



Ports and
Logistics

Ref No: APSEZL/SECT/2021-22/68

August 14, 2021

BSE Limited

Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 532921

National Stock Exchange of India Limited

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

Scrip Code: ADANI PORTS

Sub: Summary Note and Presentation on Composite Scheme of Arrangement

Dear Sir,

This is in reference to NCLT convened meetings of equity shareholders, secured creditors and unsecured creditors scheduled to be held on September 20, 2021 at 11.00 a.m., 12.00 noon and 1.00 p.m. respectively.

In this connection, we are attaching herewith summary note alongwith updated presentation on Sarguja assets on the proposed 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") for the perusal of stakeholders.

The same is being uploaded on website of the Company at www.adaniports.com.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,

For Adani Ports and Special Economic Zone Limited


Kamlesh Bhagia
Company Secretary



Adani Ports and Special Economic Zone Ltd
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

Adani Ports and Special Economic Zone Ltd.

(APSEZ)

Note on Amalgamation of rail track assets

Process & Rationale - August 2021

SL. No.	Details	Page No.
1.	Objective	2
2.	Process followed	2
3.	Summary of Sarguja asset	6
4.	Rationale for acquiring Sarguja asset	6
5.	Valuation of proposed Sarguja asset	7
6.	Purchase Consideration of Sarguja asset	8
7.	Transfer of the Divestment Business Undertaking (Mundra Rail Business)	10

1. Objective

To develop scale in the integrated logistics space by consolidating all rail assets under one pan India platform and to bring efficiency to overall logistics cost by owning and developing critical assets.

Adani Ports and Special Economic Zone Limited holds a portfolio of 620 kms railway track assets which connects its ports. Currently Sarguja rail (Sarguja) asset of 70 kms is owned by the Promoter's entity. To ensure that no similar businesses amongst Adani portfolio are competing, a proposal for acquisition of Sarguja was mooted.

The Board approved the 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") and their respective shareholders and creditors ('**Scheme**').

Due process as stipulated in the **voluntary policy on related party transactions for acquiring and sale of assets** ([Link](#)) was followed.

2. Process followed for considering amalgamation of Brahmi (holding company of Sarguja) with APSEZ

Table – 1

Sl. No.	Activity	Date
1	<p>Pursuant to board approved "policy on related party transactions for acquiring and sale of assets", Executive committee (EC) consisting of three independent board of directors was formed to evaluate the proposal.</p> <p>Members of Executive Committee</p> <ul style="list-style-type: none"> Mr. G. K. Pillai (Chairman of the Audit Committee) Former Indian Administrative Services officer and former Home Secretary of India 	14 October 2020

	<p>and worked in departments like surface transport and defense. (Link to the Profile)</p> <ul style="list-style-type: none"> Mr. P. S. Jayakumar Former Managing Director & CEO of Bank of Baroda. with domain expertise in Banking Finance. (Link to the Profile) Mrs. Nirupama Rao Former Foreign Secretary of India, with deep experience in foreign relations in various areas. (Link to the Profile) 	
2	Submission of business case by the internal Business Team to the EC.	14 October 2020
3	First EC meeting held to discuss the proposal.	14 October 2020
4	<p>EC appointed two external agencies each for valuation of the proposed asset and fairness opinion on the valuation, who were selected based on predefine criteria with relevant experience in the field of valuation and merchant banking.</p> <p>The EC also appointed a legal counsel for advice. (Details in Table - 2)</p>	25 November 2020
5	Commencement of due diligence by the Independent valuers.	09 December 2020
6	EC met to discuss valuation methodology and business case with independent valuers.	02 February 2021
7	EC met the appointed valuers to conclude on valuation.	02 March 2021
8	Executive Committee unanimously recommended the final valuation and provided their report to Board of Directors through the Audit Committee.	3 March 2021
9	The Audit committee attended only by independent directors, discussed this proposal on 3 rd March 2021 and recommended for consideration of the board of directors.	3 March 2021

10	The Board of directors in its meeting held on 03 March 2021, discussed the proposal and approved the same unanimously.	03 March 2021
11	Outcome of the board meeting was intimated to the Stock Exchanges, followed by an audio call with Investors (Link to the Transcript).	03 March 2021
12	Report issued by Ernst & Young LLP, in respect of compliance of the "policy on related party transactions for acquiring and sale of assets"	20 March 2021
13	The application along with Composite scheme of arrangement (Scheme) and other documents were submitted to the Stock exchanges for their No Objection Certificate.	31 March 2021
14	No Objection Certificate received from the Stock Exchanges.	09 July 2021
15	Filing of the application with Hon'ble NCLT, Ahmedabad bench, for calling NCLT convened meeting of Equity shareholders, Secured creditors, Unsecured creditors of APSEZ to consider and approve the Scheme.	16 July 2021
16	NCLT passed order for convening meeting of Equity shareholders, Secured creditors, Unsecured creditors of APSEZ to consider and approve the Scheme on 20 September 2021.	09 August 2021

Table – 2 - Details for agencies appointed for valuation, fairness opinion

SL. No.	Name of the Agency	Purpose	Date of Report	Link of report
1	Deutsche Equities India Pvt. Ltd.	Reviewing business Case. Valuation of the transaction	03 March 21	(Link)
2	BDO Valuation Advisory LLP	Valuation of the transaction	03 March 21	
3	J. P. Morgan India Private Limited	Providing a fairness opinion	03 March 21	
4	J M Financial Limited	Providing a fairness opinion	03 March 21	
5	Singhi & Co	Drafting and finalization of Scheme	03 March 21	

3. Summary of Sarguja Asset

Table - 3

Sl. No.	Particulars	Details
1	Length of the Track	70 Kms
2	Track Capacity	16 rakes per day
3	Land Lease period	50 Years
4	Counter Party	RRUVNL
5	Contract Period	30 Years TAUA
6	Potential throughput of the vicinity	100 MMTPA
7	EBIDTA Margin	~85%

It's a Viable, economical & less polluting compared to transport –Road

Table 4 - Sarguja financial numbers

Particulars	FY18	FY19	FY20	FY21
Cargo Volume (MMT)	3.6	10.6	14.4	15
Revenue (Rs. Cr)	50	368	417	452
EBITDA (Rs. Cr)	30	325	357	398
EBIDTA Margin	68%	88%	86%	88%

Post completion of the transaction FY22 financials of Sarguja will be consolidated with APSEZ with effect from 1st of April 2021 (appointed date of 1 April 2021 under the Scheme).

4. Rationale for acquiring Sarguja Asset

- The transaction will create value for all stakeholders from the day one as it is EPS accretive.

- All rail assets are under one entity, with no competing business within the group.
- Significant growth potential is available as the business is yet to mature.
- Secured long-term contracts with sovereign equivalent counterparty providing earnings stability.
- Improved inter-company capabilities for development, O & M efficiency with high EBIDTA margins.
- The asset is a critical and environment friendly part of the transport infrastructure to connect the mines in the basin to the nearest nodal point.
- The asset is well placed to capture the opportunity of non-Adani mines in the basin as well in future to be potential customers with visibility of 40 MMTPA of capacity.

As an annuity business with a constant stream of cash flows and with a sovereign equivalent counterparty, the risk of the business is minimum at the same time the growth opportunity is immense thus making it a value accretive deal for the shareholders of APSEZ.

5. Valuation of proposed Sarguja asset.

Table - 5

Valuers	Method of Valuation	Date of Report	Derived value of assets
Deutsche Bank	Discounted Cash Flow WACC assumed 10.3%	03 March 21	EV in the Rs.5,931 cr (Range of Rs.5,662 cr to Rs.6,200 cr.)
BDO Valuers	Discounted Cash Flow WACC assumed 10.5%-11%,	03 March 21	EV Rs.5,977 cr.

This amalgamation will not only integrate all the rail assets under one roof, but also create immense value for all shareholders as this acquisition will be value accretive from day one.

The asset is going to add immense value to APSEZ as it is EPS accretive from day one.

6. Purchase Consideration for Sarguja

The purchase consideration will be paid by issuing common equity shares of APSEZ to the outgoing ultimate shareholders of Sarguja (Brahmi) as under:

For 708 equity shares of Brahmi, APSEZ will issue 100 equity shares to the member of Brahmi as consideration.

With this transaction 7.06 cr of new equity shares will be issued to the members of Brahmi, thus increasing the total outstanding equity shares of APSEZ to 211.23 cr shares.

As this transaction is done through an equity swap, there will be no cash outflow from APSEZ and no impact on its leverage position.

A detailed presentation ([Link](#)) on the asset to be acquired was disclosed to all stake holders through stock exchange notification dated 03 March '21, which was also uploaded on the website of APSEZ and was shared with all the stake holders.

Apart from the amalgamation of Brahmi (holding company of Sarguja) with APSEZ, as a part of internal restructuring (outside the purview of “policy on related party transactions for acquiring and sale of assets”) to consolidate all rail assets under one roof the following external agencies were also appointed.

Table 6 – Amalgamation of Adani Tracks with Sarguja & Transfer of the Divestment Business Undertaking (Mundra Rail Business) from APSEZ to Sarguja

Sl. No.	Name of the Agency	Purpose	Date of Report	Link of report
1	BDO Valuation Advisory LLP	Valuers for amalgamation of Adani Tracks with Sarguja and Divestment Business Undertaking (Mundra Rail Business)	03 March 21	(Link)
2	Y. K. Mehta & Associates, Chartered Accountant	Lump sum consideration for transfer of the Divestment Business Undertaking (Mundra Rail Business)	03 March 21	
3	Vivro Financial Services Private Limited (“Vivro”),	fairness opinion on the report of valuers	03 March 21	

Based on the above valuation reports and fairness opinion, composite scheme of arrangement of amalgamation of rail track assets was initiated on 03 March '21 .

In order to consolidate the various rail assets, the following transactions are proposed under composite scheme of arrangement which will result in

- a. Brahmi (parent of Sarguja) to be amalgamated with APSEZ
- b. Divestment of Mundra rail busines from APSEZ to Sarguja.
- c. Adani Tracks to be amalgamated with Sarguja.

Details of share swap for:

1. The amalgamation of Adani Tracks with Sarguja:

100 Sarguja Shares, credited as fully paid-up, for every 2,522 equity shares of the face value of Rs. 10/- (Rupees ten) each fully paid-up held by the member in Adani Tracks. Sarguja Shares to be issued by Sarguja to the shareholders of Adani Tracks.

2. Transfer of the Divestment Business Undertaking (Mundra Rail Business)

Sarguja shall pay a lump sum consideration of Rs. 188.65 crores (Rupees one hundred eighty-eight cores and sixty-five lakhs only) to APSEZ for transfer and vesting of the Mundra Rail Business, by APSEZ to Sarguja, by way of Slump Sale basis.

Conclusion

- The transaction is value accretive from the day one.
- It will help accelerate our journey to 750 Kms track length by 2025.
- Significant synergies in cost will be derived by consolidation of knowledge and resources.
- Kick starts the annuity platform that we envisioned.
- It gives APSEZ significant strength to participate in next rounds of PPP projects of Indian Railways.

The amalgamation of rail assets will ensure that no similar businesses amongst Adani portfolio are competing and confirm full alignment of equity interest with minority shareholders which will ultimately create immense value for all the stakeholders.

adani

Ports and
Logistics

Adani Ports and SEZ Limited

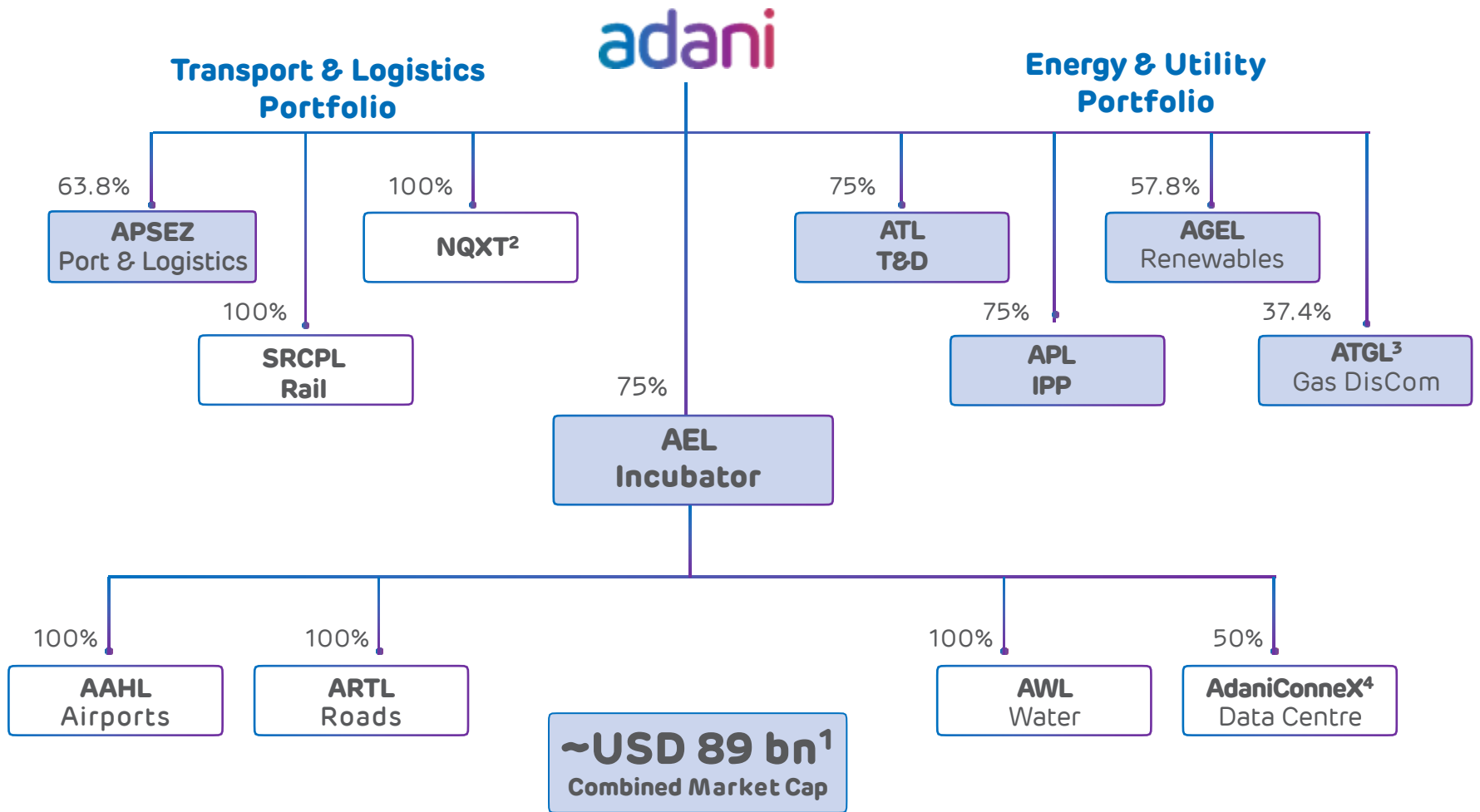
APSEZ Initiates Consolidation of Rail Track Assets

August 2021

Contents

- **A** • **Group Profile**
- **B** • **Company Profile**
- **C** • **Integrated Logistics Platform**
- **D** • **Governance Process and rationale for amalgamation**
- **E** • **Sarguja Rail Corridor Private Limited**
- **F** • **Adani Track Management Services (ATMSPL)**
- **G** • **Investment Case**
- **H** • **Annexure**

Adani Group: A world class infrastructure & utility portfolio



Adani

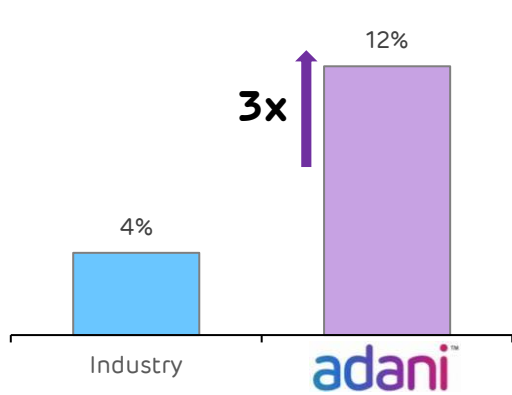
- **Marked shift from B2B to B2C businesses –**
- **ATGL** – Gas distribution network to serve key geographies across India
- **AEML** – Electricity distribution network that powers the financial capital of India
- **Adani Airports** – To operate, manage and develop eight airports in the country
- **Locked in Growth –**
- Transport & Logistics - Airports and Roads
- Energy & Utility – Water and Data Centre

Opportunity identification, development and beneficiation is intrinsic to diversification and growth of the group.

1. As on July 30th, 2021, USD/INR – 74.4 | Note - Percentages denote promoter holding and Light blue color represent public traded listed verticals
 2. NQXT – North Queensland Export Terminal | 3. ATGL – Adani Total Gas Ltd, JV with Total Energies | 4. Data center, JV with EdgeConnex

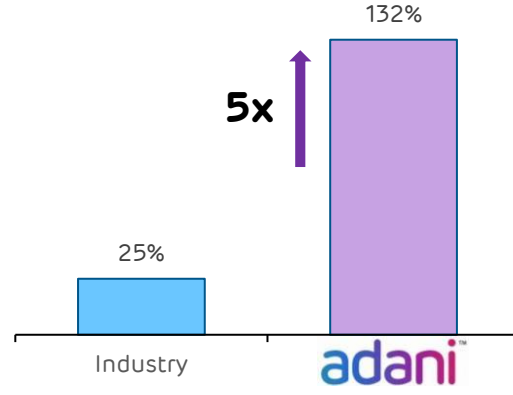
Adani Group: Decades long track record of industry best growth rates across sectors

Port Cargo Throughput (MMT)



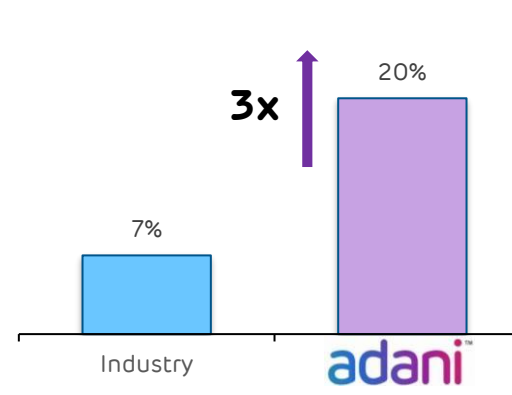
2014	972 MMT	113 MMT
2021	1,246 MMT	247 MMT

Renewable Capacity (GW)



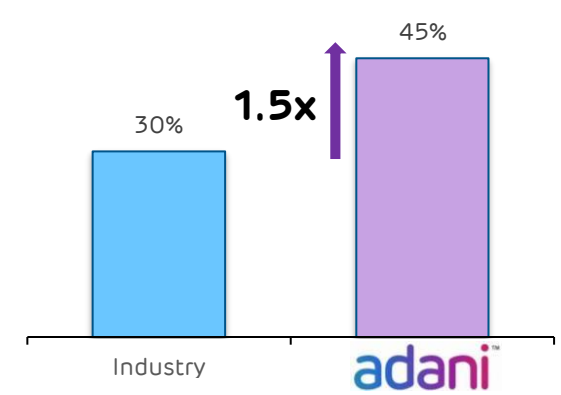
2016	46 GW	0.3 GW
2021	140 GW ⁹	19.3 GW ⁶

Transmission Network (ckm)

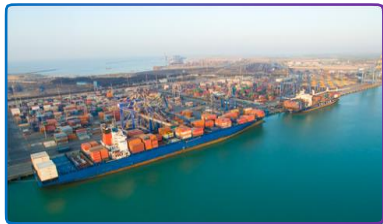


2016	320,000 ckm	6,950 ckm
2021	441,821 ckm	18,801 ckm

CGD⁷ (GAs⁸ covered)



2015	62 GAs	6 GAs
2021	228 GAs	38 GAs



APSEZ

Highest Margin among Peers globally
EBITDA margin: 70%^{1,2}
 Next best peer margin: 55%



AGEL

World's largest developer
EBITDA margin: 91%^{1,4}
 Among the best in Industry



ATL

Highest availability among Peers
EBITDA margin: 92%^{1,3,5}
 Next best peer margin: 89%



ATGL

India's Largest private CGD business
EBITDA margin: 41%¹
 Among the best in industry

Transformative model driving scale, growth and free cashflow

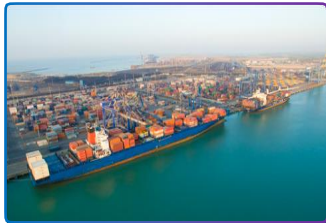
Note: 1 Data for FY21; 2 Margin for ports business only, Excludes forex gains/losses; 3 EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4 EBITDA Margin represents EBITDA earned from power supply 5. Operating EBITDA margin of transmission business only, does not include distribution business. 6. Contracted & awarded capacity 7. CGD – City Gas distribution 8. GAs - Geographical Areas - Including JV | Industry data is from market intelligence 9. This includes 17GW of renewable capacity where PPA has been signed and the capacity is under various stages of implementation and 29GW of capacity where PPA is yet to be signed'

Adani Group: Repeatable, robust & proven transformative model of investment

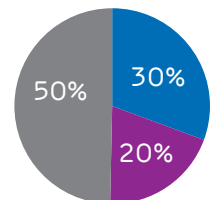
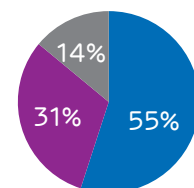


Activity	Origination	Site Development	Construction	Operation	Capital Mgmt
	<ul style="list-style-type: none"> Analysis & market intelligence Viability analysis Strategic value 	<ul style="list-style-type: none"> Site acquisition Concessions & regulatory agreements Investment case development 	<ul style="list-style-type: none"> Engineering & design Sourcing & quality levels Equity & debt funding at project 	<ul style="list-style-type: none"> Life cycle O&M planning Asset Management plan 	<ul style="list-style-type: none"> Redesigning capital structure of assets Operational phase funding consistent with asset life

Performance	Origination	Site Development	Construction	Operation	Capital Mgmt
	<p>India's Largest Commercial Port (at Mundra)</p> <p>▼</p> <p>Highest Margin among Peers</p>	<p>Longest Private HVDC Line in Asia (Mundra - Mohindergarh)</p> <p>▼</p> <p>Highest line availability</p>	<p>648 MW Ultra Mega Solar Power Plant (at Kamuthi, TamilNadu)</p> <p>▼</p> <p>Constructed and Commissioned in nine months</p>	<p>Energy Network Operation Center (ENOC)</p> <p>▼</p> <p>Centralized continuous monitoring of plants across India on a single cloud based platform</p>	<p>Revolving project finance facility of \$1.35Bn at AGEL – fully funded project pipeline</p> <p>First ever GMTN¹ of USD 2bn by an energy utility player in India's – an SLB² in line with COP26 goals at AEML</p> <p>Issuance of 20 & 10 year dual tranche bond of USD 750 mn - APSEZ the only infrastructure company to do so</p>



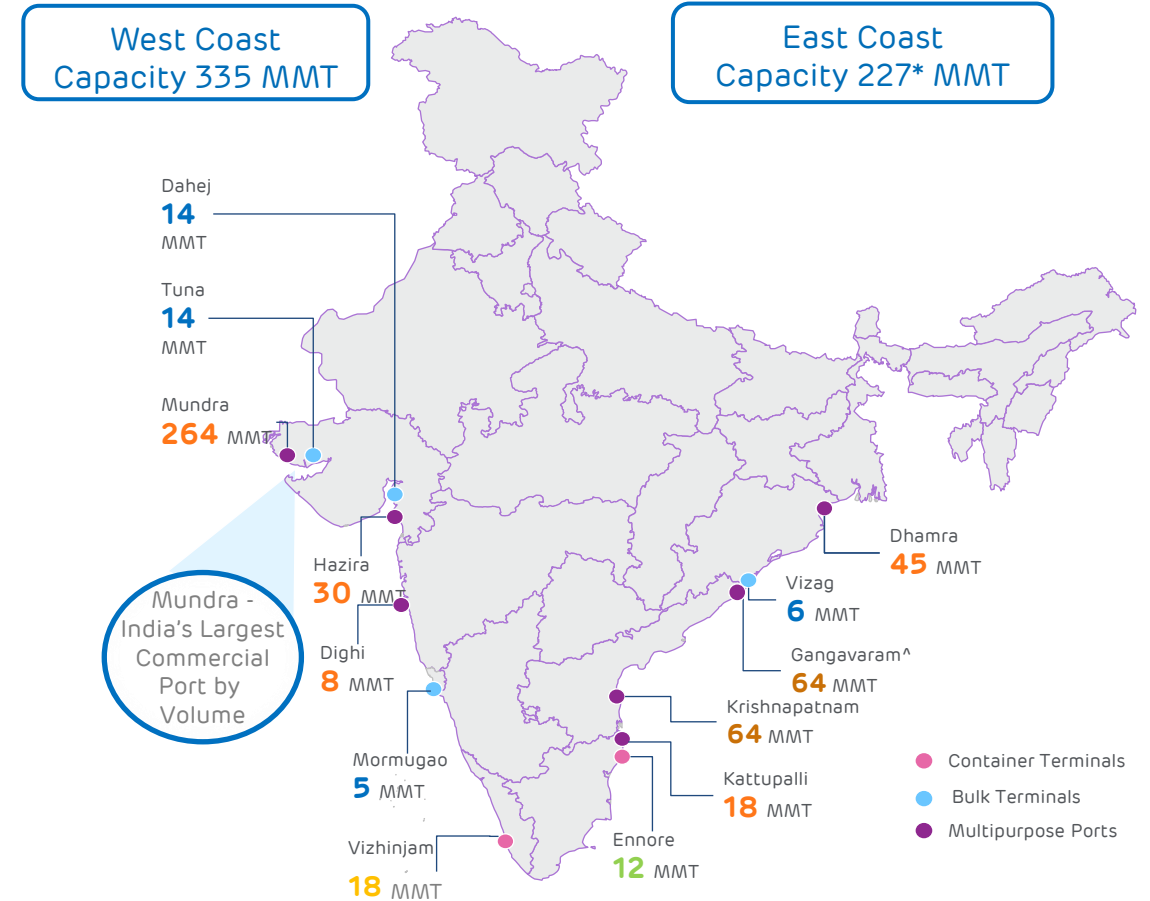
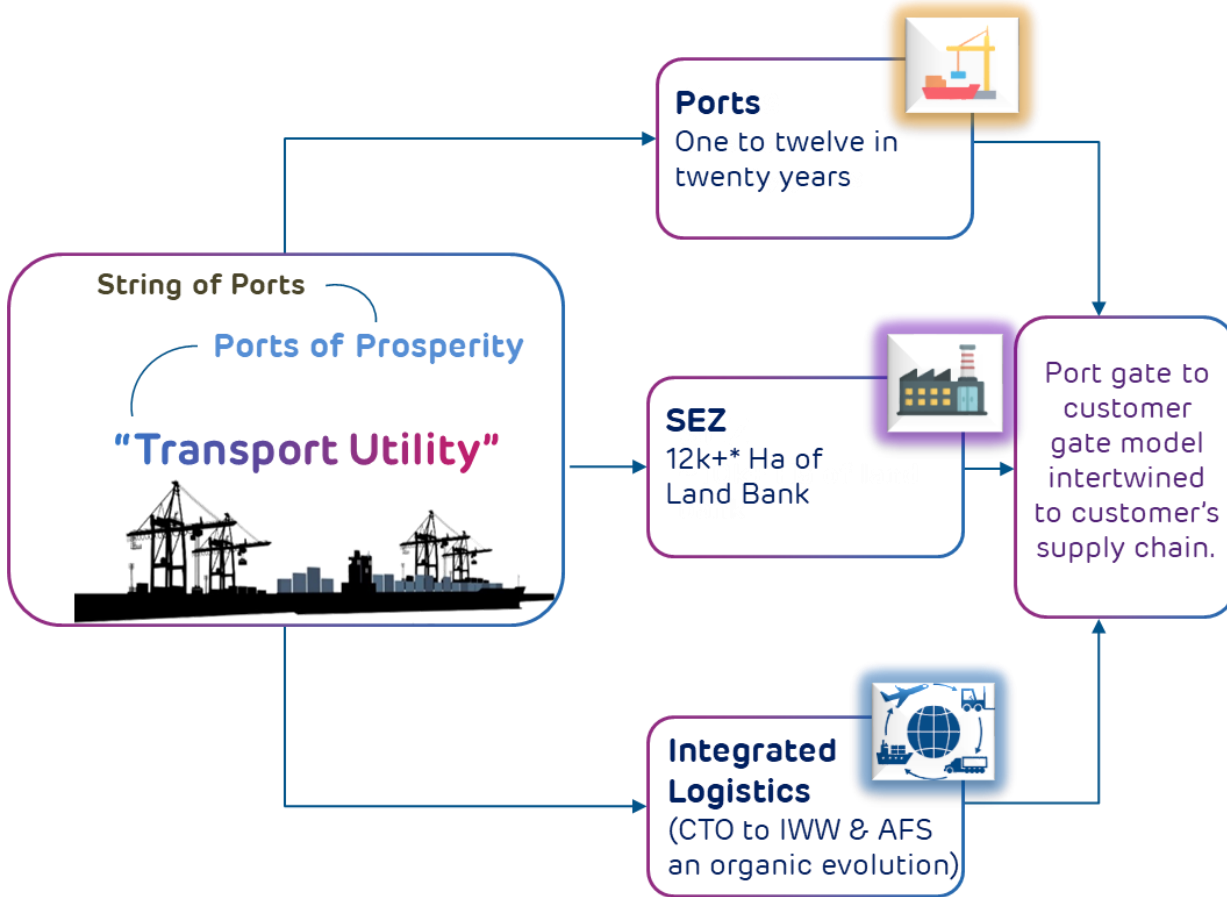
Debt structure moving from PSU's banks to Bonds



1. GMTN – Global Medium Term Notes 2. SLB – Sustainability Linked Bonds

APSEZ : Company Profile

APSEZ : A transport utility with string of ports and integrated logistics network

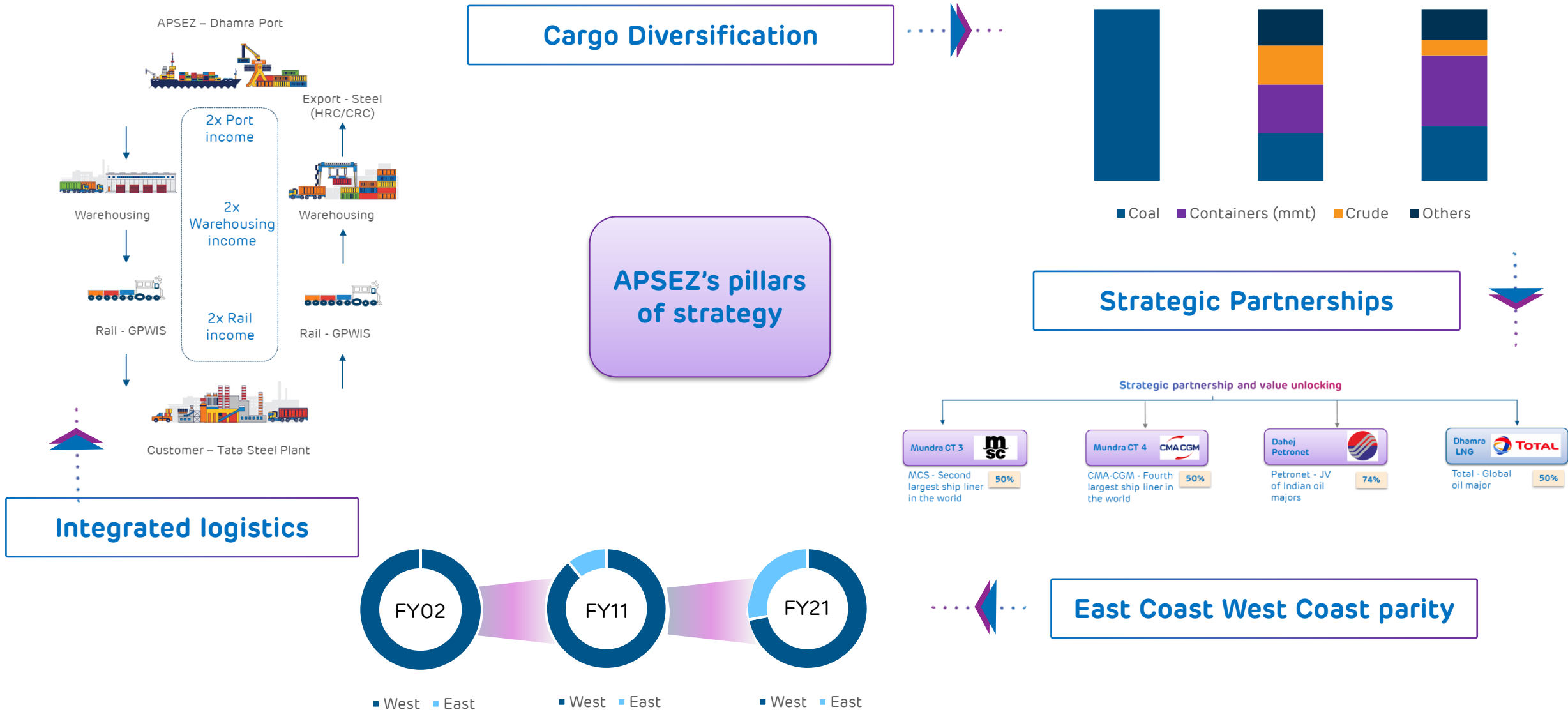


An integrated approach through Ports, SEZ and Logistics enables presence across value chain

Grown from a single port to Twelve^ Ports ~560 MMT of augmented capacity to handle all types of cargo.

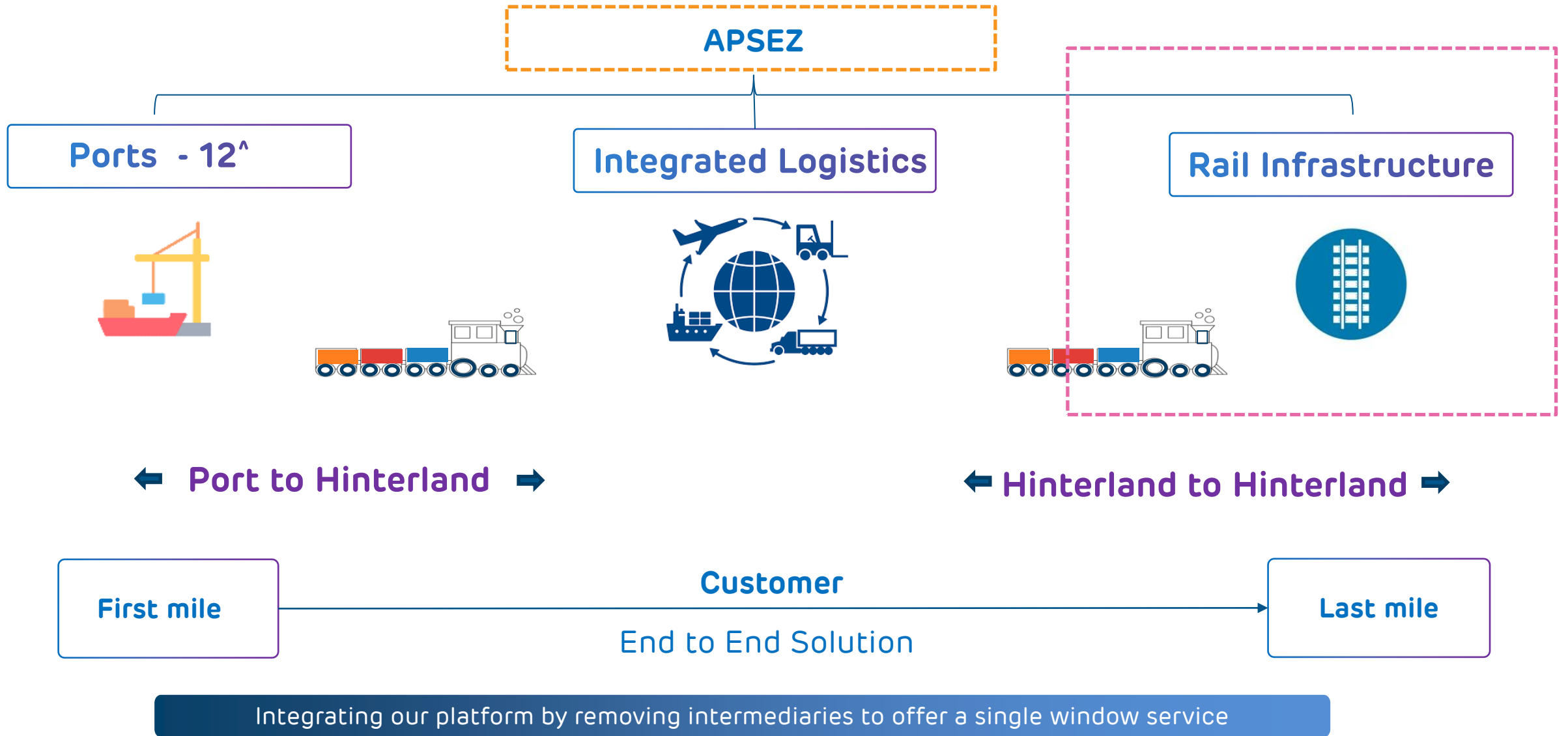
*Includes both SEZ and non SEZ land | Vizhinjam considered on east coast as its primary hinterland would be there | CTO - Container Train Operator | IWW - Inland Water Ways | AFS - Air Freight Stations | ^ Gangavaram Port is under acquisition

APSEZ : Our Strategy led to market leadership



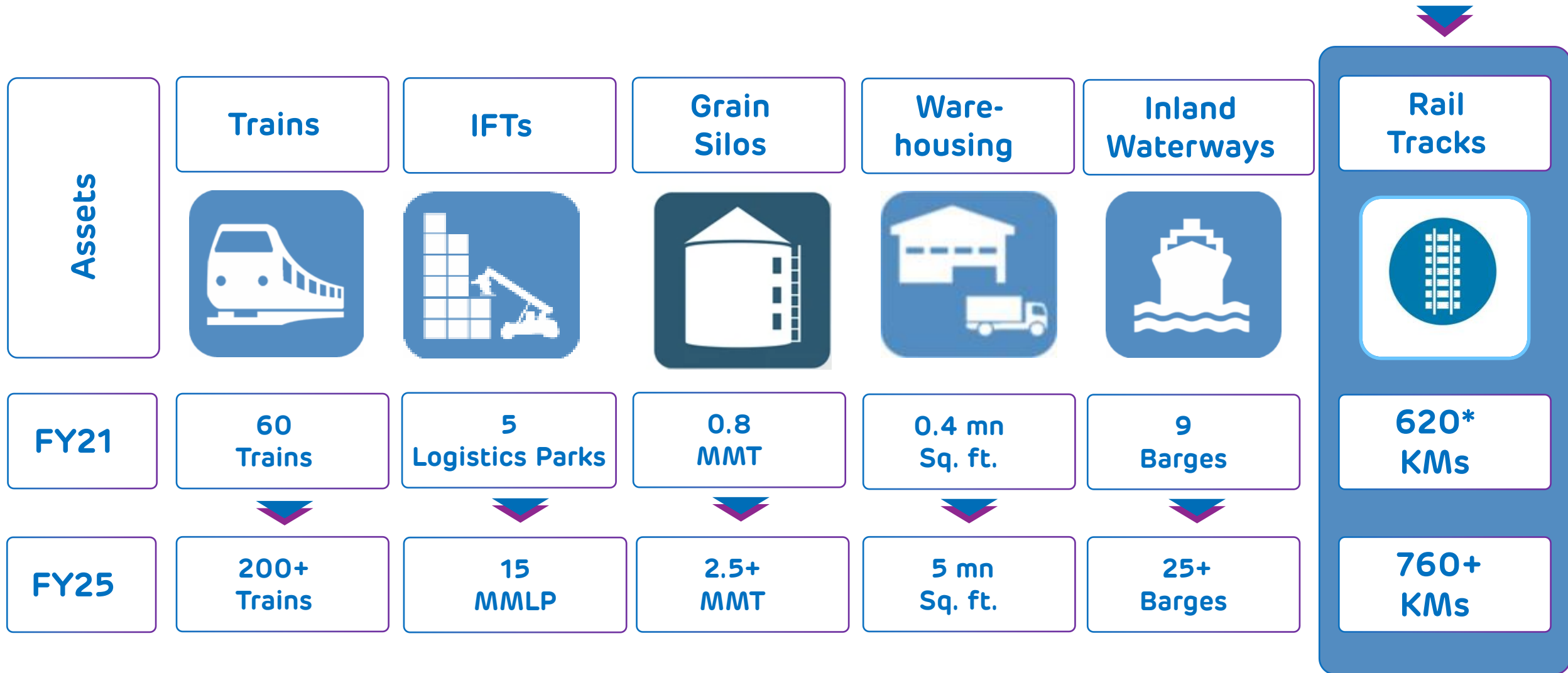
Ensured resilience and stickiness of cargo

APSEZ : India's largest Transport Utility with Integrated logistics



[^]*Ports in India | In addition, Myanmar under construction | Does not include Gangavaram

APSEZ : Integrated logistics platform addressing customer needs



IFT : Inland Freight Terminals | MMLP – Multi Modal Logistics Parks
* Including rail tracks with APSEZ having minority interests

Governance Process and rationale for amalgamation of rail track assets

APSEZ : Objective of Adani Track Management Services

To develop scale in the integrated logistics space by consolidating all rail assets under one pan India platform

Bring efficiency to overall logistics cost by owning and developing critical assets

Creation of Investment platform for strategic investment in rail track assets

Extend new business by participating in Indian Railways PPP projects

Center of excellence for rail assets having:

- Best practices & operational efficiency
- Technology integration and
- Common Skillset

New PPP projects to be bid through ATMSPL platform

SRCPL : Board oversight of evaluation process and due diligence

In order to evaluate the opportunity, Executive Committee (EC) formed.

Committee members:



- **Mr. G. K. Pillai** (Chairman of the Audit Committee)

Former Indian Administrative Services officer and former Home Secretary of India and worked in departments like surface transport and defense.

[\(Link to the Profile\)](#)



- **Mr. P. S. Jayakumar**

Former Managing Director & CEO of Bank of Baroda. with domain expertise in Banking Finance. [\(Link to the Profile\)](#)



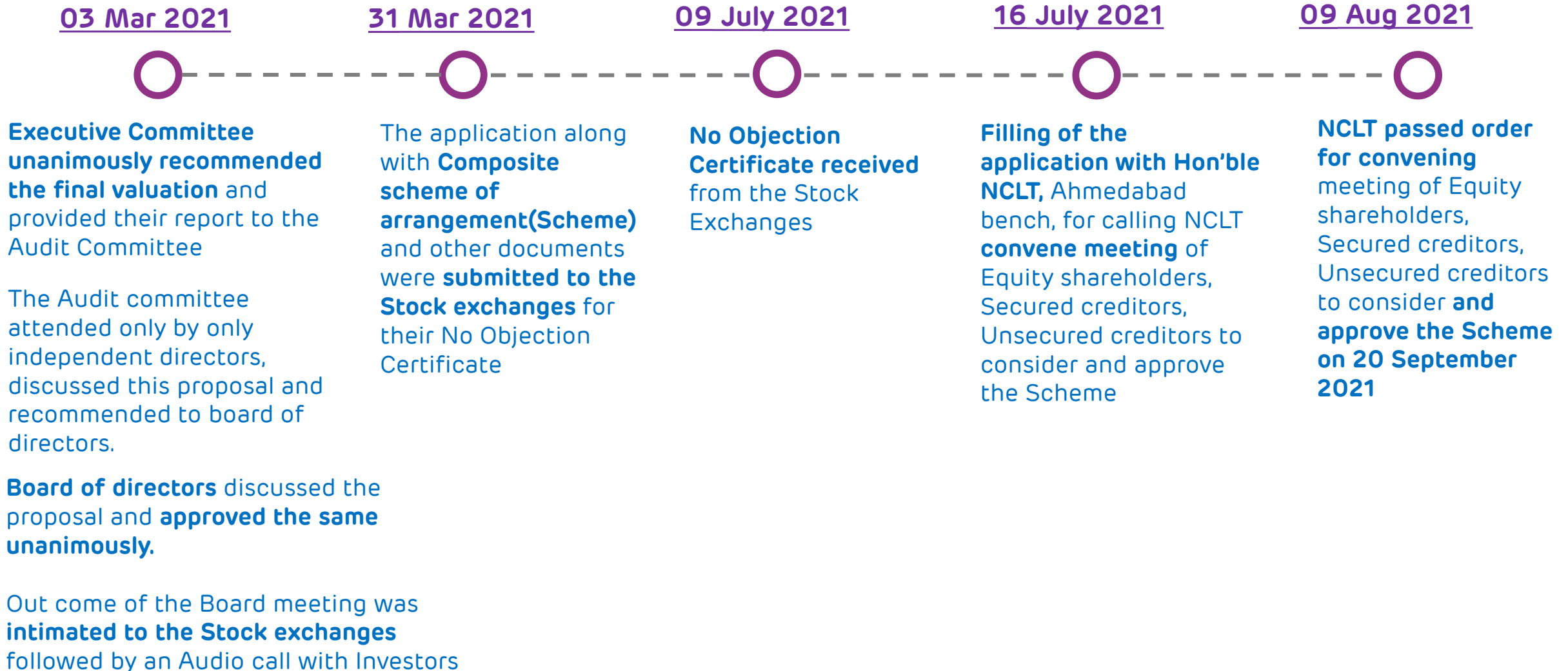
- **Mrs. Nirupama Rao**

Former Foreign Secretary of India, with deep experience in foreign relations in various areas. [\(Link to the Profile\)](#)

APSEZ : Steps & process with timelines



APSEZ : Steps & process with timelinesContd...



SRCPL : Key valuation assumptions

Particulars	Key Assumptions
Capacity	Currently serving one operating mine – PEKB (15 MTPA per year) Further extendable to 40 MTPA
Coal Demand	<ul style="list-style-type: none"> • RRVUNL : 19 MTPA at current PLF, estimated requirement 35 MTPA at 85% PLF. Annual Contracted capacity of 15.93 MTPA with SRCPL • Power Plants within 700km: 95 MTPA excluding captive allocated mines in Jharkhand, MP, UP • Private Power Plants excluding FSA and captive mines: 49 MTPA in Gujrat, MP, Rajasthan and UP
Coal Supply	<ul style="list-style-type: none"> • PEKB (Operational), Parsa and Kente Extension : 29 MTPA • Rich mining base of 97 MTPA with better grade coal
Land Lease	<ul style="list-style-type: none"> • 50 Years of clear land access - No Right of Way exposure
The only alternative	<ul style="list-style-type: none"> • Viable, cost effective and less polluting compared to other mode of transport - Road

Valuer	Method	Discount rate	EV
Deutsche Bank	DCF	WACC 11%	Range with Midpoint value INR 5,931 cr.
BDO	DCF	WACC 10.5% 10.18% & 14%	INR 5,977 cr.

SRCPL : SRCPL share swap estimation based on APSEZ shares

Proposed Transaction

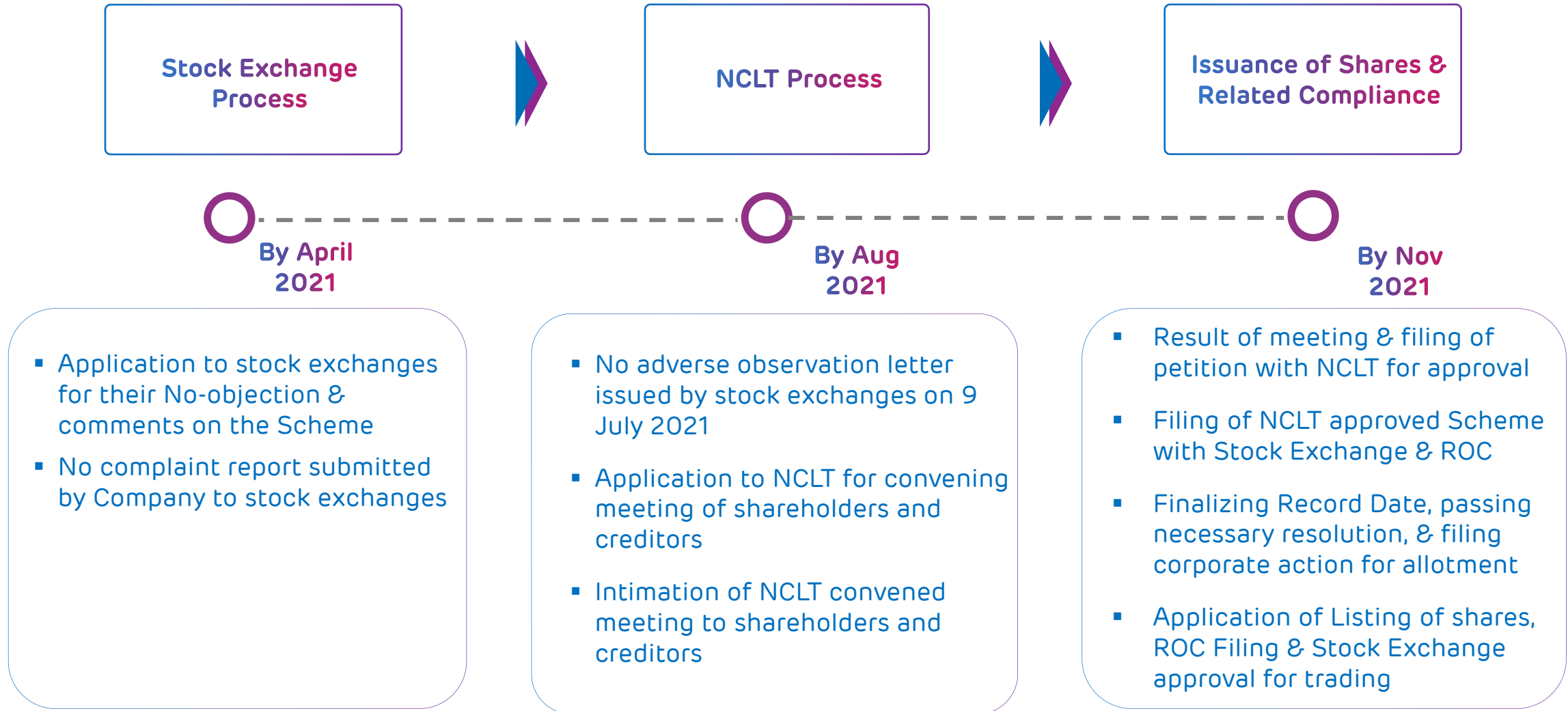
Particulars	in Rs. cr
Enterprise Value (DCF)	5,977
Net Debt at SRCPL	934
Equity Value of SRCPL	5,043
BTMSPL Debt	278
Equity Value of BTMSPL	4,765
Per share Equity value of BTMSPL	95
APSEZ volume weighted average price per share for swap ratio	675
No. of new APSEZ shares to be issued (in cr)	7.06
SRCPL FY 22 Projected EBIDTA	520
Resultant EV/EBIDTA Multiple (no.of times)	11.49

Impact of the Transaction on APSEZ

Particulars	Net Profit (in Rs. cr)	No of Shares (in Rs. cr)	EPS (INR / Share)
FY22 E (BBG Cons.) without SRCPL	6,281	203	30.91
FY22 E (BBG Con.) with SRCPL	6,524	210	31.03
FY22 E (Analyst Cons.) without SRCPL	6,274	203	30.88
FY22 E (Analyst Cons.) with SRCPL	6,517	210	31.00

The consolidation of SRCPL is EPS accretive from day one

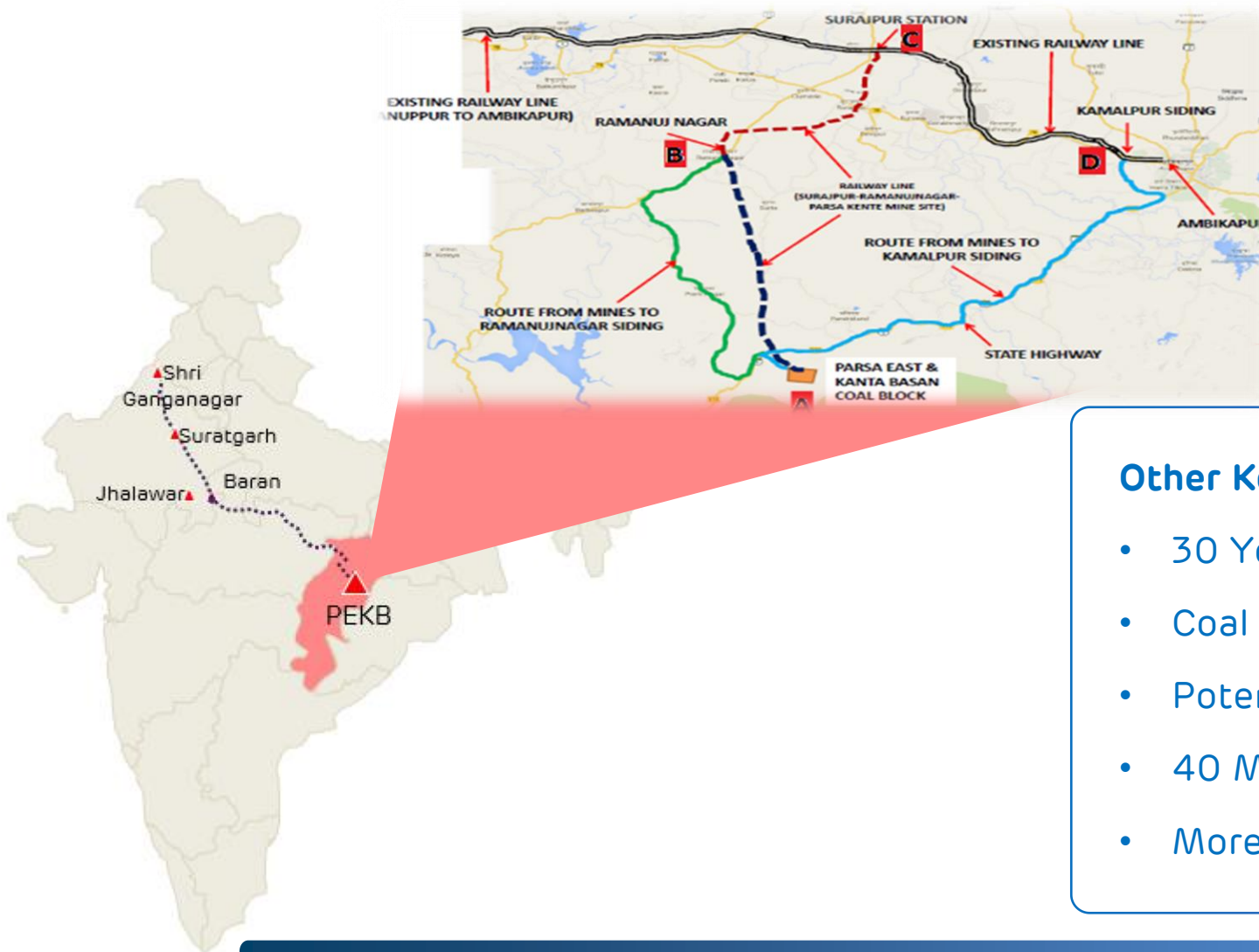
APSEZ : Transaction Timelines & next steps



Final Approval of the transaction by Majority of the Minority Shareholders - as part of NCLT process

SRCPL : Sarguja Rail Corridor Private Limited

APSEZ : Sarguja rail corridor brief highlights of the project

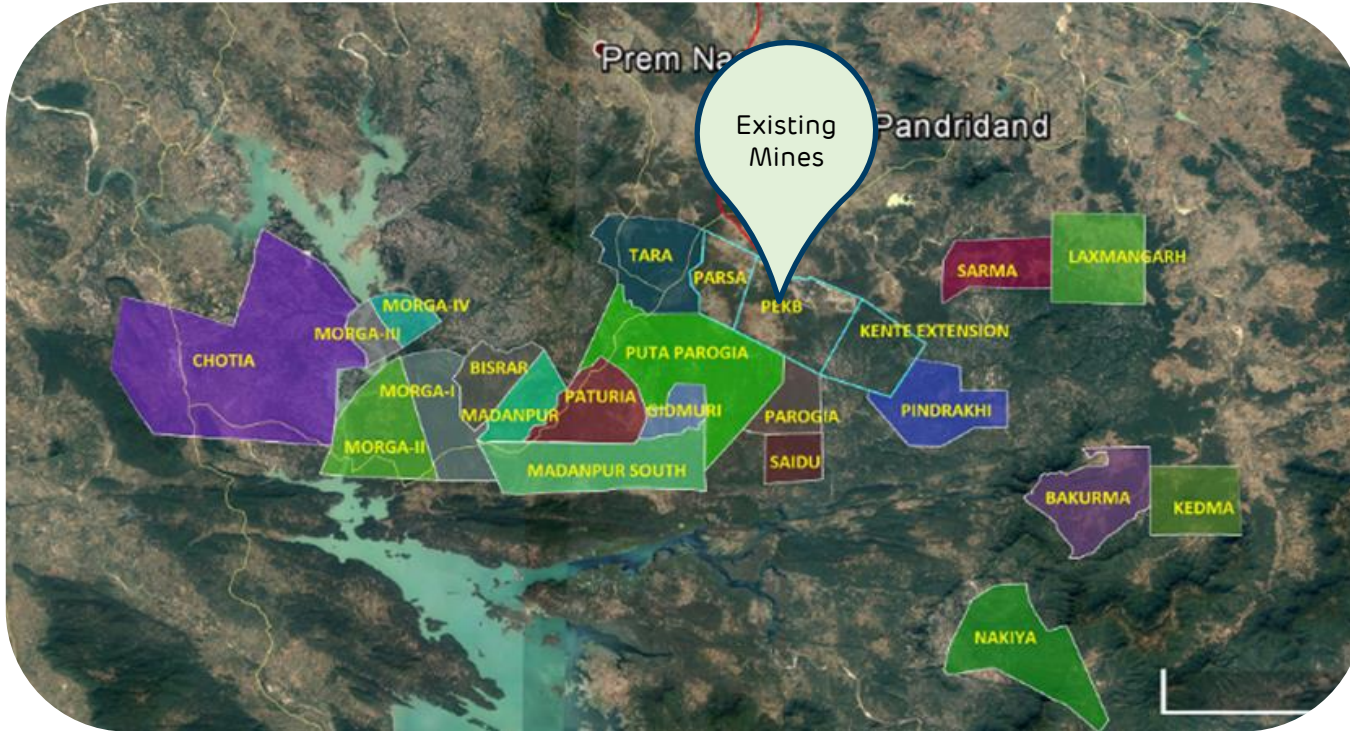


- Asset Details:**
- Track length - 70 KM
 - Capacity to handle 16 rakes per day
 - 50 Years land lease - Till 2065

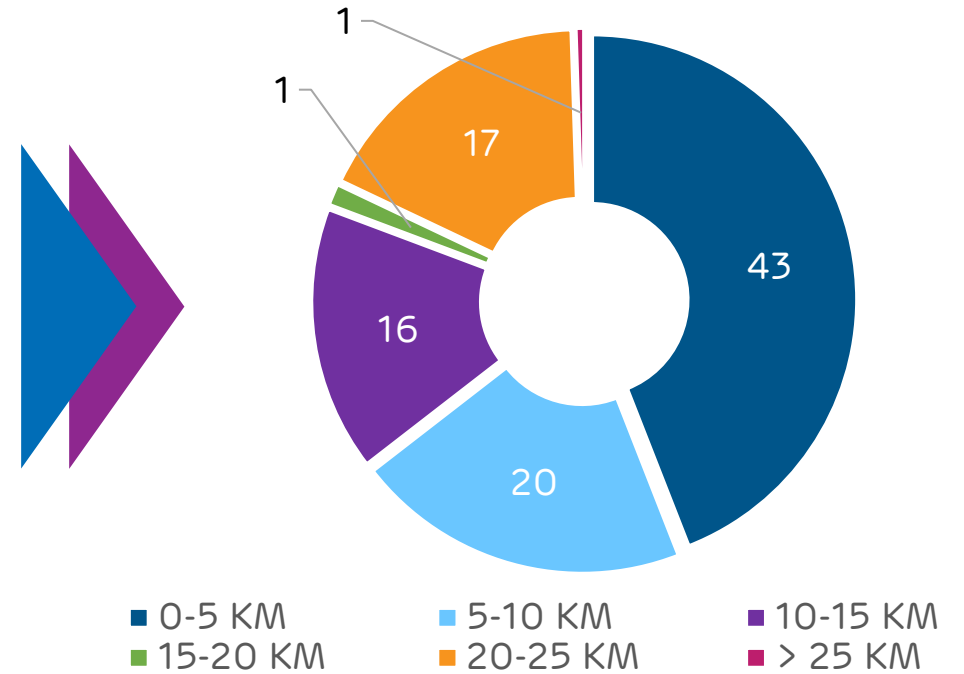
- Other Key features**
- 30 Years TAUA* with RRVUNL –Till 2044
 - Coal Reserve of more than 4 Bn MT in the region
 - Potential annual throughput of ~100 MMT
 - 40 MMT p.a. visibility - near to mid term
 - More than 85% EBIDTA margin business

Current capacity and future potential are key elements of growth with capex

APSEZ : Sarguja rail corridor hinterland potential



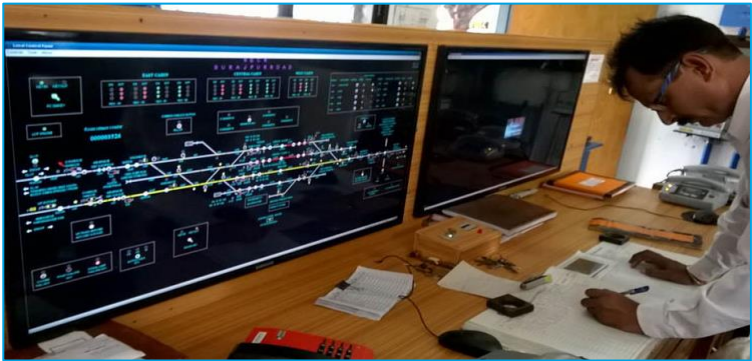
Peak Basin Throughput- 97 MMTPA



- Average grade of coal in range of G8* to G11* against G13-G15* in GP and Talcher
- Coal grade suitable for Sponge Iron and Cement production as well
- Competitive logistics cost compared to the mines in the Southern region

*G8-G11 GCV 5200-4000 KCal, G13-G15 – GCV 2800-3700 KCal

APSEZ : Sarguja rail corridor facility snapshot



APSEZ : Adani Track Management Services (ATMSPL)

APSEZ : Existing Rail assets that will be part of ATMSPL

Operational Rail Asset under APSEZ

Details	Mundra Rail	Dhamra Rail	Krishnapatnam Railway Co.	Kutch Rail	BDRCL
Rail Line	74 Km (Mundra - Adipur)	68.5 Km (Dhamra - Bhadrak)	113 Km (K'patnam to Obulavaripalli)	301 Km (Palanpur – Gandhidham section)	63 Km (Bharuch - Dahej)
Capex/Investment (Fair Market Value*)	Capex - INR 594 Cr	Capex - INR 1,518 Cr	Capex - INR 1,700 Cr (Debt INR 1,075 Cr)	INR 40 Cr, 20% Equity Stake (INR 250 Cr *)	INR 17.3 Cr., 11.17% Equity Stake (INR 22.5 Cr*)
Other Details	Land - Owned + Long Term Lease	Land - Leased from Govt under concession	Adani KPL - 12.96% RVNL - 49.76% SDC^ - 20.0% AP Govt. – 5.60% Others – 11.68%	COD - 2006	COD - 2012

Details	Kattupalli	Dighi Roha Rail Ltd.	Hazira Rail	Future Rail Asset
Rail Line	6 Km (Kattupalli to Ennore)	34 Km (Dighi to Roha)	36.5 Km (Hazira Port -to Gothangam)	
Capex	Capex - INR 55 Cr	Capex - INR 1,100 Cr	Capex ~INR 1,600 Cr	
Equity Participants	Adani Ports (MIDPL) 100%	Dighi Port Ltd –63% RVNL - 26% MMB – 11%	Govt of Guj (Asso) – 51% Private : 49%	

*as on Mar '20 ^ Sagarmala Development Co.

APSEZ : Expansion possibility in new projects by Indian Railways

Cargo Demand Forecast as per National Rail Plan

Commodity	Contribution to Rail Cargo	Existing Rail Cargo MT/Yr	Existing Rail Share in Transport	Expected Rail Share 2031*	Expected Rail MT/Yr 2031*
Balance of Goods	7%	81	4%	22%	770
Cement	10%	116	37%	51%	415
Coal	48%	558	65%	74%	1,111
Container	5%	58	24%	48%	262
Fertilizer	4%	47	87%	90%	115
Food Grains	4%	47	16%	32%	133
Iron Ore	12%	140	65%	82%	309
Pig Iron	5%	58	49%	71%	153
Petroleum Products	4%	47	18%	47%	296
Steel RM	2%	23	56%	60%	57
Total	100%	1,163	31%	44%	3,621

With DFC implementation and privatization, Rail share expected to increase meaningfully

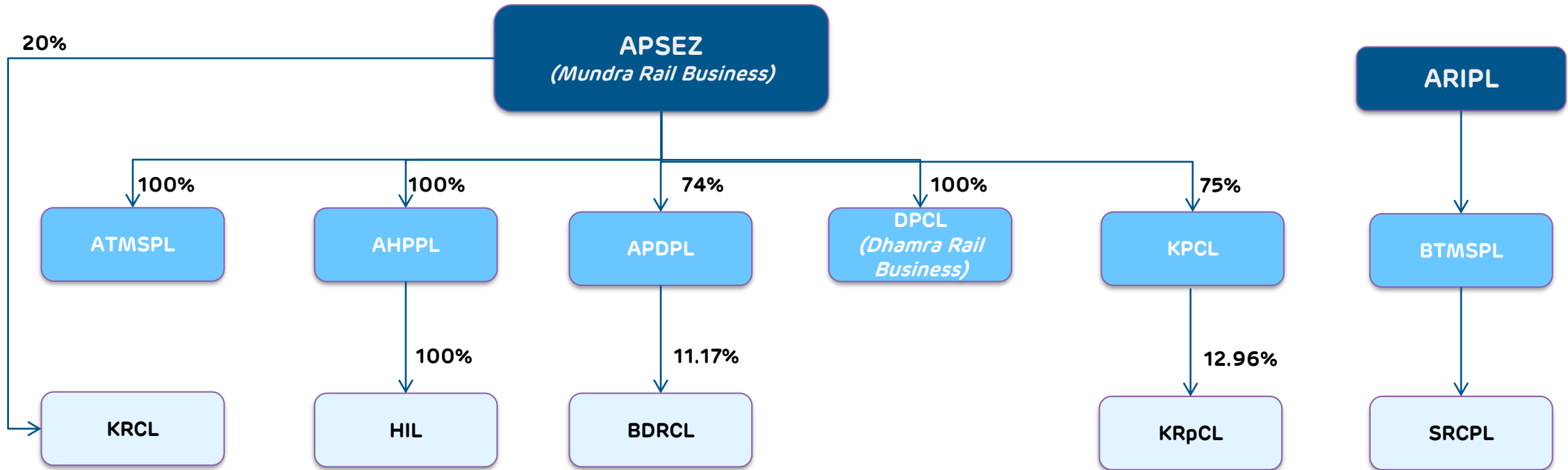
Indian Railway is planning to invest INR >3 Lakh Cr to construct the new Rail lines in India over the next 12 Years

Category	No of identified projects by IR	Proposed Length in Kms	Total Investment (INR Cr)	Completed Length in Kms	Total invested Amount (INR Cr)	Ongoing Length in Kms	Total Investment Remaining (INR Cr)
New lines	188	21,295	387,000	2,622	85,536	18,673	301,464
Gauge conversion	55	7,275	56,135	3,573	19,640	3,702	36,495
Doubling	255	20,500	232,000	2,784	48,342	17,716	183,658
Total	498	49,070	675,135	8,979	153,518	40,091	521,617

Source: [National Rail Plan – June 2020](#)

*Scenario 3b: Enhancement of Average Speed to 50 KMPH with 30% less Tariff on selected items

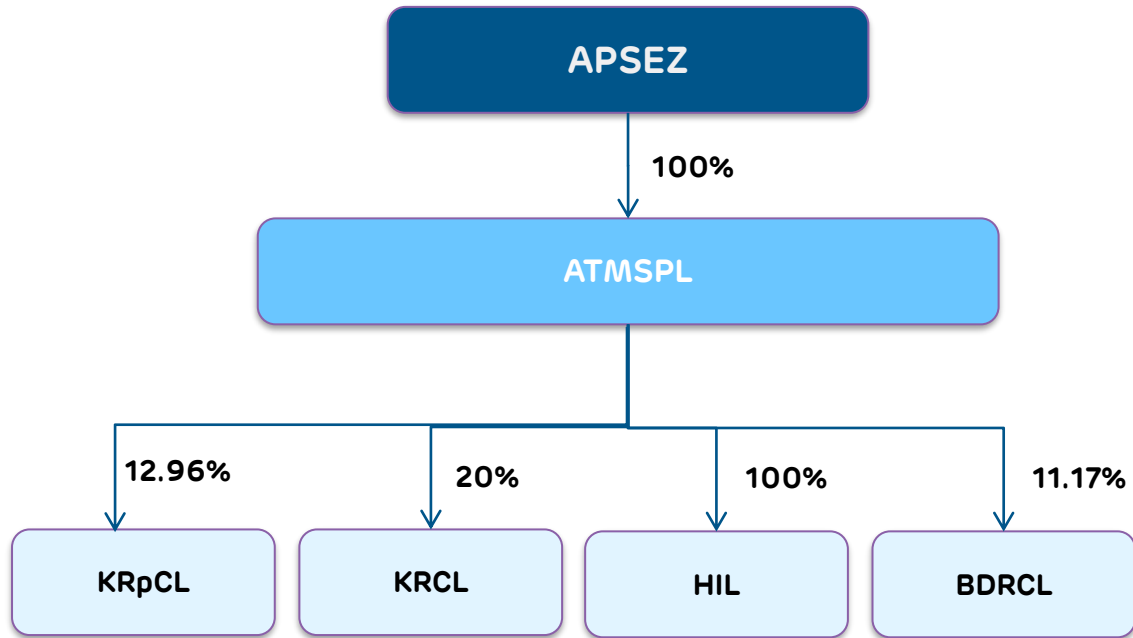
APSEZ : Existing legal entity structure



ATMSPL : Adani Tracks Mgt. Services Pvt Ltd | AHPPL : Adani Hazira Port Pvt. Ltd. | APDPL : Adani Petronet (Dahej) Port Pvt Ltd | DPCL : The Dhamra Port Company Limited | KRCL : Kutch Railway Company Ltd.
 HIL : Hazira Infrastructure Limited | BDRCL : Bharuch Dahej Railway Company Limited | KPCL : Krishnapatnam Port Company Limited (w.e.f 01.10.2020) | KRpCL : Krishnapatnam Railway Co. Ltd
 SRCPL : Sarguja Rail Corridor Pvt Ltd | BEPL : Brahmi Build Estate Pvt. Ltd | ARIPL : Adani Rail Infra Pvt Ltd

Combine the strengths to create a Rail Track infrastructure platform

APSEZ : Proposed legal entity structure



- BTMSPL (parent of SRCPL) to be merged with APSEZ and APSEZ to issue fresh equity shares to ARIPL¹
- Slump sale of Mundra undertaking to ATMSPL
- ATMSPL to be merged with SRCPL; SRCPL to be renamed to ATMSPL
- Slump sale of Dhamra rail undertaking to ATMSPL
- Sale of equity holdings (KRCL, HIL, BDRCL, KRpCL) by respective APSEZ step down subsidiaries to ATMSPL

ATMSPL : Adani Tracks Mgt. Services Pvt Ltd | AHPPL : Adani Hazira Port Pvt. Ltd. | APDPL : Adani Petronet (Dahej) Port Pvt Ltd | DPCL : The Dhamra Port Company Limited | KRCL : Kutch Railway Company Ltd.
HIL : Hazira Infrastructure Limited | BDRCL : Bharuch Dahej Railway Company Limited | KPCL : Krishnapatnam Port Company Limited (w.e.f 01.10.2020) | KRpCL : Krishnapatnam Railway Co. Ltd
SRCPL : Sarguja Rail Corridor Pvt Ltd | BEPL : Brahmi Build Estate Pvt. Ltd | ARIPL : Adani Rail Infra Pvt Ltd

¹Post transaction ARIPL will not have any rail business.

APSEZ : SRCPL investment case

The transaction will create value for all stakeholders from the day one as it is EPS accretive

All rail assets under one entity, no competing business within the group

Significant growth potential available as business is yet to mature

Secured long-term contracts with sovereign equivalent counterparty providing earnings stability

The asset is a critical and environment friendly part of the transport infrastructure to connect the mines in the basin to the nearest nodal point

The asset is well placed to capture the opportunity of non-Adani mines in the basin as well in future to be potential customers with visibility of 40 MMTPA of capacity

Annexures

Profit and Loss Statement

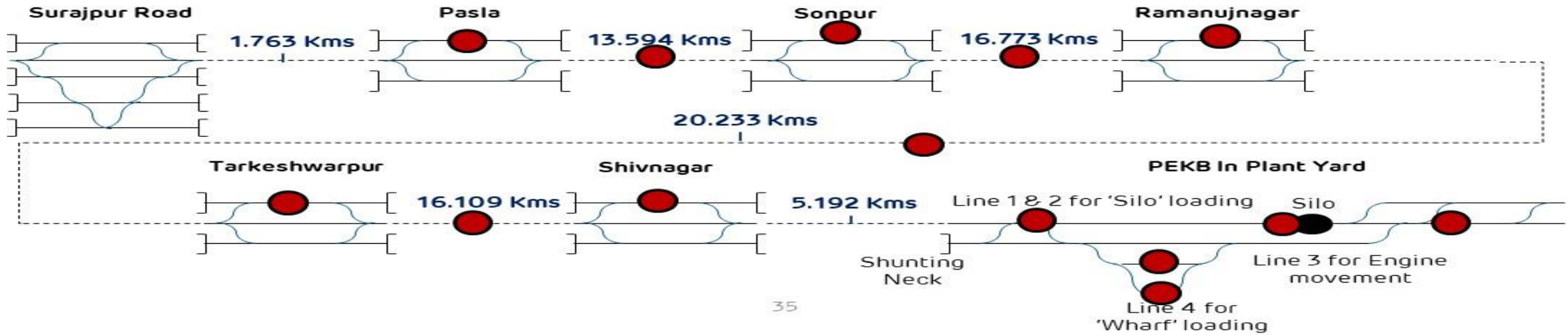
Particulars	FY18	FY19	FY20	FY21E
Cargo (MMT)	3.6	10.6	14.4*	15*
Revenue - operating	50	368	417	452
EBIDTA	34	325	357	398
EBIDTA %	68%	88%	86%	88%
PAT	(25)	68	82	145

Balance Sheet

Particulars	FY18	FY19	FY20	FY21E
N.C. Assets	1448	1545	1494	1464
Current Asset	247	366	573	670
Net Worth	150	244	327	472
Debt	1478	1626	1666	1584
Other liability	67	41	74	79

* Includes rejects | FY 21 numbers are estimated basis 9 months actual and 3 months projection

APSEZ : Sarguja rail corridor track capacity



Capacity Assessment: Scott's formula

$$\text{Single Line Capacity (C)} = ((24 \text{ Hour} * 60 \text{ min}) * E / (T + t))/2$$

T = Total time taken by slowest Train in Ruling Section (Longest section)

t = Block operation time (5 mins)

E = Efficiency % (uptime)

Existing Longest Section: Ramanujnagar- Tarkeshwarpur (20.233 Km)

1 Train Average capacity: 4,000 MT

Total Operation Days: 330 days

Scott Formula	Average Speed KM/Hr	Longest section (KM)	T Avg. time to cross the section (minutes)	(T+t) Total time (minutes)	E Efficiency	No. of Rakes Available Section Capacity (Single Track)	C Total Available Capacity (MMTPA) ²
Current Capacity	45	20.233	27	32	70%	16	21

Links to additional documents

RPT Policy : ([Link](#))

Out come of the board meeting was intimated to the Stock Exchanges on 03 March 2021, followed by a audio call with Investors ([Link to the Transcript](#)).

Details for agencies appointed for valuation, fairness opinion ([Link](#))

Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking statements,” including those relating to general business plans and strategy of Adani Ports and Special Economic Zone Limited (“APSEZL”), the future outlook and growth prospects, and future developments of the business and the competitive and regulatory environment, and statements which contain words or phrases such as ‘will’, ‘expected to’, etc., or similar expressions or variations of such expressions. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in their business, their competitive environment, their ability to implement their strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in India. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of APSEZL’s shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of APSEZL.

APSEZL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. APSEZL assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. APSEZL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.

No person is authorised to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of APSEZL.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of its should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration therefrom.

Investor Relations Team:

MR. D. BALASUBRAMANYAM

Group Head - Investor Relations

✉ d.balasubramanyam@adani.com

☎ +91 79 2555 9332

MR. SATYA PRAKASH MISHRA

Senior Manager - Investor Relations

✉ satyaprakash.mishra@adani.com

☎ +91 79 2555 6016

MR. ATHARV ATRE

Assistant Manager - Investor Relations

✉ atharv.atre@adani.com

☎ +91 79 2555 7730