

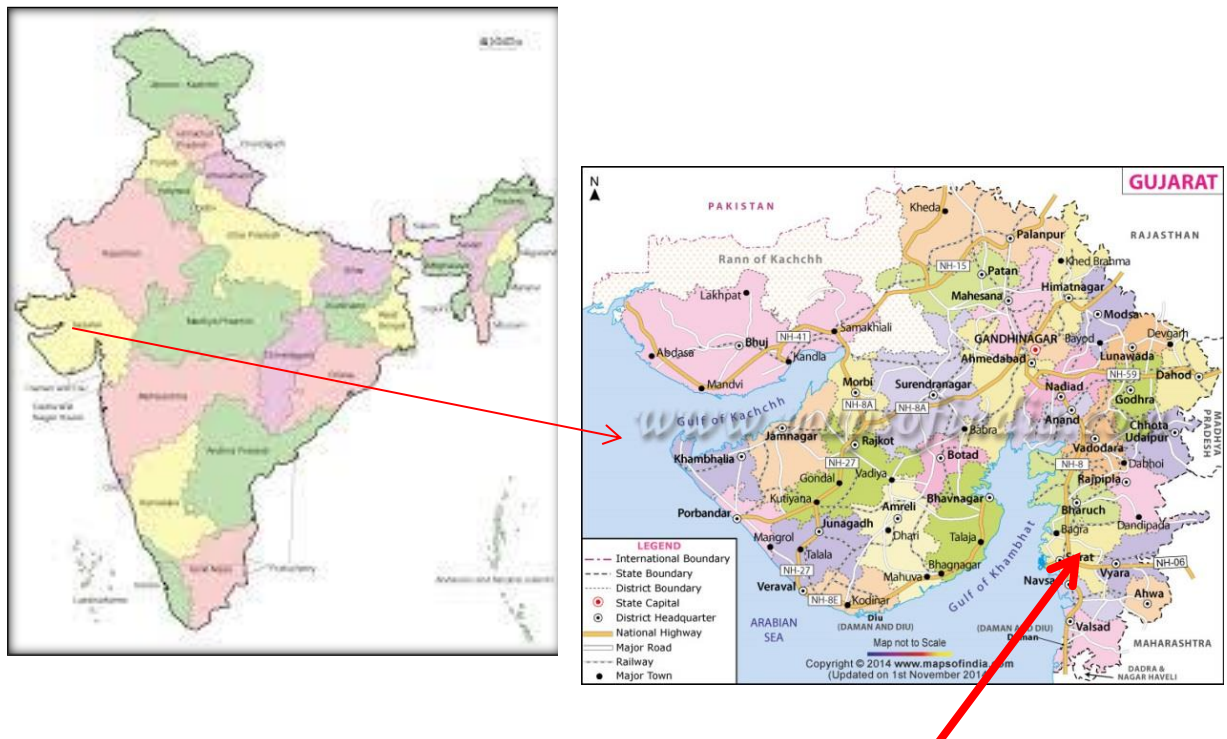
Justification for Project

A. Historical Development:

Government of Gujarat has announced a Port Policy in year 1995 and offered various locations for development of Private Ports under the Built-Own-Operate and Transfer (BOOT) basis. In April 2002, GMB granted concession through a Concession Agreement, to Hazira Port Private Limited (HPPL) for development of Hazira (Surat) Port. The location of Hazira Port is near the city of Surat, in the State of Gujarat, on the western coast of India.

The development of Hazira Port is planned in Phase manner. In Phase 1A, facilities for handling LNG Cargo has been developed by HPPL. It is operational since April 2005.

B. Location of Adani Hazira Port :



Adani Hazira Port

Location Map of Hazira Location

Adani Hazira Port, located at 21 05' 10" North and 72 37' 40" East, is situated in the state of Gujarat on the West coast of Indian, and is about 25 Km from Surat and 130 nautical miles North of Mumbai.

C. Adani Hazira Port Development:(Multi-Cargo Non-LNG Port)

As per the provision of the Concession Agreement, HPPL can developed multi-cargo(Non-LNG) terminal (s) and related infrastructure at Hazira granting a Sub-Concession to an eligible port developer.

HPPL has identified M/s. Mundra Port and Special Economic Zone Limited (MPSEZL) for development of its Phase 1B of the Hazira Port through global bidding process. HPPL has issued Letter of Intent (LoI) to MPSEZL on November 19, 2009. To perform the development of Hazira Port under the sub-concession granted by HPPL, MPSEZL has formed a wholly owned subsidiary named "Adani Hazira Port Private Limited" (AHPPL). AHPPL has developed Multi-Cargo Port (except LNG cargo).

D. Future Growth potential and traffic projections at Adani Hazira Port

Hazira Port acts as a gateway port for the industries of entire South Gujarat. Presently, South Gujarat is home to dense clusters of industries like Chemical, Textiles, Pharmaceuticals, Automotive and Auto Components, Heavy Engineering, Petroleum and Petro-chemical, etc. The potential of Hazira Port's cargo traffic hinges significantly on the following factors.

- a) Strong economic growth potential of India
- b) Vibrant economy of Gujarat
- c) Vast container cargo hinterland
- d) Vast industrial chemical user industrial belt
- e) Further availability of land for port facility expansion
- f) Availability of railway connectivity at the port

Further due to strategic location of the port and resultant logistics advantages, substantial traffic may be attracted to the multi-cargo terminal. This is the primary basis for establishing a multi cargo terminal in Hazira Port.

D(i) Cargo Traffic Handled at Adani Hazira Port:

Financial Year	Cargo Handled (in Million MT)
2012-13	1
2013-14	4
2014-15	7
2015-16	12
2016-17	15
2017-18	17
2018-19	20

D(ii) Future Projections:

We envisage handling cargo to the tune of 85 MMT at Hazira Port by year 2026-27 and Master Plan of the Port has been developed accordingly. Port back-up facilities including cargo storage and handling infrastructure including Railway Connectivity will be developed by us, for which we have already applied for nearby located Forest Land. AHPPL has identified this **188 Ha** forest land which is situated in the entry gateway of Railway Connectivity as per the Port Development Master Plan.

E. Identified Forest Land :



Existing Port Infrastructure



Forest Land identified for diversion



Village Name	Forest Land identified
Hazira	73 Ha
Shivrampur (Suvali)	115 Ha

F. Project Benefits:

The expansion of the Adani Hazira Port will facilitate nearby industries and industries situated in the central India for international trade. Due to the proposed development of Rail Connectivity, the overall logistic cost will be reduced. Also the burden on the environment will reduce due to rail transportation.

The project involves land of village – Hazira and Village – Shivrampur (Suvali). This is newly notified Forest land in the year 2014 and its intertidal land, hence its ideal land for Port facility development. The population of Hazira village is approximately 3000 (including migrated population) and population of Shivrampur (Suvali) village is approximately 1500. However, there is no inhabitation on this forest land. Due to the development of this project, opportunities will be created in the field of transportation, house rent; day to day domestic requirements and qualified and skilled people will have an employment opportunity.

Also with the growth of international trade through Port, the revenue of the Govt. will increase from Custom Duty, Water Front Royalty and other Port dues and charges.

Justification for locating the project on Forest land

The company has developed multi cargo port and planning to expand its Port infrastructure with development of Rail Connectivity and Central Cargo Complex facilities at Hazira Tal.- Choryasi Dist.- Surat. This location was selected after several alternative studies based on the technical data and economic considerations.

Considering the fact that the geographical presence of projects, only proposed diversion of forest land is available adjoin to the project and no other alternative land is available. Hence, map indicating location of alternatives examined required to be provided is not attached.