



Ports and
Logistics

21st Annual General Meeting

June 26, 2020

10:00 a.m. to 10:31 a.m.

CORPORATE PARTICIPANTS:

Mr. Gautam S. Adani

Chairman & Managing Director

Mr. Rajesh S. Adani

Non-Executive Director

Dr. Malay Mahadevia

Whole Time Director

Mr. Karan Adani

CEO and Whole Time Director

Mr. G.K. Pillai

Independent Director

Prof. G. Raghuram

Independent Director

Mr. Bharat Sheth

Independent Director

Ms. Nirupama Rao

Independent Director

Mr. Deepak Maheshwari

Chief Financial Officer

Mr. Kamlesh Bhagia

Company Secretary

Other key executives, Statutory Auditor, Secretarial Auditor, Scrutinizer and Shareholders

➤ **Welcome Speech by Mr. Kamlesh Bhagia, Company Secretary**

Dear Shareholders,

Good Morning!

I, Kamlesh Bhagia, Company Secretary of the Company welcome all the members to the Annual General Meeting of the Company which is being held through video conferencing.

I hope all of you are safe and in good health & stay that way. Due to COVID-19 Pandemic, lockdown and social distancing norms, we are for the first time holding this Annual General Meeting through video conference.

Apart from Chairman, CEO and CFO present on the dias, other Board members have joined through Video Conference. Our Statutory Auditors, Internal Auditor, Secretarial Auditor and Scrutinizer have also joined from their respective locations.

I will take you through certain points regarding the participation and voting at this meeting.

- All the members who have joined this meeting are by default placed on mute, to avoid any disturbance from background noise and ensure smooth and seamless conduct of the meeting.
- Members who have not voted through remote e-voting can cast their votes through e-voting facility during the AGM.

In this meeting 72 members are present in person through video conferencing out of which 8 are authorised representatives holding 128,96,36,516 (One Hundred Twenty Eighty Crores Ninety-Six Lakhs Thirty-Six Thousand Five Hundred Sixteen) equity shares.

As requisite quorum of members is present with the consent of Chairman, I declare the meeting to be in order.

Now I request Mr. Deepak Maheshwari, Chief Financial Officer of the Company to extend a warm welcome to the shareholders.

➤ **Mr. Deepak Maheshwari, Chief Financial Officer**

Respected Shri Chairman, the Board of Directors and Shareholders.

Good Morning,

I welcome you all at the today's Annual General Meeting of the Company.

Before I begin the proceedings let me start by quoting these wise words of Abraham Lincoln "The best way to predict the future is to create it."

In many ways the financial year 2019-20 was marked by profound changes around the world, posing challenges to life, livelihood and businesses. At the beginning of the year we started off as we were getting attuned to implementation of the new indirect tax regime (of GST), in the 4th quarter most businesses were being impacted by the COVID-19 pandemic. A calamity that has affected almost every country in the world.

During these challenging times, we have prioritized the health and safety of our employees, protected the interest of our stakeholders and strictly adhered to government guidelines to ensure minimal impact on our operations.

We, at the Adani Parivar, are united in fighting the COVID-19 battle and our Foundation has contributed Rs.100 crore to the PM CARES Fund.

Now I request Mr. Karan Adani, CEO and Whole Time Director of the Company to apprise the shareholders about the business performance of the Company in FY 20 which was a transformational year for your Company.

➤ **Mr. Karan Adani, CEO and Whole Time Director**

Good Morning.

He briefed the members presentation covering the financial performance, major achievements of the Company and progress made by subsidiaries during the year under review. (Presentation attached).

I now request Mr. Deepak Maheshwari, Chief Financial Officer to take up rest of the proceedings.

➤ **Mr. Deepak Maheshwari, Chief Financial Officer**

As we fight the battle of COVID-19 together, the litmus test for humanity as a species lies in its resilience to overcome the challenge and stare back with dignity in mind and purpose

in our hearts and assist those who are underprivileged and likely to lose the most due to its impact. It is our moment of time in history to give reason to the posterity to be proud of our actions. Let me assure you that your company has initiated a number of activities in this direction as a goodwill gesture to the society.

Before I conclude, I would like to thank our customers, employees, bankers, governments, business associates, financial institutions, and the Board for making FY20 another exemplary year. We are confident that your company will stand out in these times and be a beacon of hope as we have been to thousands of ships those who sail to our ports for past two decades.

And most importantly, I thank you – our shareholders, personally and on behalf of the Board for your continued support and for your confidence in the management of your Company.

Thank you.

I now request Mr. Kamlesh Bhagia, Company Secretary to take up rest of the proceedings.

➤ **Mr. Kamlesh Bhagia, Company Secretary**

Dear Shareholders,

Since the Notice and Directors' Report are already circulated in advance, it is proposed to take them as read. Pursuant to the provisions of the Companies Act, 2013, it is also not required to read Auditors' Report. With the permission of the shareholders, I take it as read.

Questions

Some of the shareholders have registered themselves as speakers for the AGM. I shall now invite them one-by-one to speak:

Now I request the Moderator to unmute Mr. Abhishek Mishra.

• **Mr. Abhishek Mishra**

Question: How do you look at FY21? Will the current conflict with China, affect the business?

Reply by Mr. Deepak Maheshwari, Chief Financial Officer:

We are very resilient in terms of our business. ~60% of our cargo is sticky in nature. With new ports getting added at east coast, we surely have a larger hinterland to service and obtain a larger business volume.

Coming to FY 21 though things may look depressed in Q1 we are confident that economic activity will pick up from Q2 and growth will certainly return once the trade inflow resumes in its full vigor.

Less than 10% of our total container volume belongs to China, this as a percent of total cargo is even less hence we do not see any major impact of current situation.

Now I request the Moderator to unmute Mr. Vishal Shah.

- **Mr. Vishal Shah**

Question: What are the current margins of APSEZ? Why have the margins reduced over last three years? Where do you see these margins in the medium to long term?

Reply by Mr. Deepak Maheshwari, Chief Financial Officer:

This is a question on long term hence my answer could be on that - Our average Total EBIDTA Margin is ~65% and core operating Port margin remains is a robust ~70%.

The overall EBIDTA margin in FY 20 was lower by 100 bps due to lower SEZ Port Led development income and higher share of logistics business which has EBITDA margin of 24%.

We believe with increase in our Port volume and efficiency, the margins will improve by 100 bps in next three years.

Now I request the Moderator to unmute Mrs. Parul Patel.

- **Mrs. Parul Patel**

I thank the Company for buy back and dividend in the FY 20. What is the planning for bonus?

Reply by Mr. Deepak Maheshwari, Chief Financial Officer:

The Board at appropriate time will decide about the same.

➤ **Mr. Kamlesh Bhagia, Company Secretary**

CS Chirag Shah, Practicing Company Secretary is appointed as Scrutinizer for conducting e-voting process. Results for remote e-voting and e-voting during AGM will be placed on the website of the Company. It will also be submitted to the Stock Exchanges as per the relevant provisions of the Companies Act and the listing regulations.

The meeting is concluded with a vote of thanks to the Chairman Sir.

I express my gratitude to all the members for their co-operation.

Thank you, stay safe.