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

Ref. No.: LM/Dec22-106/2021

December 22, 2021

To,

Company Secretary
Adani Ports and Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G Highway, Khodiyar,
Ahmedabad 382 421

Company Secretary
Gangavaram Port Limited
Hansa Plaza,
Plot No.798, Road No.36, Jubilee Hills
Hyderabad - 500 033

Dear Sir,

Sub: Clarification to Valuation Report Dated September 22, 2021 ("the Valuation Report") bearing its reference number LM/Sep22-60/2021 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 May 24, 2021 to recommend the fair equity share swap ratio for amalgamation of Gangavaram Port Limited **('GPL'**) 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 vide email dated December 20, 2021 to clarify and provide the following:

i. it is observed that cost approach has not been used in case of fair equity share swap for amalgamation of GPL into APSEZ, provide the rationale for the same-

   Please refer para 10.2 of the Valuation Report, it states, "Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of the Companies in a "going concern scenario", we have not considered Cost Approach for this valuation exercise."

ii. It is observed that in case of valuation of APSEZ only the market approach method has been used and in case of GPL only income approach has been used. With respect to above, the company is advised to explain as to how equating the income approach with market approach is in the interest of shareholders including minority shareholders of APSEZ-

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Refer to SEBI Master Circular number, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, Section Preliminary para 5 states that,

"The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes ***shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018****, as amended from time to time (hereinafter referred to as "the ICDR Regulations").It is clarified that the 'relevant date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved"*

Accordingly, APSEZ market price has been considered for arriving at Swap Ratio.

iii. It is advised to disclose the assumption considered while using DCF method for determining value per share of GPL-

Particulars	Major Assumptions
Explicit Period (Concession period)	September 01, 2021 till March 31, 2059
WACC	13.75%
Terminal Value	Nil

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
Digitally signed by LATA R GUJAR MORE
Date: 2021.12.22 16:57:12 +05'30'

Lata R Gujar More
IBBI No.: IBBI/RV/06/2018/10488

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