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December 27, 2023

Clarification sent to Proxy Advisory with regard to the resolutions for shareholders' approval in the EGM to be held on 6th January, 2024

Clarification submitted for the Resolution#2 and Resolution#3 as under:

- (i) **Resolution #2:** Corporate Guarantee to potential Lenders (including DFC) for their loan to CWIT

The two financial years mentioned in the resolution are the possible windows for "Issuance" of the guarantee. While we would wish to close the transaction asap and hence the Corporate Guarantee would be issued in this financial year (by March 24), however, the process of loan documentation may spill over to the next financial year (say first quarter of FY25). Considering this, we have requested approval for issuing the guarantee either in this financial year or next financial year.

We confirm that we will give guarantee only once. The documentation process may be spread across the two financial years FY24 & FY25.

The 4 – 5 years' time mentioned in the explanatory statement is the duration for which the guarantee will be valid.

Guarantee required by potential lenders is proposed to be provided by two shareholders (Adani and John Keells) while the 3rd shareholder (with 15% shareholding), Sri Lanka Port Authority, being a Government Authority is not expected to provide the guarantee. Accordingly, the amount of guarantee mentioned in the resolution is pro rata to our share.

- (ii) **Resolution #3:** corporate guarantee to the lenders of MIPAL:

(a) We have a term loan which has a residual maturity of 1 more year (January 2025 maturity). We intend to reduce the interest rate of this loan by giving corporate guarantee of APSEZ either to existing lenders or to a fresh set of lenders. If we get fresh set of lenders, the current loan will be repaid accordingly. On this basis, there will be only one issuance of Guarantee. Such issuance can happen either in FY24 or FY 25.

(b) APSEZ is considering and seeking approval to provide guarantee against the entire outstanding loan and not restricting only to its 70% shareholding because (i) the saving in interest costs of the loan is more this way than with proportionate guarantee from the JV partner and (ii)

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APSEZ will be compensated by the JV partner in proportion to such savings. We can also confirm that as per the agreements between the JV partners (ie. APSEZ and the partner), in the unlikely event of guarantee invocation, the partner is liable for repayment of loans to the extent of its proportion of holding. We have also sought approval for direct lending by APSEZ. In such an event as well, we will be compensated by the JV partner for proportionate costs / benefits and the abovementioned liability of the partner also stands.

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