commissioning of Infrastructures and Operations of Coal and Iron Ore blocks <i>Other current Directorship in Indian companies:</i> 1. Jhar Mining Infra Private Limited 2. MP Natural Resources Private Limited 3. Stratatech Mineral Resources Private Limited 4. Kurmitar Iron Ore Mining Private Limited 5. Gare Palma II Collieries Private Limited 6. MH Natural Resources Private Limited 7. CG Natural Resources Private Limited 8. AP Mineral Resources Private Limited 9. Adani Power Resources Limited
2	Dilip Kumar Jha	06829315	Director	He is a qualified chartered accountant and company secretary and has 25 years of experience in diversified industries. <i>Other current Directorship in Indian companies:</i> 1. Stratatech Mineral Resources Private Limited 2. Kurmitar Iron Ore Mining Private Limited 3. Alluvial Natural Resources Private Limited 4. CG Natural Resources Private Limited 5. Adani Power Resources Limited

SHAREHOLDING PATTERN AS ON JUNE 30, 2021

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	20,00,00,000	100%
Public	-	-
Total	20,00,00,000	100%

AUDITED FINANCIALS

Standalone Financials

(Amount in ₹ Lakhs)

Particulars	For the Financial year				
	2020-21*	2019-20*	2018-19*	2017-18#	2016-17#
Total income from operations (net)	45,230.50	41,648.32	36,763.64	5,008.09	5,535.46
Net Profit / (Loss) before tax and extraordinary items	16,572.11	8,242.02	8,788.88	(2,586.91)	(2,477.68)
Net Profit / (Loss) after tax and extraordinary items	14,474.16	8,240.22	6,791.65	(2,479.32)	(1,060.22)
Equity Share Capital	20,000.00	20,000.00	20,000.00	20,000.00	5,500.00
Reserves and Surplus / Other Equity	27,158.43	12,683.39	4,446.53	(5,022.06)	(3,949.25)
Net Worth	47,158.43	32,683.39	24,446.53	14,977.94	1,550.76
Basic Earnings per share (₹)	7.24	4.12	3.40	(3.87)	(1.93)
Diluted Earnings per share (₹)	7.24	4.12	3.40	(3.87)	(1.93)
Return on Net Worth (%)	30.69%	25.21%	27.78%	(16.55%)	(68.27%)
Net Asset value per share (₹)	23.58	16.34	12.22	7.49	0.82



*As per Ind AS
As per I-GAAP

Note:

- (1) Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.
- (2) Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.
- (3) Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by total number of outstanding Equity Shares as at the end of the respective period.

Consolidated Financials – Not Applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme;
2. Sarguja is an unlisted company and its equity shares are not listed on any stock exchange and hence not available for trading;
3. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected;
4. The success of business of Sarguja is largely dependent upon the knowledge and experience of the senior management and key management personnel and an inability to attract and retain key personnel may have an adverse effect on its business prospects;
5. Sarguja has entered into related party transactions and may continue to do so in the future.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against Sarguja and amount involved – 16 cases involving an aggregate amount of ₹2,685.73 Lakhs (to the extent quantifiable and excluding the interest)
- B. Brief details of top 5 material outstanding litigations against Sarguja and amount involved -

Sr. No.	Particulars	Amount Involved (in Rs. Lakhs)*
1	An application under section 9 of the Insolvency and Bankruptcy Code, 2016 has been filed by EBPL Ventures Private Limited against Sarguja claiming unpaid operational debt from the Corporate Debtor, i.e., Sarguja. The matter is currently pending before Hon'ble NCLT, Ahmedabad Bench.	2,212.00

*to the extent quantifiable and excluding the interest to be payable till the date of actual payment.

The litigations where the amount involved equals to or exceed 5% of net profit after tax as per the audited financial statements for the FY 2020-21 are considered as material litigations.

- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against Brahmi, the Promoter of Sarguja in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Brahmi, the Promoter of Sarguja: Nil



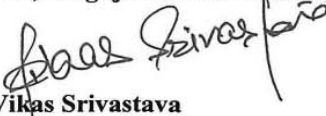
RATIONALE OF SCHEME OF ARRANGEMENT

- a) Over the years, there has been growth in logistic sector. The Government of India has also come out with various public private participation schemes to efficiently meet the increasing demand in the logistics sector. With Dedicated Freight Corridor implementation, the rail share is expected to increase meaningfully. Thus, there is significant opportunity in developing the rail assets considering the growth demand and infrastructure build requirement.
- b) It is the objective of APSEZ to (i) consolidate the rail assets under one entity which will diligently work for the development, maintenance and operation of existing and new railway lines across the country; (ii) tap private partnership opportunity for developing the first mile – last mile connectivity and increasing the network capacity for rail transport; and (iii) create centre of excellence to bring best practice, operational efficiency, technological integration and common skill set.
- c) The Scheme will result in, *inter alia*, the following benefits:
- (i) consolidation of all rail business, productive utilization of combined resources, operational and administration efficiencies, economics of scale, reduction in overheads and other expenses, reduction in multiplicity of legal and regulatory compliances, and consequential creation of greater value for shareholders and all other stakeholders;
 - (ii) track footprint of Sarguja will supplement to APSEZ's strategy of providing end to end logistics for hinterland to hinterland cargo movement;
 - (iii) availability of expanded business pre-qualifications, increased net worth to enable to bid for larger and more complex rail infrastructure projects and provide better access to the funds for growth opportunities; and
 - (iv) benefit from the complementary skills of the combined management team, which in turn would enhance the overall corporate capability, provide focused strategic leadership and facilitate better supervision of the business.

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Sarguja Rail Corridor Private Limited


Vikas Srivastava

Company Secretary & Compliance Officer



Place: Ahmedabad

Date: 10th August 2021

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Scheme of Arrangement.

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