Adani Ports and SEZ Ltd.

Dear valued investors, hope you have received my communication on 14th of March 2020, through our IR desk. We had a webcast with select Institutional Investors, on 25th March 2020, on the current scenario and impact of COVID-19 and a number of business related aspects. Hence it is appropriate that I share the thoughts expressed there with all of you.

Following are the major discussion points directionally.

- Measures taken by government are well directed and are for the wellbeing of our countrymen.

- We are implementing the Government of India mandated lockdown and large numbers of our employees are working from home. We are working closely with the various stakeholders at the Ports to reduce any disruptions in our operations due to new guidelines coming into effect.

- We have announced Force Majeure to the various customers in order to mitigate the risks associated with inability to meet the typical operating standards required and expected from our Ports. Though Ports are essential, there is some difficulty in mobilizing manpower but that is being resolved with the active support from local government authorities. Road traffic has been adversely impacted but rail traffic is moving efficiently. The government has also made haulage of empty wagons and containers free to move the containers from ICDs to Port. All our ports are operating.

- Though the situation seems to be improving in China and few other countries, the western world is impacted and its impact is still to be fully ascertained and understood.

- We of course, derive comfort from the high level of sticky cargo for APSEZ (60% - 58% of Coal, 97% of Crude, 68% of Container and 27% of other cargo) and our ability to handle all types of cargo and add additional cargo types such as LNG and LPG. There is further mitigation of concentration risk by operating 10 ports.

- We will complete the planned acquisitions as some of them are transformational in nature and will enable us to service the entire Indian economic hinterland but will consciously delay our discretionary revenue generating projects; we will plan them to be in line with cargo growth.

- Debt Covenants - The Company is consistently Investment Grade rated, the latest USD Bond issuances by APSEZ in June and July 2019 have no financial covenants. For the earlier USD Bond issuances, the Company has to maintain Indebtedness to Net worth not more than 3:1. (Against the actual of 1.03:1 as on last audited financials of September 30, 2019). We are confident to comfortably maintaining these covenants.

- Long term Debt Maturity - The average maturity of our long term debt is approximately 6 years. We have a maturity of approximately Rs.1,650 cr. Q4 FY 21. With our investment grade rating we are confident of refinancing the same to a longer maturity.

- Our bonds (both USD denominated and rupee denominated) are fixed rate and hence the increasing spreads in current dislocated markets does not affect us adversely.

- Ratings - We have an internal benchmark of maintaining the Net debt to EBITDA of 3x-3.5x, even after the acquisition of KPCL, we would be able to come back to this range within a period of six months. All Rating agencies have reaffirmed that Investment Grade rating of APSEZ.

- Refinancing of KPCL Debt – We would tap the international debt market for refinancing the KPCL debt. We expect the dollar debt to be cheaper than rupee debt as KPCL has earnings in US dollars which will provide the natural hedge.

- Financial Position of the Group – Our focus has always been on optimum utilization of capital. We have been bringing in strategic partners like Total and QIA as a part of de-risking strategic plan. Family has raised 1.6 Bn USD through these deals. The group has raised 4.26 bn. USD debt by placing 7 bonds in the last year to take care of its Capex commitments. As a policy the group has moved to having a liquidity cover for all hard payments on a six months forward basis.

- Share Pledge - The markets became volatile during the last one month, which resulted in providing more cover to the bankers. However, if you see the actual value of the pledge by the promoters, it has come down (from Rs.40K cr. to

Rs.35K cr.) which demonstrates that founders have pared some of the debt. We have a risk mitigation strategy in place to ensure that no shares are recalled in the market.

- Growth of the company is linked to growth in India and we firmly believe that India is going to be a US$ 5 Trillion economy by FY 25, if some disruptions like this happens then by FY 2027. But the growth in long term is certain, with that we can expect the logistics sector to add capacity to deliver such growth in economy.

- We will also deliver on improving the ROCE in a medium term as our newer ports mature and come closure to the mature ports like Mundra and Hazira which are generation 20%+ ROCE. With newer ports maturing we will have a consolidated ROCE of 19%+ compare to 13%+ today.

- We have already done a Buyback in FY20 and declared interim dividend, which leaves no further room for additional buyback. We will stick to our dividend policy which was announced last year to distribute 20-25% of PAT. We are conserving our cash to complete the announced acquisition of KPCL.

- On renewal of Mundra concession extension, we are in discussion. The policy is under formulation, it will be a consultative process with all the other 4 players and is expected in 18 to 24 months.

- On DFC, we expect the DFC to operationalize to Mundra Port by July 2020. We are well on track to meeting the time line. On account of DFC market share gain will accelerate and 100% of north India cargo will come to us.

- Progress of Myanmar and Vizhinjam: We expect Myanmar phase I to be completed by December 2020 and Vizhinjam Phase I to be completed by end of calendar year 2021.

- Medium to long term cargo volume: We are confident of achieving 400 MMT well before FY 25. With the acquisition of KPCL and organic growth we expect our market share will increase from 22% to 30% by FY25.

- On a worst case scenario our growth may be flat next year without including KPCL. But in the medium to long term we are confident of our growth and would be back on our growth track.