J.P.Morgan

Mar 03, 2021

The Board of Directors
Adani Ports and Special Economic Zone Ltd
Adani Corporate House
Shantigram,
Near Vaishnodevi Circle,
S G Highway,
Ahmedabad-382421,
Gujarat, India

Members of the Board of Directors:

We understand that the Board of Directors of Adani Ports and Special Economic Zone Ltd (the "**Company**") is considering the amalgamation of Brahmi Tracks Management Services Private Limited (the "**Transferor Company**") with the Company (the "**Transaction**") through a composite scheme of arrangement amongst *inter alia* the Company, the Transferor Company and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**").

In consideration of the amalgamation of the Transferor Company into and with the Company pursuant to the Scheme, it is proposed that the Company will issue and allot to all equity shareholders of the Transferor Company as on the Record Date 1 (as defined in the Scheme) 100 fully paid up equity shares of par value INR 2 each of the Company, for every 708 fully paid up equity shares of INR 2 each of the Transferor Company held by such equity shareholders being the share exchange ratio (the "**Share Exchange Ratio**") provided for in the Scheme. We understand that no equity shares will be issued by the Company to the extent of equity shares, if any, held by the Company or its subsidiaries in the Transferor Company.

The Share Exchange Ratio is based on the valuation report dated March 03, 2021 prepared by BDO Valuation Advisory LLP (the "**Valuer**") being an independent professional valuer appointed by the Board of the Company for recommending a Share Exchange Ratio for the Transaction (the "**Valuation Report**").

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You have requested our opinion as to the fairness, from a financial point of view, of the Share Exchange Ratio provided for in the Scheme, which has been proposed by you based on the recommendations set out in the Valuation Report. You have not requested our opinion on any other transaction contemplated under the Scheme. Therefore, the scope of our opinion is limited solely to the underlying Transaction, and our opinion does not extend to any other transaction contemplated under the Scheme.

In connection with preparing our opinion, we have (i) reviewed the draft Scheme dated 19 February 2021; (ii) reviewed the Valuation Report and held discussions with the Valuer, on such matters which we believed were necessary or appropriate for the discussion of this opinion; (iii) reviewed certain publicly available business and financial information concerning the Transferor Company and the Company and the industries in which they operate; (iv) reviewed the current and historical market prices of Company's equity shares; (v) reviewed the consensus/analyst estimates in relation to the Company's equity shares; (vi) compared the financial and operating performance of the Transferor Company and the Company with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the equity shares of the Company and certain publicly traded securities of such other companies; (vii) reviewed certain internal financial analyses and forecasts prepared by or at the direction of the managements of the Transferor Company and the Company relating to their respective businesses; and (viii) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the management of the Transferor Company and the Company with respect to certain aspects of the Transaction, and the past and current business operations of the Transferor Company and the Company, the financial condition and future prospects and operations of the Transferor Company and the Company, the effects of the Transaction on the financial condition and future prospects of the Company, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Transferor Company and the Company or otherwise reviewed by or for us. We have not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with the Company, we did not assume any obligation to undertake any such independent verification. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the

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Transferor Company or the Company under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Transferor Company and the Company to which such analyses or forecasts relate. We express no view as to such analyses or forecasts or the assumptions on which they were based. We have also assumed that the Transaction and the other transactions in relation to it as contemplated by the Scheme will qualify as an "amalgamation" under the Income Tax Act, 1961 and will be consummated as described in the Scheme without any waiver or modification of any material terms and conditions. We have also assumed that the representations and warranties made by the Company and the Transferor Company are and will be true and correct in all respects material to our analysis. We are not legal, regulatory or tax experts and have relied on the assessments made by the Company, the Transferor Company and their respective advisors with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Transferor Company or the Company or on the contemplated benefits of the Transaction. We have also not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unassessed claims or other contingent liabilities, or any settlement thereof, which the Company, the Transferor Company, their respective subsidiaries/ affiliates/ joint ventures or any other entity are or may be a party to or are or may be subject to or are or may be affected by.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. Our opinion is limited to the fairness, from a financial point of view, to the Company of the Share Exchange Ratio provided for in the Scheme and we express no opinion as to the fairness of the Share Exchange Ratio to the holders of any class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons relative to the Share Exchange Ratio in the Transaction or with respect to the fairness of any such compensation. We are expressing no opinion herein as to the price at which the equity shares of the Company will trade at any future time.

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In addition, we were not requested to and did not provide advice concerning the structure, the specific Share Exchange Ratio, the Valuation Report, or any other aspects of the Transaction, or to provide services other than the delivery of this opinion. We also note that we did not participate in negotiations with respect to the terms of the Transaction and related transactions.

We will receive a fee from the Company for the delivery of this opinion all of which will be payable upon the rendering of this opinion. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. During the two years preceding the date of this letter, we, and our affiliates, in the ordinary course of our businesses, have had commercial or investment banking relationships with the Company for which we and such affiliates have received customary compensation. Such services during such period have included acting as (i) the joint bookrunner for the Company on its issuance of high grade bonds that were priced on 16 July 2019 and amounted to USD 650 million; (ii) the joint global coordinator and joint bookrunner for the Company on its issuance of high grade bonds that were priced on 26 June 2019 and amounted to USD 750 million; (iii) the dealer manager on a tender offer on an existing issue of bonds (ISIN: USY00130CZ88) for the Company that was due on 29 July 2020 and amounted to USD 650 million; (iv) joint lead manager and joint bookrunner for the Company on its issuance of high grade bonds that were priced on 28 July 2020 and amounted to USD 750 million; (v) joint global coordinator and joint bookrunner for the Company on its issuance of high grade bonds that were priced on 26 January 2021 and amounted to USD 500 million; (vi) joint dealer manager on a tender offer on an existing issue of bonds (ISIN: USY00130HS90) for the Company that is due on 19 January 2022 and amounts to USD 500 million; and (vii) the hedge counterparty in relation to an outstanding short term hedging facility availed by the Company. In addition, our commercial banking affiliate is a lender under an outstanding credit facility availed by the Company. Further, in the ordinary course of our businesses, we and our affiliates may in the future have commercial or investment banking relationships with the Company, the Transferor Company and their respective shareholders, subsidiaries and affiliates for which we and such affiliates may receive customary compensation or other financial benefits. In the ordinary course of our businesses, we and our affiliates may also actively trade or hold the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of the Company and/or the Transferor Company for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities or other financial instruments.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Share Exchange Ratio provided for in the Scheme is fair, from a financial point of view, to the Company.

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The issuance of this opinion has been approved by a fairness opinion committee of J.P. Morgan India Private Limited. This letter is provided solely for the benefit of the Board of Directors of the Company (in its capacity as such) in connection with and for the purposes of its evaluation of the Transaction, and is not on behalf of, and shall not confer rights or remedies upon, any shareholder, creditor or any other person other than the Board of Directors of the Company or be used or relied upon for any other purpose. This opinion does not constitute a recommendation to any shareholder or creditor of the Company as to how such shareholder or creditor should vote with respect to the Transaction or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval consent in each instance, provided however, this opinion may only be disclosed by the Company as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read together with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3 January 2018, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion. Further, J.P. Morgan, its affiliates, directors, shareholders, managers, employees or agents do not provide any representation or warranty, express or implied, as to the information or documents provided to J.P. Morgan and based on which this opinion is provided.

All matters arising out of or relating to this opinion will be governed by the laws of India. The courts at Mumbai will have exclusive jurisdiction to deal with any suit, action or other proceedings relating to this opinion.

Very truly yours,

J.P. MORGAN INDIA PRIVATE LIMITED

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March 03, 2021

The Board of Directors,
Adani Ports and SEZ Limited,
Adani Corporate House,
Shantigram, Near Vaishnav Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad, Gujarat, 382421

Ladies / Gentlemen:

We refer to the engagement letter dated 18 December 2020 ("**Engagement Letter**") whereby Adani Ports and SEZ Limited ("**Transferee Company**" or "**APSEZ**" or "**Company**") has engaged JM Financial Limited ("**JM Financial**"), *inter alia*, to provide a fairness opinion to APSEZ on the Share Exchange Ratio (defined herein) recommended by the BDO Valuation Advisory LLP ("**BDO Valuation Advisory LLP**" or "**BDO**" or "**Valuer**") through report dated March 03, 2021 ("**Share Exchange Ratio Report**") for the proposed amalgamation of **Brahmi Tracks Management Services Private Limited** ("**BTMSPL**" or "**Transferor Company**") with **APSEZ** ("**Proposed Amalgamation**") as a part of a Composite Scheme of Amalgamation (as defined below) under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder.

Background

Adani Ports and Special Economic Zone Limited ('APSEZ'):

APSEZ, is a company incorporated under the provisions of the Companies Act, 1956 and is listed on the National Stock Exchange of India Limited ("**NSE**") & the BSE Limited ("**BSE**"). APSEZ is India's largest commercial port operator with presence in various parts of India. The Company is promoted by the Adani Group, which has interests across resources (coal mining and trading), logistics (ports, logistics, shipping and rail), energy (renewable, thermal power generation and transmission), agro commodities and ancillary industries.

The issued and paid up share capital of APSEZ as on date of report is Rs. 4,063.5 Mn divided into 2,03,17,51,761 equity shares of face value of Rs. 2 each.

Brahmi Tracks Management Services Private Limited ('BTMSPL'):

BTMSPL (CIN: U70103GJ2019PTC110704), is a wholly owned subsidiary of Adani Rail Infra Private Limited, which is held by S. B. Adani Family Trust. BTMSPL is a company incorporated under the provisions of the Companies Act, 2013.

The proposed issued and paid up share capital of BTMSPL is Rs. 1,000 Mn divided into 50,00,00,000/- equity shares of face value of Rs. 2 each.

BTMSPL is a holding company of Sarguja Rail Corridor Pvt Ltd ("SRCPL").

SRCPL is engaged in the business of undertaking development and construction of Railway Corridor / Private Siding to cater to transportation of coal from coal mines. SRCPL has, inter alia, developed, operates and maintains 70 kms of (Private Siding) Common Rail Corridor, a railway siding from Parsa East & Kanta Basan and Kente Extension coal blocks to nearest Indian railway line i.e. Surajpur Road railway station covering a distance of 70 kms, located in the northern central part of Hasdeo Arand Coalfield in Sarguja district of Chhattisgarh.

Brief Background of the Scheme of Amalgamation

Under the proposed composite scheme of amalgamation (the "**Composite Scheme of Amalgamation**") *inter alia*, BTMSPL shall be amalgamated with APSEZ, pursuant to which the shareholders of BTMSPL shall receive equity shares of APSEZ based on the following ratio ("**Share Exchange Ratio**"):

100 (One Hundred) equity shares of APSEZ of the face value Rs. 2/- each fully paid up will be issued for every 708 (Seven Hundred & Eight) equity shares of BTMSPL of the face value Rs. 2/- each fully paid up

The Company, in terms of the Engagement Letter, has requested us to examine the Share Exchange Ratio Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Exchange Ratio ("**Fairness Opinion**") pursuant to the provisions of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, including amendments thereto.

Source of Information

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

1. Share Exchange Ratio Report issued by the Valuer;
2. Draft of the proposed Composite Scheme of Amalgamation;
3. Shareholding Pattern, certain financial statements and projections of SRCPL and BTMSPL;
4. Certain other information from the representatives of the Company.

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

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 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, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of APSEZ or BTMSPL or SRCPL 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 APSEZ or BTMSPL, 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 APSEZ or BTMSPL or SRCPL on an "as is" basis 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. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of APSEZ or BTMSPL.

We understand that the management of APSEZ and BTMSPL, 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, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Amalgamation. 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 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 Amalgamation.

We express no opinion whatsoever and make no recommendation at all as to APSEZ's underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of APSEZ with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of APSEZ will trade following the announcement of the Proposed Amalgamation or as to the financial performance of BTMSPL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in APSEZ or any of its related parties (holding company / subsidiary /associates etc.) or BTMSPL.

Conclusion

Based on our examination of the Share Exchange Ratio Report, such other information / undertakings / representations provided to us by APSEZ or BTMSPL and our 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 Share Exchange Ratio is fair for the shareholders of APSEZ.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of APSEZ. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without JM Financial's prior written consent.

However, APSEZ may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to APSEZ promptly intimating JM Financial in writing about receipt of such request from the regulatory authority. 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 other than the purpose mentioned hereinabove. 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 and shall not take any responsibility for the same. 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. In no circumstances however, will JM Financial or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,
For **JM Financial Limited**

Authorized Signatory

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

March 3, 2021

To,
The Board of Directors
Sarguja Rail Corridor Private Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar-Ahmedabad, Gujarat - 382421

To,
The Board of Directors
Adani Tracks Management Services Private Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar-Ahmedabad, Gujarat - 382421

Subject: **Fairness Opinion Report on the valuation report issued by BDO Valuation Advisory LLP, for the proposed amalgamation of Adani Tracks Management Services Private Limited with Sarguja Rail Corridor Private Limited, as per the scheme of amalgamation ("Scheme") in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("SEBI Circular") issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations")**

Adani Ports And Special Economic Zone Limited (hereinafter referred to as 'APSEZ'), is a company having CIN as L63090GJ1998PLC034182, incorporated on May 26, 1998, primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. APSEZ's business constitutes its Mundra Rail Business (hereinafter referred to as "Divestment Business Undertaking"). The equity shares of APSEZ are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, "Stock Exchanges").

Adani Tracks Management Services Private Limited (hereinafter referred to as 'Adani Tracks'), is a private company having CIN U45202GJ2019PTC109348, incorporated on July 31, 2019 and is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Brahmi Tracks Management Services Private Limited (hereinafter referred to as 'Brahmi'), is a private company having CIN U70103GJ2019PTC110704, incorporated on November 7, 2019 and is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Sarguja Rail Corridor Private Limited (hereinafter referred to as 'Sarguja'), is a private company having CIN U60200GJ2010PTC115649, incorporated on May 5, 2010 and is a wholly owned

subsidiary of Brahmi, engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh.

Pursuant to a proposed composite scheme of arrangement under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of law, (hereinafter referred to as 'the Scheme'), the management of APSEZ, Adani Tracks, Brahmi and Sarguja, propose to enter into a scheme of arrangement as follows (The terms not defined herein would carry the meaning as per the Scheme):

Part I: Definitions, interpretation, date of taking effect and share capital

Part II: Amalgamation of Brahmi into and with APSEZ

Part III: Amalgamation of Adani Tracks into and with Sarguja

Part IV: Transfer of the Divestment Business Undertaking from APSEZ to Sarguja and the vesting in Sarguja as a going concern on a slump sale basis for a lump sum consideration (hereinafter referred to as 'the Slump Sale')

Part V: General terms & conditions

Accordingly, Sarguja has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 (hereinafter referred to as 'Vivro', 'VFSPL', 'Merchant Banker', 'we', 'us', 'our'), vide an Engagement Letter dated January 20, 2021 to issue a Fairness Opinion Report on the valuation report issued by BDO Valuation Advisory LLP registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: IBBI/RV-E/02/2019/103)(hereinafter referred to as the 'Registered Valuer', the 'Valuer') vide their valuation report dated March 3, 2021 (hereinafter referred to as the 'Valuation Report'). In connection with the same, we hereby attach our Fairness Opinion Report in terms of the SEBI Circular.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
Sr. Vice President
Ahmedabad

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

FAIRNESS OPINION REPORT

AMALGAMANTION OF
ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED
('TRANSFEROR COMPANY')

WITH

SARGUJA RAIL CORRIDOR PRIVATE LIMITED
('TRANSFEREE COMPANY')

AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder)

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and Submitted By:

VIVRO

Vivro Financial Services Private Limited

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

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VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

1. SCOPE AND PURPOSE OF THIS FAIRNESS OPINION REPORT

1.1 The Board of Directors of APSEZ, Brahmi, Sarguja and Adani Tracks are planning to enter into a composite scheme of amalgamation in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961. This Scheme provides for:

(a) Amalgamation of Brahmi with APSEZ with effect from the Appointed Date 1;
(b) Amalgamation of Adani Tracks with Sarguja with effect from the Appointed Date 2;
(c) Transfer of Divestment Business Undertaking from APSEZ to Sarguja and the vesting as a going concern on a slump sale basis for a lump sum consideration.

1.2 The Appointed Date 1 is April 1, 2021 and Appointed Date 2 of the Scheme is April 2, 2021.

1.3 For the aforesaid purpose of amalgamation of Adani Tracks with and into Sarguja, Sarguja has appointed BDO Valuation Advisory LLP, Registered Valuer, to submit a Valuation Report recommending the equity share swap ratio, to be placed before the Board of Directors of Adani Tracks and Sarguja (referred together as the "Companies").

1.4 The scope of our services is to issue a Fairness Opinion Report on the Valuation Report issued by the Registered Valuer recommending the equity share swap ratio, for the amalgamation as proposed in Part III of the Scheme, in accordance with generally acceptable professional standards.

1.5 The scope of our services includes forming an opinion on the fairness of the recommendation of the Registered Valuer and does not involve opining on the fairness or economic rationale of the Scheme per se.

1.6 This Fairness Opinion Report is our deliverable on this engagement. This Fairness Opinion Report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI LODR Regulations and the SEBI Circular and for submission to regulatory and statutory authorities in connection with the Scheme.

1.7 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

1.8 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this Fairness Opinion Report:

2.1 Proposed draft scheme of amalgamation between APSEZ, Adani Tracks, Sarguja and Brahmi, and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;

2.2 Valuation Report of BDO Valuation Advisory, LLP, Registered Valuer, dated March 3, 2021;

2.3 Track Access & Usage Agreement executed between Sarguja & Rajasthan Rajya Vidyut Utpadan Nigam Limited dated July 22, 2015;

2.4 Audited financial statements of Sarguja for FY 2018, FY 2019 and FY 2020;

2.5 Management certified financial estimates of Sarguja for the year ended March 31, 2021;

2.6 Management certified financial unaudited statements of Adani Tracks for the period ended March 02, 2021;

2.7 Debenture Subscription Agreement executed between Sarguja and Universal Trade and Investments Limited dated June 6, 2017 and addendum to this Agreement dated June 22, 2017;

2.8 Debenture Purchase Agreement dated June 23, 2020 executed by and among Universal Trade and Investments Limited, Adani Properties Private Limited and Sarguja;

2.9 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.

2.10 The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on the equity share swap ratio of amalgamation) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.

3.2 We owe responsibility only under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the management or their directors, employees or agents of the Companies.

3.3 In the course of the valuation, we were provided with both written and verbal information, which we have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. We have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.

3.4 This Fairness Opinion Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Fairness Opinion Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Companies as on date of this Fairness Opinion Report. Events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.

3.5 This Fairness Opinion Report is subject to the scope, the sources of the information and limitations detailed herein. As such the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

3.6 We have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Fairness Opinion Report, nor provided any accounting, tax or legal advice to the Companies, neither are we required to do so, in terms of the Engagement Letter.

4. BACKGROUND

4.1 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

APSEZ is a public limited company incorporated on May 26, 1998 under the Companies Act, 1956, having CIN L63090GJ1998PLC034182 and its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat-382421. The equity shares of APSEZ are listed on BSE Limited and National Stock Exchange of India Limited. APSEZ is primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha.

4.2 SARGUJA RAIL CORRIDOR PRIVATE LIMITED

Sarguja is a private limited company incorporated on May 5, 2010 under the Companies Act, 1956, having CIN U60200GJ2010PTC115649 and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat – 382421. Sarguja is engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh. The shareholding pattern of Sarguja (Face value: Rs. 10) as on March 2, 2021, is as follows:

Particulars	Equity Shares	% Shareholding
Promoter & Promoter Group	20,00,00,000	100.00%
Total	**20,00,00,000**	**100.00%**

4.3 ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

Adani Tracks is a private company incorporated on July 31, 2019 under the Companies Act, 2013, having CIN U45202GJ2019PTC109348, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Adani Tracks is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility. The shareholding pattern of Adani Tracks (Face value: Rs. 10) as on March 2, 2021, is as follows:

Particulars	Equity Shares	% Shareholding
Promoter & Promoter Group	50,000	100.00%
Total	**50,000**	**100.00%**

4.4 **BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED**

Brahmi, is a private company incorporated on November 07, 2019 under the Companies Act, 2013, having CIN U70103GJ2019PTC110704, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Brahmi is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

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5. SALIENT FEATURES OF THE SCHEME

5.1 As mentioned above this Composite Scheme of Arrangement is divided into 3 parts.

5.2 With effect from the Appointed Date 2 and upon this Scheme becoming effective, Adani Tracks along with all its assets, liabilities, contracts, employees, licenses, records, approvals being integral parts of Adani Tracks shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in Sarguja, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any.

5.3 Part III of the Scheme envisages the amalgamation of the Adani Tracks into Sarguja in compliance with the provisions of Section 2(1B) of the IT Act, such that:

(a) all the properties of Adani Tracks, immediately before the amalgamation, shall become the property of Sarguja, by virtue of this amalgamation;

(b) all the liabilities of Adani Tracks, immediately before the amalgamation, shall become the liabilities of Sarguja, by virtue of this amalgamation and;

(c) shareholders holding not less than three-fourths in value of the shares in Adani Tracks (other than shares already held therein immediately before the amalgamation by, or by a nominee for, Sarguja or its subsidiary) will become shareholders of Sarguja by virtue of the amalgamation.

5.4 Upon the amalgamation of Adani Tracks into and with Sarguja pursuant to the Scheme becoming effective on the Effective Date, Sarguja will issue its equity shares to the shareholders of Adani Tracks on the record date, in accordance with the equity share swap ratio approved by the Board of Directors of each of Adani Tracks and Sarguja, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.

5.5 The name of Sarguja without any further act, instrument or deed, shall stand changed to "Adani Tracks Management Services Private Limited" and the Memorandum of Association of the Sarguja and its Articles of Association shall stand accordingly modified, changed and amended with effect from the Effective Date.

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6. VALUER'S RECOMMENDATION

6.1 As informed to us by the management of the Companies, the scope of valuation services for the proposed composite Scheme of arrangement is to carry out the valuation of equity shares of Adani Tracks and Sarguja to determine the equity share swap ratio.

6.2 The equity share swap ratio has been arrived at on the basis of relative valuation of the equity shares of Adani Tracks and Sarguja based on methodology, as explained in the Valuation Report dated March 3, 2021 issued by BDO Valuation Advisory LLP and various qualitative factors relevant to Adani Tracks and Sarguja respectively, and the business dynamics as well as growth potential of the businesses, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

6.3 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, dated March 3, 2021 issued by BDO Valuation Advisory LLP, Registered Valuer, it has been recommended that the equity share swap ratio for the amalgamation of Adani Tracks with and into Sarguja, under the proposed Scheme shall be as follows:

"100 equity shares of face value INR 10 each fully paid up of Sarguja for every 2,522 equity shares of face value of INR 10 each fully paid of Adani Tracks for the amalgamation of Adani Tracks into Sarguja".

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

7. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the equity share swap ratio, recommended by BDO Valuation Advisory LLP, Registered Valuer, for the amalgamation of Adani Tracks with and into.Sarguja, for the proposed Scheme, is fair.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
Sr. Vice President
Date: March 3, 2021
Place: Ahmedabad

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

VIVRO

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www.vivro.net

March 3, 2021

To,
The Board of Directors
Adani Ports And Special Economic Zone Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar-Ahmedabad, Gujarat - 382421

To,
The Board of Directors
Sarguja Rail Corridor Private Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar-Ahmedabad, Gujarat - 382421

Subject: **Fairness Opinion Report on the valuation report issued by Yash K. Mehta, for the proposed transfer of Divestment Business Undertaking from Adani Ports And Special Economic Zone Limited to Sarguja Rail Corridor Private Limited and the vesting as a going concern on a slump sale basis for a lump sum consideration, as per the scheme of amalgamation ("Scheme") in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("SEBI Circular") issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations")**

Adani Ports And Special Economic Zone Limited (hereinafter referred to as 'APSEZ'), is a company having CIN as L63090GJ1998PLC034182, incorporated on May 26, 1998, primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. APSEZ's business constitutes its Mundra Rail Business (hereinafter referred to as "Divestment Business Undertaking"). The equity shares of APSEZ are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together, "Stock Exchanges").

Adani Tracks Management Services Private Limited (hereinafter referred to as 'Adani Tracks'), is a private company having CIN U45202GJ2019PTC109348, incorporated on July 31, 2019 and is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

Brahmi Tracks Management Services Private Limited (hereinafter referred to as 'Brahmi'), is a private company having CIN U70103GJ2019PTC110704, incorporated on November 7, 2019 and is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

CIN - U67120GJ1996PTC029182, Merchant Banker Sebi. Reg. No. INM000010122, AIBI Reg. No. AIBI/086

Sarguja Rail Corridor Private Limited (hereinafter referred to as 'Sarguja'), is a private company having CIN U60200GJ2010PTC115649, incorporated on May 5, 2010 and is a wholly owned subsidiary of Brahmi, engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh.

Pursuant to a proposed composite scheme of arrangement under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of law, (hereinafter referred to as 'the Scheme'), the management of APSEZ, Adani Tracks, Brahmi and Sarguja, propose to enter into a scheme of arrangement as follows (The terms not defined herein would carry the meaning as per the Scheme):

Part I: Definitions, interpretation, date of taking effect and share capital

Part II: Amalgamation of Brahmi into and with APSEZ

Part III: Amalgamation of Adani Tracks into and with Sarguja

Part IV: Transfer of the Divestment Business Undertaking from APSEZ to Sarguja and the vesting in Sarguja as a going concern on a slump sale basis for a lump sum consideration (hereinafter referred to as 'the Slump Sale')

Part V: General terms & conditions

Accordingly, APSEZ has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 (hereinafter referred to as 'Vivro', 'VFSPL', 'Merchant Banker', 'we', 'us', 'our'), vide an Engagement Letter dated January 20, 2021 to issue a Fairness Opinion Report on the valuation report issued by Yash K. Mehta, Registered Valuer, registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: IBBI/RV/06/2019/11647) (hereinafter referred to as the 'Registered Valuer', the 'Valuer'), vide his valuation report dated March 3, 2021 (hereinafter referred to as the 'Valuation Report'). In connection with the same, we hereby attach our Fairness Opinion Report in terms of the SEBI Circular.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
Sr. Vice President
Ahmedabad

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

FAIRNESS OPINION REPORT

DIVESTMENT OF THE RAILWAY BUSINESS OF ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED ON A SLUMP SALE BASIS ('TRANSFEROR COMPANY')

TO

SARGUJA RAIL CORRIDOR PRIVATE LIMITED ('TRANSFEREE COMPANY')

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder)

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and Submitted By:

VIVRO

Vivro Financial Services Private Limited

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1. SCOPE AND PURPOSE OF THIS FAIRNESS OPINION REPORT

1.1 The Board of Directors of APSEZ, Brahmi, Sarguja and Adani Tracks are planning to enter into a composite scheme of amalgamation in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961. This Scheme provides for:

(a) Amalgamation of Brahmi with APSEZ with effect from the Appointed Date 1;
(b) Amalgamation of Adani Tracks with Sarguja with effect from the Appointment Date 2;
(c) Transfer of Divestment Business Undertaking from APSEZ to Sarguja and the vesting as a going concern on a slump sale basis for a lump sum consideration.

1.2 The Appointed Date 1 is April 1, 2021 and Appointed Date 2 of the Scheme is April 2, 2021.

1.3 For the aforesaid purpose of divestment of the Divestment Business Undertaking on a slump sale basis from APSEZ to Sarguja, APSEZ has appointed Yash K Mehta, Registered Valuer, to submit a Valuation Report recommending the lump sum consideration for the Divestment Business Undertaking on a slump sale basis, to be placed before the Board of Directors of APSEZ and Sarguja (referred together as the "Companies").

1.4 The scope of our services is to issue a Fairness Opinion Report on the Valuation Report issued by the Registered Valuer recommending the lump sum consideration of the Divestment Business Undertaking on a slump sale basis as proposed in Part IV of the Scheme, in accordance with generally acceptable professional standards.

1.5 The scope of our services includes forming an opinion on the fairness of the recommendation of the Registered Valuer and does not involve opining on the fairness or economic rationale of the Scheme per se.

1.6 This Fairness Opinion Report is our deliverable on this engagement. This Fairness Opinion Report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI LODR Regulations and the SEBI Circular and for submission to regulatory and statutory authorities in connection with the Scheme.

1.7 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.

1.8 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this Fairness Opinion Report:

2.1 Proposed draft scheme of amalgamation between APSEZ, Adani Tracks, Sarguja and Brahmi, and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;

2.2 Valuation Report of Yash K Mehta, Registered Valuer, dated March 3, 2021;

2.3 Audited financial statements of APSEZ for the year ended on March 31, 2020;

2.4 Limited review financial statements of APSEZ for the 9 months ended on December 31, 2020;

2.5 Carved-out unaudited management certified financial statements of the Divestment Business Undertaking for the year ended on March 31, 2020;

2.6 Carved-out unaudited management certified financial statements of the Divestment Business Undertaking for the 9 months ended on December 31, 2020;

2.7 Written down value of the depreciable assets of the Divestment Business Undertaking as per the applicable provisions of the Income Tax Act, 1961 as on December 31, 2020;

2.8 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.

2.9 The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on the value of the Divestment Business Undertaking) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.

3.2 We owe responsibility only under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the management or their directors, employees or agents of the Companies.

3.3 In the course of the valuation, we were provided with both written and verbal information, which we have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. We have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.

3.4 This Fairness Opinion Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Fairness Opinion Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Companies as on date of this Fairness Opinion Report. Events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.

3.5 This Fairness Opinion Report is subject to the scope, the sources of the information and limitations detailed herein. As such the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

3.6 We have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Fairness Opinion Report, nor provided any accounting, tax or legal advice to the Companies, neither are we required to do so, in terms of the Engagement Letter.

3.7 We have not carried out a revaluation of any assets of the Companies, nor physically verified any assets of the Companies, neither are we required to in terms of the Engagement Letter.

3.8 We are independent of the Companies and hold no specific interest in the Companies or any of the assets of the Companies, nor do we have any conflict of interest with the Companies.

3.9 The fee for this Fairness Opinion Report is not contingent upon the recommendation given.

3.10 We are aware that based on the opinion of the value expressed in this Fairness Opinion Report, we may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.

4. BACKGROUND

4.1 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

APSEZ is a public limited company incorporated on May 26, 1998 under the Companies Act, 1956, having CIN L63090GJ1998PLC034182 and its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat-382421. The Equity shares of APSEZ are listed on BSE Limited and National Stock Exchange of India Limited. APSEZ is primarily engaged in the business of commercial operations of ports in India. It is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country and has presence across 12 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha. The shareholding pattern of APSEZ as on December 31, 2020, is as follows:

Particulars	Equity Shares of Rs. 2 each	Shareholding % of Equity Shares	Preference Shares of Rs.10 each	Shareholding % of Preference Shares
Promoter & Promoter Group	1,29,49,91,018	63.74%	25,01,824	100.00%
Public	73,67,60,743	36.26%		
Total	**2,03,17,51,761**	**100.00%**	**25,01,824**	**100.00%**

APSEZ's business constitutes its Mundra Rail Business wherein APSEZ owns and maintains a two line railway track from Mundra Port to Adipur Junction, aggregating to around 75 kms which consists of the railway tracks, the railway signaling systems, the railway platforms and bridges. These tracks are used for the transport of goods to and from the Mundra Port.

4.2 SARGUJA RAIL CORRIDOR PRIVATE LIMITED

Sarguja is a private limited company incorporated on May 5, 2010 under the Companies Act, 1956, having CIN U60200GJ2010PTC115649 and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat – 382421. Sarguja is engaged in developing, operating and maintaining 70 kms of a private siding common rail corridor from Parsa East, Kanta Basan and Kente Extension coal blocks to the nearest Indian Railways line in the northern central part of Hasdeo Arand Coalfield in the Sarguja district located in Chhattisgarh. The shareholding pattern of Sarguja (Face value: Rs. 10) as on March 2, 2021, is as follows:

Particulars	Equity Shares	% Shareholding
Promoter & Promoter Group	20,00,00,000	100.00%
Total	**20,00,00,000**	**100.00%**

4.3 ADANI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

Adani Tracks is a private company incorporated on July 31, 2019 under the Companies Act, 2013, having CIN U45202GJ2019PTC109348, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Adani Tracks is a wholly owned subsidiary of APSEZ, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

4.4 BRAHMI TRACKS MANAGEMENT SERVICES PRIVATE LIMITED

Brahmi, is a private company incorporated on November 07, 2019 under the Companies Act, 2013, having CIN U70103GJ2019PTC110704, and the registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad, Gujarat - 382421. Brahmi is a wholly owned subsidiary of Adani Rail Infra Private Limited, engaged in the activities relating to setting up railway tracks, railway sidings, railway locomotives and management of railway projects or facility.

5. SALIENT FEATURES OF THE SCHEME

5.1 As mentioned above this Composite Scheme of Amalgamation is divided into 3 parts.

5.2 Part II of the Scheme seeks to amalgamate and consolidate the business of Brahmi into and with APSEZ pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail. Consequently, from the Appointed Date 1 and upon this Scheme coming into effect, Sarguja, being a wholly owned subsidiary of Brahmi, shall become the wholly owned subsidiary of APSEZ.

5.3 Upon the amalgamation of Brahmi into and with APSEZ pursuant to the Scheme becoming effective on the Effective Date, APSEZ will issue its Equity Shares to the shareholders of Brahmi on the Record Date 1, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of APSEZ and Brahmi, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.

5.4 Part III of the Scheme proposes to amalgamate the business of Adani Tracks, a wholly owned subsidiary of APSEZ into and with Sarguja pursuant to the provisions of, inter-alia, Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(1B) and other provisions of the Income-tax Act, 1961 and other applicable laws and as contemplated in the Scheme in more detail. As per the chronology proposed in the Scheme, pursuant to the amalgamation of Brahmi into APSEZ from the Appointed Date 1, Sarguja shall become the wholly owned subsidiary of APSEZ, and consequently, Part III of the scheme proposes an amalgamation of two consequent wholly owned subsidiaries of APSEZ, being Adani Tracks and Sarguja.

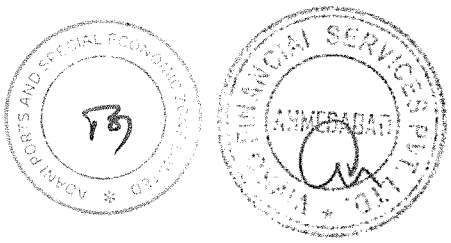
5.5 Upon the amalgamation of Adani Tracks into and with Sarguja pursuant to the Scheme becoming effective on the Effective Date, Sarguja will issue its Equity Shares to the shareholders of Adani Tracks on the Record Date 2, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of Adani Tracks and Sarguja, and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.

5.6 Part IV of the Scheme seeks the transfer and vesting of the Divestment Business Undertaking of APSEZ with Sarguja pursuant to the provisions of, inter-alia, Sections 230 to 232 of the

Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with Section 2(42C) and other provisions of the Income-tax Act, 1961 and other applicable laws.

5.7 Upon the scheme becoming effective with effect from the Appointed Date 2, the Divestment Business Undertaking of APSEZ in its entirety shall, without any further act, instrument, deed, matter or thing be transferred to and vested in and/or be deemed to be and stand transferred to and vested in Sarguja as a 'going concern' on a slump sale basis in accordance with Section 2(42C) of the Income Tax Act, 1961 for a lump sum consideration, subject to provisions of the scheme.

5.8 The Scheme envisages the slump sale of Divestment Business Undertaking of APSEZ into its consequent wholly owned subsidiary Sarguja in compliance with the provisions of Section 2(42C) of the IT Act, such that the transfer of the undertaking shall be for a lump sum consideration without values being assigned to the individual assets and liabilities.



6. VALUER'S RECOMMENDATION

6.1 As required under the engagement letter entered into between APSEZ and Yash K Mehta, Registered Valuer, the scope of valuation services for the proposed composite Scheme of arrangement is specific to Part IV of the Scheme, being the divestment of the Divestment Business Undertaking of APSEZ on a Slump Sale basis.

6.2 The fair basis of the valuation as proposed in Part IV of the Scheme has been determined after taking into consideration all the factors and methodologies in the Valuation Report, dated March 3, 2021 issued by Yash K Mehta, Registered Valuer.

6.3 As the divestment of the Divestment Business Undertaking of APSEZ is effected by APSEZ to Sarguja, which is the consequent wholly owned subsidiary of APSEZ, the ultimate beneficiaries of the Divestment Business Undertaking of APSEZ remain the same.

6.4 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, dated March 3, 2021 issued by Yash K Mehta, Registered Valuer, it has been recommended that the consideration for Divestment Business Undertaking on a slump sale basis under Part IV of the Scheme shall be as follows:

"INR 188.65 Crores (Rupees One Hundred Eighty Eight Crores Sixty Five Lakhs) lump sum Consideration for the divestment of the Divestment Business Undertaking of APSEZ to Sarguja on a Slump Sale basis".

7. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the consideration recommended under the Valuation Report for the Divestment Business Undertaking of APSEZ, as recommended by Yash K Mehta, Registered Valuer, for the proposed Scheme, is fair.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
Sr. Vice President
Date: March 3, 2021
Place: Ahmedabad