Annexure-5

JM FINANCIAL

STRICTLY CONFIDENTIAL

February 14, 2017

The Board of Directors,
Adani Ports and Special Economic Zone Limited
Adani House
Nr Mithakhali Circle, Navrangpura
Ahmedabad 380 009, Gujarat, India

Ladies / Gentlemen:

We refer to the engagement letter dated February 1, 2017 ("**Engagement Letter**") whereby Adani Ports and Special Economic Zone Limited ("**Transferor Company**" or "**APSEZ**" or "**Company**") has engaged JM Financial Institutional Securities Limited ("**JM Financial**") inter alia to provide a fairness opinion to the Company on the valuation report dated February 14, 2017 ("**Valuation Report**") issued by B S R & Associates LLP (the "**Valuer**") for the proposed slump sale of Marine Business Undertaking (as defined below) to The Adani Harbour Services Private Limited ("**TAHSPL**" or "**Transferee Company**") vide a scheme of arrangement under the provisions of Sections 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**"). We understand that the Proposed Scheme will be considered by the Board of Directors of APSEZ.

Company Background and Purpose

APSEZ is a public limited company incorporated under the Companies Act 1956. The Company is, inter alia, primarily engaged in the business of development and operation of ports. The equity shares of the Company ("**Equity Shares**") are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with the BSE, the "**Stock Exchanges**").

TAHSPL is a private limited company incorporated under the provisions of the Companies Act, 1956. The Transferee Company is, inter alia, engaged in the business of marine services. TAHSPL is a wholly-owned subsidiary of the Transferor Company.

The Company has appointed the Valuer to determine the valuation of Marine Business Undertaking ("**Valuation**") and has in terms of the Engagement Letter requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Valuation ("**Fairness Opinion**") as per the requirements of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 ("**SEBI Circular**").

All terms not specifically defined in this Fairness Opinion shall carry same meaning as in the Proposed Scheme.

Brief Background of the Proposed Scheme

APSEZ owns a fleet of 13 tugs to facilitate port operations at APSEZ's port at Mundra. The marine services business division involves piloting and movement of vessels using tugs, berthing and de-berthing of vessels using tugs, marine logistic support services, towage and transhipment within in-land waterways and in coastal waters.

APSEZ under the Proposed Scheme is desirous of transferring this marine services business division (the "**Marine Business Undertaking**") to TAHSPL as a "going concern" on a slump sale basis and in exchange for which, lump sum consideration will be paid by TAHSPL to the Company in accordance with Section 2 (42C) of the Income Tax Act, 1961.

The proposed transfer (as mentioned above) is being considered by Company to enable it to consolidate and grow its marine services business as an independent business. We understand that the transfer of the Marine Business Undertaking under the Proposed Scheme shall be done for a consideration of Rs. 200 crore.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme;
3. Certificate for Replacement Value of Tugs dated January 11, 2017 by UBA Insurance Surveyors and Loss Assessors LLP provided by the Company Management;
4. Projected cash flows for the Marine Business Undertaking from January 1, 2017 to March 31, 2031 (Management Business Plan); and
5. Necessary explanations and information from the representatives of APSEZ.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Company & TAHSPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Company or TAHSPL, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company & TAHSPL for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims and accordingly we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company or TAHSPL, other than those disclosed in the information provided or considered in the Proposed Scheme.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company or TAHSPL following the consummation of the Proposed Seheme.

The fee for the present engagement is not dependent on the outcome of the Fairness Opinion.

Conclusion

Based on the fact that the transaction involves a slump sale between the Company and its wholly owned subsidiary and our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the above proposal to transfer the Marine Business Undertaking for a consideration of Rs. 200 crore under the Proposed Scheme, is fair to the Company.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law tribunal along with the petition for the Proposed Scheme and such other applicable regulatory authorities under SEBI Circular and or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will JM Financial or its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For JM Financial Institutional Securities Limited

Authorized Signatory