National Stock Exchange Of India Limited

Ref: NSE/LIST/28506_III January 07, 2022

The Company Secretary
Adani Ports & Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishnodevi Circle, S.G. Highway,
Khodiyar, Ahmedabad - 382 421

Kind Attn.: Mr. Kamlesh Bhagya

Dear Sir,

Sub: Observation Letter for draft composite scheme of arrangement among Gangavaram Port Limited and Adani Ports and Special Economic Zone Limited and Adani Gangavaram Port Private Limited and their respective Shareholders and Creditors.

We are in receipt of draft composite scheme of arrangement among Gangavaram Port Limited ("GPL") and Adani Ports and Special Economic Zone Limited ("APSEZ") and Adani Gangavaram Port Private Limited ("AGPPL") and their respective Shareholders and Creditors vide application dated September 28, 2021.

Based on our letter no. of NSE/LIST/28506 dated October 22, 2021 submitted to SEBI and pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time, (hereinafter referred to as 'the Circular'), kindly find following comments on the draft scheme:

a. It has been observed that a separate composite scheme of arrangement between Brahmi Tracks Management Services Private Limited and APSEZ and Adani Tracks Management Services Private Limited and Sarguja Rail Corridor Private Limited and their respective shareholders and creditors ("earlier scheme") is awaiting approval of the Hon'ble NCLT.

b. In respect of above, it may be noted SEBI's comments are applicable as long as there is no change in the earlier scheme. In cases of any change in earlier scheme, the Company may take necessary steps to ensure compliance with extant regulatory provisions.

c. The Company is advised to separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information/facts:

i. the rationale for not using cost and income approach for valuing APSEZ and not using cost and market approach for valuing GPL shall be disclosed in the notice to shareholder in its draft scheme to be filed before NCLT.

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ii. assumptions used/taken while arriving at yearly growth (in percentage) in revenue for GPL. Also, rationale/calculation for arriving at weightage average cost of capital (WACC) for discounting future cash flows for GPL in case of discounted cash flow method

d. The Company shall comply with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the proposed issuance of perpetual debt or any other instrument to AGPPL towards payment of lump sum consideration of Rs. 5826.887 crores.

e. The Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.

f. The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.

g. The Companies involved in the scheme shall duly comply with various provisions of the Circular

h. The Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.

i. The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.

j. The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.

k. The Company is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.

l. No changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.

m. The Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.

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n. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 07, 2022 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

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