



25th Annual General Meeting
June 24, 2024
12:00 P.M. to 01:10 P.M.

CORPORATE PARTICIPANTS:

Mr. Gautam S. Adani
Chairman

Mr. Rajesh S. Adani
Non-Executive Director

Mr. Karan Adani
Managing Director

Mr. Ashwani Gupta
CEO & Whole-Time Director

Mr. G.K. Pillai
Independent Director

Prof. G. Raghuram
Independent Director

Mr. P. S. Jayakumar
Independent Director

Mr. Bharat Sheth
Independent Director

Mrs. M. V. Bhanumathi
Independent Director

Mr. D. Muthukumaran
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 25th Annual General Meeting of the Company which is being held through video conferencing.

This meeting is being held through video conferencing in compliance with circulars issued by Ministry of Corporate Affairs and the Securities & Exchange Board of India.

Apart from Shri Gautam S. Adani, Chairman, Shri Karan G. Adani, Managing Director, Mr. Ashwani Gupta, CEO & Whole-Time Director, and Mr. D. Muthukumaran, Chief Financial Officer present on the dais, other Board members have joined through video conference. For the benefit of Members, I will now introduce our Directors attending this meeting through video conference:

- Mr. Rajesh S Adani, Non-executive & Non-Independent Director.
- Mr. G.K. Pillai Non-executive & Independent Director and Chairman of the Audit Committee.
- Prof. G Raghuram Non-executive & Independent Director and Chairman of Stakeholder Relationship Committee.
- Mr. Bharat Sheth, Non-executive & Independent Director.
- Mr. P.S. Jayakumar, Non-executive & Independent Director.
- Mrs. M. V. Bhanumathi, Non-executive & Independent Director.

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 and 15 minutes after conclusion of the agenda.

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

Now, I request Mr. Ashwani Gupta, CEO & Whole-Time Director of the Company, to apprise the shareholders about the business performance of the Company.

- **Mr. Ashwani Gupta CEO & Whole-Time Director:**

Dear Shareholders,

Good afternoon!

As we gather here today for the 25th Annual General Meeting, I'll provide a brief overview of your Company's strategic, operating, and financial highlights of FY24 and thereafter would be happy to answer any questions that you might have.

However, before that, let me provide you with a glimpse of the Adani Group.

I would like to believe that you as a shareholder of one or more Adani Group companies would be proud of the incredible journey that the Group has seen. Today, the group is a portfolio of world class infrastructure and utility companies.

Our diverse businesses fall under four key platforms: 'Transport & Logistics', 'Energy & Utility', 'Materials, Metals and Mining', and 'Direct to Consumer'. Adani Enterprises, the flagship Company of the group, serves as an incubator for new ventures, currently nurturing Data Centres, Roads, Airports and Adani Digital Labs.

Our growth trajectory extends beyond B2B ventures; we have ventured into B2C segments, including Gas distribution, Airports, and Electricity distribution.

The group's journey has been remarkable over the past few years, with each business achieving transformational growth in their respective industries. For instance, AGEL has experienced a four-fold growth compared to the industry average in the last several years, while APSEZ and AESL have grown around three times the industry average.

Not only have we excelled in volume and topline, but our companies consistently report impressive EBIDTA margins and returns, surpassing global peers. For instance, APSEZ ports business boasts an impressive 71% EBIDTA margin, while Adani Green and Adani Energy Solutions have maintained EBIDTA margin upwards of 90%.

At the heart of our success lies a simple yet highly effective, repeatable business model that guides all our endeavors.

In the initial phase, we focus on the timely execution of projects to ensure better cost management.

During the operations stage, we shift our attention to automation and digitization, enhancing operational efficiencies.

The third and crucial aspect of our Business Model is prudent capital management. By adhering to global governance and best practices, we ensure alignment with our stakeholders. It is worth noting that five of our issuances are currently rated Investment Grade, providing us access to a diverse pool of capital.

Now moving to your Company, Adani Ports and Special Economic Zone Limited.

The journey of your Company has been quite transformational in nature. We started with the Port Business, then added the SEZ business, and in the last few years we have focused more on growing the logistics business segment.

Alongside, the focus on achieving high operational efficiencies for all our assets, we have worked hard on ensuring geographical and cargo-mix diversification, while also turning around the assets that we have acquired. The various strategic partnerships that we have entered into, resulted in a win-win for your Company and also for our partners.

During the last 5 years, we have managed to change the capital structure of your Company. An increasing proportion of new asset additions got financed through internal accruals, while the average maturity profile of debt was increased, thereby reducing the asset- liability mismatch.

We have made sustainability a key pillar of our strategy. This is to ensure long-term value creation for all our stakeholders, particularly for all shareholders.

Your Company now has 15 ports, including two under construction ports at Vizhinjam and Haldia. These are spread across the entire coastline of India, thereby enabling the Company to cater to 90% of India's hinterland.

A few years back, Mr. Karan Adani discussed transforming the business model of your Company, from being only a port operator to becoming a transport utility that will service its customers from the port gate to the customer gate. This enables your Company to create a lasting relationship with its clients, and drive growth.

To enable this transformation, we initiated adding logistics assets, primarily across the key segments of inland logistics.

Our constant endeavor to achieve east-west coast parity is yielding results.

Our network of 7 ports on the west coastline together with 355 MMT of cargo handling capacity while our 8 ports on the East Coast provide around 272 MMT of cargo handling capacity.

In the last few years, we have focused on building international presence and are currently having presence in 4 international ports that are;

- Haifa port, Israel's largest port,
- Dar es Salaam – the largest container Port of Tanzania,
- O&M contract of Abbot Point Port in Australia and
- An under-construction terminal in Columbo, Sri-Lanka.

SEZ has been supporting industry growth around the ports, bringing port services to customer's gate and your Company has the largest SEZ at Mundra.

Total land bank available at Mundra is more than 12,500 hectares while Dhamra and Krishnapatnam each has over 2,000 hectares of total land. These industrial zones would facilitate cargo growth through industries which would be set up in the backyard.

I'm pleased to inform that your Company has made significant progress in the last few years to become an Integrated Logistics player.

With the acquisition of Ocean Sparkle in the last financial year, your Company has become India's largest marine services provider with around 111 tugs.

We have more than doubled the count of trains, and MMLPs and warehousing.

This expansion of rolling stocks has significantly enhanced our capacity to connect our ports with the hinterland, attracting a larger customer base to our portfolio.

Additionally, we have also launched a trucking segment during the year which would enable your Company to provide the last-mile connectivity solution to its customers.

By FY2029, we are looking to more than double many of these assets from the current level.

To enable this business model transformation, we have built a digital platform for end-to-end connectivity.

The platform would enable real time tracking of the vessels and the consignments. Besides, the platform will also highlight the key bottlenecks in our operations on a real time basis and enable us take corrective actions, thereby improving the overall efficiency of the business.

Our investments in digital transformation would drive efficiency improvements and cost reductions.

Now let's look into the Company's performance during FY24 in some more detail.

With a significantly higher volume growth rate at our ports versus the country's average, your Company has managed to grow its market share to around 27% in FY2024.

Two of our ports – Mundra and Krishnapatnam – are amongst the top 10 ports in India in terms of cargo volumes handled in FY24.

Mundra continues to be the largest commercial port of India and also the country's largest container handling port.

Our commitment to improving operating efficiency was also recognized globally as 4 of APSEZ ports featured in the prestigious Container Port Performance (CPP) Index 2023. In total 9 ports got featured from India, out of which 4 were from APSEZ's portfolio.

Given our world-class operating efficiencies and a well-developed network of ports supported by logistics infra, we have grown at around 3 times the industry average growth rate in FY24 and also in the last 5 years.

Overall, the cargo volumes recorded a healthy 24% year- on-year growth to 420 million metric tonnes, with 10 domestic ports in our portfolio recording their highest ever cargo volumes.

The container volumes grew by 19% year on year to 10.4 million TEUs with Mundra Port touching 7.4 million TEUs mark, which is 15% higher than its closest competitor.

A key component of our growth strategy has been geographical and cargo mix diversification. As a result, the contribution of Mundra in our total portfolio is now at 44%.

Now speaking on the performance of our logistics business

Your Company recorded its highest rail and GPWIS volumes during the year with rail volumes at 0.6 million TEUs (reflecting a 19% year on year growth), and bulk cargo of over 20 million metric tonnes (reflecting a strong 40% year on year growth)

During the year, your Company added assets across all its sub-business verticals:

- With addition of 34 new rakes, total trains portfolio now stands at 127 as of FY24 end.
- 3 new MMLPs were commissioned during the year taking the total count to 12.
- With the addition of two new warehouses and agri silos, the total capacity now stands at 2.4 million square feet and 1.2 million metric tonnes respectively.

Also, more importantly, your Company created a new trucking vertical to focus on last mile connectivity solution. The current strategy is primarily focused on the asset light model and is operating a fleet of 900 trucks.

The 24% jump in cargo volumes resulted in the Revenue of your Company growing by 28% year-on-year and EBITDA growth of 24%.

However, the profit after tax increased by 50% Y-o-Y, primarily due to lower forex losses during the year. The healthy growth in PAT was despite a write off of Rs 455 crore resulting from the switch to the new tax regime for one of its subsidiaries.

Your Company reported its highest ever net cash flow from operations during FY2024 at Rs 15,018 crore, which is a good 26% year on year growth, while free cash flow increased to Rs 5,791 crore.

I am happy to share that the board has recommended a dividend of Rs 6 per share.

Now speaking about Company's debt profile

The Company's Net Debt to EBITDA ratio as of March end improved to 2.3x vs 3.1x in FY23, despite a capex of over Rs 7,400 crore.

Rating ratios were stable, with Fund Flow from Operations (FFO) to Gross Debt ratio at 28% and the interest coverage ratio at 5.6 times.

Your Company has been able to maintain investment grade rating despite investments of around Rs 70,000 crore in the last 4 years.

Rather, I am pleased to inform you that your Company is India's First Private Infrastructure Entity with AAA rating.

Talking about ESG Performance.

Reflecting our actions on the ESG front is the ratings provided to us by various global ESG rating agencies.

Global rating agency S&P has ranked your Company within the top 96% percentile amongst 300+ players in the transport and transport infrastructure sector from across the world.

Moody's have ranked your Company number 1 in the transport and logistics sector across all emerging markets globally.

Sustainalytics, another key rating agency, has categorized your Company as 'low ESG risk company', indicating our ESG leadership.

Another global rating agency, CDP, rated your Company in leadership band for climate change and supplier engagement.

Our journey towards becoming Net Zero by 2040 is gathering momentum as we have now increased the target for renewable capacity installation to 1,000 MW.

Let me now take a moment to discuss the value we have generated for our shareholders.

The high-quality portfolio of assets that your Company has built has resulted in a continuous rise in the Company's share price year-on-year.

If we compare the performance of the stock versus the indices over a two-year time frame, i.e. from the Pre-Hindenburg price levels, the APSEZ share price has outperformed the two key indices by more than 2 times, as can be seen in the charts on this slide. The relative out performance during the last 12 months would be even better.

Now I would like to share the ambition of your Company over the next 5 years.

Progressing towards 2030, we aim to double the cargo volumes handled by APSEZ in the next 5 years. The growth in cargo volumes would primarily be driven by our continuous investment in –

- (i) Capacity,
- (ii) Operational Efficiency, including digitalisation,
- (iii) End-to-end logistics ecosystem, and
- (iv) upskilling of our people

The growth of our international portfolio will be driven by acquisitions and partnerships across key global trade routes, where India is and will contribute increasingly.

This will result in our ports business revenue and EBITDA growing by more than 2x in the next 5 years.

With respect to the logistics business, we expect revenue and EBITDA to grow by around 7x. This growth is primarily driven by the addition of a new business segment, TRUCKING, which will enhance our end-to-end service model and win over more customers. Alongside, we expect to speed up the addition of assets across other logistics sub-segments such as the trains, MMPLs, Agri silos, and warehousing.

To conclude, in the next 5 years, we are looking to more than double our business, and grow APSEZ's revenue, EBITDA and Cash Flow from Operations by 2.3 - 2.5 times the FY24 levels, while maintaining the net debt to EBITDA levels below 2.5x.

With this I want to thank once again to all, and I now hand this over to Mr. Kamlesh Bhagia, Company Secretary, for the rest of the proceedings.

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

Thank you very much sir for deliberating presentation.

Dear Shareholders, since the Notice and Directors' Report are already circulated in advance, it is proposed to take them as read.

I wish to draw the attention of shareholders to note no 44, page no. 557 and note no. 54 on page no. 724 of the annual report which contains the management's response on the auditor's qualification, with the permission of the shareholders I propose to take it as read.

Some of the shareholders have registered themselves as speakers for the AGM. I shall now invite them one-by-one to speak. The speakers are requested to restrict their queries/ comments to three minutes to allow maximum participation of other speaker shareholders. We will try to respond to the maximum queries after hearing all the speakers.

Questions

- Now I request the Moderator to unmute Mr. Manoj Kumar Gupta.

Mr. Manoj Kumar Gupta

Good afternoon to the Chairman and respective members, I thank Mr. Chairman and the Board for delivering an excellent result, along with a good rate of dividend that is Rs. 6 Per share for FY 2023-24. I thank the CEO for delivering an in-depth presentation covering all the points about the Company's performance and prospects, I also thank the Company Secretary and his team for allowing the members to join the meeting through VC mode.

Further, my question pertains to the prospect of the Company towards the Eastern region, also I as a part of small shareholders support the Chairman for his continuous efforts and would also like to continue being part of the group.

I also wanted to know the response towards non-allotment of Tajpur project to the Company and whether the Company plans to reward the shareholders through bonus issue/right issue/ similar rewards on account of 25th AGM of the Company?

- Now I request the moderator to kindly unmute Mr. Praful Chavda.

Moderator informed that Mr. Praful Chavda has not joined the meeting.

- Now I request the moderator to kindly unmute Mr. Anil Mehta.

Mr. Anil Mehta:

Good afternoon to everyone, first of all congratulations to everyone for the 25th AGM. I wanted to ask that with the expansion of the Company towards a global scale what efforts have been made by the Company with respect to the enhancement/inclusion of international personnel in the Board of Directors?

Further, how does the management monitor intercompany transactions, how liquid are the Company's funds and the sources of funds for the Company?

- Now I request the moderator to kindly unmute Mr. Praveen Kumar.

Moderator informed that Mr. Praveen is not able to speak due to unstable network connection at his end.

- Now I request the moderator to kindly unmute Mr. Rajendra Seth.

Mr. Rajendra Seth:

Greetings to the Chairman, Management team and all the shareholders, I am Rajendra Seth from Thane, Maharashtra and wanted to congratulate the Company and its entire team for an amazing performance for the year. The question I wanted to ask pertains to what area within India is the Company planning to expand its operation in?

- Now I request the moderator to kindly unmute Mr. Dilip Kumar Jain.

The moderator informed that Mr. Dilip Kumar Jain has not joined the meeting.

- Now I request the moderator to kindly unmute Mr. Rishikesh Chopra.

The moderator informed that Mr. Rishikesh Chopra has not joined the meeting.

- Now I request the moderator to kindly unmute Mrs. Bharti Saraf.

The moderator informed that Mrs. Bharti Saraf has not joined the meeting.

- Now I request the moderator to kindly unmute Mr. Manjit Singh.

The moderator informed that Mr. Manjit Singh has logged off.

- Now I request the moderator to kindly unmute Mr. Goutam Nandy.

Mr. Goutam Nandy:

Good afternoon to the Chairman and all fellow shareholders, firstly I'd like to thank the secretarial team for disbursing the annual report, notice and link to the meeting and for rendering good services to all the minority shareholders.

The Company Secretary requested to coordinate offline with Mr, Goutam Nandy as the audio wasn't clear and the same could not be resolved from the shareholder's end.

- Now I request the moderator to kindly unmute Mr. Tejas Shah.

The moderator informed that Mr. Tejas Shah has not joined the meeting.

- Now I request the moderator to kindly unmute Mr. K Bharatraj.

Mr. K. Bharatraj:

Good afternoon to the Chairman and all the Board of Directors, I wanted to thank the management for a great performance and a wonderful CSR, I have two questions the first one being; what are the future plans of the Company with respect to the international ports and what are the strength and weakness of the Company?

Further I request that the Company should arrange for a site visit to the port for the shareholders.

- Now I request the moderator to kindly unmute Mr. Debojit Dulal Belel.

The moderator informed that Mr. Debojit is not responding.

- Now I request the moderator to kindly unmute Mr. Bimal Bhatt.

Mr. Bimal Bhatt:

Namaste to the Chairman, Executive, Non-Executive, all the Independent and Nominee Directors, I want to congratulate you all for an excellent performance and wanted clarifications regarding stakeholder's engagement process with respect to who is responsible for stakeholders as an Independent Director,

Further, whether the performance of all the auditors have been evaluated by the audit committee? Once again congratulations to the Company for an excellent performance.

- Now I request the moderator to kindly unmute Mr. Lokesh Gupta.

Mr. Lokesh Gupta:

I wanted to congratulate the Company for an excellent performance during the year and further wanted to especially point out the logistics and port vertical's positive contribution towards the Indian economy. The share prices of the Company have very well reflected the results of the endeavors by the team and has shown a growth, further I want to thank the Company once again along with the secretarial team for connecting the shareholders with the Company,

- Now I request the moderator to kindly unmute Mr. Kaushik Sahukar.

Mr. Kaushik Sahukar:

Good afternoon to all, it is an honor to stand before this esteemed gathering today, I thank you all for giving me this opportunity to speak at the AGM, my question is what step the Company is taking to diversify its business post the Hindenburg report.

Further are there any plans to enhance shareholder's value and wealth through Bonus issue, right issue and other similar plans?

I would like to express my sincere gratitude to the entire secretarial team, I kindly request the support in associating with me in the area of certification audit, including for 15CB, I am also sure that Adani Ports has a vision to support those in need.

Also, I know that the management has been preoccupied with other matters and my request has not been given due importance.

Answers

Mr. D Muthukumaran replied to Shareholders questions one by one as under:

- Reply to **Mr. Manoj Gupta:**

Regarding expansion to the eastern region, we have announced our recent contracts in the eastern region if you might have notices and in regard to Tajpur is a project under progress and it will happen in its due course of time.

Further with respect to the rewards to the shareholders, the Board will consider the same as it may deem appropriate.

- Reply to **Mr. Anil Mehta:**

Inter company transactions are in the regular nature of our business and the services that we provide to any other customer, we follow the process duly laid out and in addition we do actually ensure that these transactions are done on arm's length.

You also asked about liquidity, the Company carries around Rs. 10,000 crores of cash as of last year and we have the policy of ensuring that we have cash for all the upcoming maturities for the next 1 year fully funded, in addition to fund all the non-expansion plans for the next three years.

- Reply to **Mr. Goutam Nandy:**

We will dispatch the annual report soon and lot of you have appreciated the efforts of the secretarial department led by Mr. Kamlesh and have also provided valuable feedback towards pre-intimating the order, as well as confirmation of speakers, we will certainly do that.

- Reply to **Mr. Bharatraj:**

You asked the question with respect to international business and the scope, the scope remains very high and is also one of the three pillars of growth that we have which is actually domestic ports, an integrated business model which includes SEZ and the international business that we have.

Strength is obvious with respect to the current performance that we have in the last 2 and a half decades, the Company remains the most profitable one in its sector, the strength comes from a fact that there is a long term vision, followed by a very strong execution towards value creation and in terms of customers to remain focused on services provision to a top notch level.

There was also a question on auditors and accounting, in terms of accounting our Independent Directors all of them form a part of Audit Committee and it is led by Mr. G. K. Pillai and he is well renowned for his expertise and we have a very healthy mix of Director, who is also a banker, we are very thankful to the Audit Committee for spending their valuable time and reviewing the work of all the auditors.

You also asked about the collaborative nature of the work that we do and the book that you've written, we'll revert to you on that, finally there was a question around what we plan to do and the vision, everything is very well covered by our CEO in his speech, we have a very clearly laid out plan of achieving 1 billion tonnes of capacity, EBITDA is going to be doubled and the margin is going to be maintained.

In the last 5 years we have increased our profitability to 18% and we actually plan to get it to 36,000 crores in the 5 years to come.

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

CS Chirag Shah, Practicing Company Secretary has been appointed as Scrutinizer for conducting e-voting process in a fair and transparent manner.

The process of e-voting shall continue for the next 15 minutes for those who have yet not cast their votes. The meeting shall stand concluded at the end of 15 minutes.

The Combined results for remote e-voting and e-voting during this AGM will be placed on the website of the Company. The results will also be submitted to the Stock Exchanges as per the relevant provisions of the Companies Act and the listing regulations.

I present a vote of thanks to the Chairman Sir and express my gratitude to all the members for their co-operation.

Thank you.