Adani Enterprises Limited

March 21, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	1,366.68	CARE A+; Stable (Single A Plus; Outlook: Stable)	Revised from CARE A+ (SO); Stable [Single A Plus (Structured Obligation); Outlook: Stable]
Long-term / Short-term Bank Facilities	380.00	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)	Revised from CARE A+ (SO); Stable / CARE A1+ (SO) [Single A Plus (Structured Obligation); Outlook: Stable / A One Plus (Structured Obligation)]
Long-term / Short-term Bank Facilities	14,553.32 (Reduced from 14,703.32)	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)	Revised from CARE A; Stable / CARE A1 (Single A; Outlook: Stable / A One)
Short-term Bank Facilities	200.00 (Enhanced from 50.00)	CARE A1+ (A One Plus)	Revised from CARE A1 (A One)
Total Bank Facilities	**16,500.00 (Rs. Sixteen thousand five hundred crore only)**		
Market Linked Debentures	500.00	CARE PP-MLD A+; Stable (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Stable)	Revised from CARE PP-MLD A; Stable (Principal Protected-Market Linked Debentures Single A; Outlook: Stable)
Non-convertible Debentures	400.00	CARE A+; Stable (Single A Plus; Outlook: Stable)	Revised from CARE A; Stable (Single A; Outlook: Stable)
Market Linked Debentures	200.00	CARE PP-MLD A+; Stable (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Stable)	Assigned
Total Long-term Instruments	**1,100.00 (Rs. One thousand one hundred crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the principal protected market-linked debenture (MLD) issue, non-convertible debenture (NCD) issue and bank facilities of Adani Enterprises Limited (AEL) takes into consideration the strengthened financial flexibility of the Adani group led by the established track record of successful incubation of businesses across various verticals, completion of substantial capex in subsidiaries of AEL and recovery of passenger traffic in the airport segment during 9MFY22 (refers to the period April 01 to December 31).

Successful incubation and independent listing of various entities over the years with latest being Adani Wilmar Limited (AWL; rated 'CARE A+; Stable/ CARE A1+') in 9MFY22 has also strengthened market capitalisation of the Adani group (refers to all the listed entity of the Adani group, namely- AEL, Adani Ports & Special Economic Zones Limited [APSEZ], Adani Transmission Limited [ATL], Adani Green Energy Limited [AGEL; rated 'CARE A1+'], Adani Total Gas Limited [ATGL], AWL and Adani Power Limited [APL; rated 'CARE BBB-; Stable/ CARE A3']). Moreover, the pledge of shares by the promoters has reduced substantially in most of the entities of the Adani group, including AEL over the last two years. In CARE Ratings Ltd's opinion, strengthened financial flexibility of Adani group wherein promoter family own substantial stake in most of the entities, enhances strategic importance and economic incentive for the promoters to support diverse ventures of AEL in the case of exigencies.

The completion of the capex at Australia mining and railway subsidiaries followed by commencement of trial runs in February 2022 considerably mitigates the project implementation risk. Nevertheless, ramping up of coal dispatches as envisaged remains crucial from the credit perspective. The completion of the expansion project in solar module manufacturing along with levy of basic custom duty on solar cell manufacturing with effect from April 2022 is an added credit positive. The same is expected to increase the production and off-take of solar modules with resultant expansion in its profitability levels in FY23 (refers to the period April 1 to March 31).

The ratings also factor favourably the recovery in the airport segment of AEL during 9MFY22 with the revenues of Rs.1,681 crore and profit before interest lease depreciation and tax (PBILDT) of Rs.657 crore led by recovery in the domestic passenger. CARE

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Ratings Ltd expects full recovery in the domestic traffic by June 2022 and the recovery in the international traffic by end of FY23 assuming no major impact of the further waves of COVID. AEL's management has articulated adherence to total external debt/PBILDT ratio of 6x for AEL on a consolidated basis; however, CARE Ratings Ltd notes that the ratio may exceed 6x at the end of FY22 due to relatively lower PBILDT from the airport segment attributed to COVID-related disruptions. The same is expected to correct in subsequent years with ramp up in the airport operations and uptick in non-aero revenues. However, achievability of envisaged non-aero revenues shall be crucial.

The ratings continue to derive strength from AEL's leading position in the coal trading business and ramp-up in the operations of high profit margin mining services segment during FY21 resulted into healthy cash flow from the operations during FY21. This has continued in 9MFY22 as well. Healthy outstanding order book position in the road segment after securing large toll roads and hybrid annuity model (HAM) projects improve the revenue visibility for the contracting segment in the near to medium term.

The above rating strengths are tempered by the incubation risk associated with large-sized projects in diverse areas wherein AEL does not possess prior experience, large capex envisaged in the airport segment and continued dependence on sub-contractors for road project execution. Besides, the inherent regulatory risk with respect to the timely receipt of tariff order in the airports business and traffic risk in the toll roads projects are the continued rating weaknesses. CARE Ratings Ltd also notes the large-scale plans announced by AEL in manufacturing polysilicon, silicon wafers and integrated green hydrogen facility with a tentative outlay of Rs.370,000 crore over the next 10 years. CARE Ratings Ltd understands that the aforementioned capex is under conceptual stage and shall be executed in phase-wise manner after collaborating with a technology partner-cum-strategic investor. AEL is exposed to the inherent project execution as well as the stabilisation and technology risk for these first-of-its-kind projects for India. Nevertheless, strong financial flexibility of AEL along with experience of the Adani group in project execution, solar module manufacturing as well as renewable energy partly mitigate the risk. CARE Ratings Ltd relies on management's articulation in not exceeding external debt/PBILDT of 6x even while executing large-sized capex. Therefore, any shortfall in the capex funding post debt servicing shall be funded by the promoters. The promoters of AEL have infused unsecured loans of Rs.10,915 crore till December 31, 2021, towards funding of capex in airports and Australia operations.

The ratings continue to be tempered by the volatility in commodity price movements, foreign exchange rate fluctuations and working capital intensive nature of operations for coal trading, solar module manufacturing and mining services segment.

The ratings assigned to the bank facilities availed for funding the implementation and operations of Parsa East and Kanta Basan (PEKB) coal block project within AEL have been revised to standalone due to the non-relevance of credit enhancement post improvement in the overall financial risk profile of AEL.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Completion of large-sized capex and generating envisaged returns thereof apart from monetisation of assets improving the consolidated total external debt/PBILDT to less than 3.00x on a sustained basis.

Negative Factors- Factors that could lead to negative rating action/downgrade:

- Total consolidated external debt/PBILDT exceeding 6.00x.
- Change in the promoter stance in supporting AEL for funding of its large capex requirement.
- Inability to rope-in strategic equity investors for large capex projects, necessitating higher debt levels.
- Significant deviation in envisaged free investible cash flows.

Detailed description of the key rating drivers

Key Rating Strengths

Strengthened financial flexibility of Adani group and continuation of need-based support to AEL

The combined market capitalisation of the Adani group has increased significantly from Rs.371,405 crore as on December 31, 2020 to Rs.1,009,220 crore (including AWL) as on December 30, 2021, which provides significant financial flexibility to raise resources. The promoter continues to hold around 75% equity shares in AEL. There has been steady decline in the quantum of promoter shares pledge from 49.79% in Q4FY20 to 4.10% in Q3FY22. The market value of the promoter's total equity holding in AEL as on December 30, 2021, stood at around Rs.140,778 crore, out of which total unpledged equity holding of the promoters were valued at around Rs.135,004 crore. Furthermore, the market value of the total unpledged equity holding of the promoters in the entire Adani group including AEL was valued at around Rs.600,000 crore as on December 30, 2021.

AEL has been receiving need-based support from its promoters in case of exigencies as well as towards funding its growth capital requirements. Successful incubation track record of AEL along with strengthened financial flexibility of the Adani group wherein the promoter family owns a substantial stake in most of the entities, enhances strategic importance and economic incentive for the promoters to support diverse ventures of AEL in case of exigencies. Dilution of the promoter stake in AWL over period of one year due to regulatory requirement of bringing down promoter stake to 75% is also expected to result in sizeable cash inflow in AEL.

Completion of capex and commencement of trial runs of coal dispatch in Australia

The promoters of the Adani group had acquired 100% equity stake in Abbot Point Port Terminal in Australia. As a backward integration to the integrated risk management (IRM) business, in the year 2010, the Adani group (through a step-down subsidiary of AEL) acquired a mine at Carmichael Basin and developed the mine along with laying down a railway network from the mine to Abbot Point Port terminal. While AEL's economic interest in the mine is 100%, the rail network is being developed as a 50:50 joint venture between AEL and a promoter group company. The implementation of the project was significantly delayed due to the public protest and delayed financial closure. The project has been completed in 9MFY22 with a total project cost of Rs.22,000

crore being funded through the promoter debt of Rs.4,253 crore, external bank borrowing of Rs.5,500 crore and balance through loans from AEL's subsidiary. As articulated by the management, coal dispatch has commenced during February 2022 with mining capacity of 11 million metric tonne (MMT). As the majority of the capex is completed, no major cash outflow is envisaged for the project in medium term apart from the routine maintenance capex. However, ramping up of coal dispatches as envisaged shall remain crucial from the credit perspective.

Completion of acquisition of Mumbai International Airport Limited (MIAL) during July 2021 and take-over of operations of six airports with significant recovery in the passenger traffic

As on December 31, 2021, AEL operates eight airports in India of which 7 are brown field airports- MIAL, Ahmedabad, Mangalore, Jaipur, Lucknow, Guwahati and Trivandrum while Navi Mumbai airport is green-field airport.

COVID-19 led to sharp y-o-y decline of 66% in the passenger traffic during FY21. The passenger traffic gradually recovered to 58% of the pre-COVID levels during Q4FY21; however, the recovery in the airport sector was delayed due to the second wave of COVID-19. Non-aero revenues witnessed significant decline mainly due to subdued international traffic during FY21.

Nevertheless, domestic traffic showed resilience post second wave with domestic traffic reaching almost 88% of pre-COVID level during the month of December 2021 albeit with dip during January 2022 due to resurgence of the pandemic. During 9MFY22, the performance of the airport segment improved and registered TOI of Rs.Rs.1,681 crore and PBILDT of Rs.657 crore. On the basis of the receding impact of Omicron wave and increase in the pace of vaccination, domestic traffic is expected to reach pre-COVID levels by June 2022. Furthermore, with slated resumption of international flights from March 27, 2022, the international traffic is expected to recover by end of FY23. Moreover, airports in tier-II cities are expected to report strong growth in passenger volumes. Moreover, regulated return on aero assets with a hybrid till tariff structure involving true-up/ true-down of the revenue takes care of the traffic fluctuations at the time of next tariff determination process thereby rendering visibility to the revenue stream. Longer residual concession period also enhances financial flexibility. Nevertheless, the cash flows are susceptible to variation in non-aero revenues in light of lower penetration of non-aero revenues per person in India as compared to other countries. However, given the locational advantage and catchment area, all the airports are expected to benefit from the ramp-up in non-aero revenues. Furthermore, AEL has developed a strategy to enhance non-aero revenue through various modes including enhancing revenue from non-passengers in line of B2C business model. The increase in the non-aero revenues as envisaged constitute the key rating monitorable.

Completion of expansion project in solar module manufacturing and improvement in performance during FY21 albeit with decline in volume and profitability during 9MFY22

AEL through Mundra Solar PV Limited (MSPVL) had commissioned India's largest solar cell and module manufacturing facility at Mundra with an installed capacity of 1,200 MW of solar cell and solar modules each at a total project cost of around Rs.2,000 crore in June 2017. During FY20 and FY21, the performance of MSPVL improved on the back of various initiatives announced by Government of India (GoI) for promoting domestic solar cell and module manufacturing industry. This led to increase in the volume of modules supplied from 990 MW during FY20 to 1158 MW during FY21. The total operating income (TOI) of MSPVL also increased from Rs.2,149 crore during FY20 to Rs.2,972 crore during FY21 with expansion in operating margins to 27.86% during FY21.

However, increase in the prices of poly silica and other commodities led to decline in volume to 801 MW and operating profitability to 16.39% during 9MFY22. Nevertheless, imposition of basic custom duty of 25% on imported solar cell and modules with effect from April 2022 is expected to improve profitability during FY23. During 9MFY22, AEL through its subsidiary is in process of completing the on-going capex and expansion of module manufacturing capacity from 1.50 GW to 3.5 GW. Completion of expansion project in solar module manufacturing along with levy of basic custom duty on solar cell manufacturing with effect from April 2022 are expected to increase the volume of solar modules with expansion in its profitability levels in FY23.

Ramp-up in domestic mining services business during FY21 and 9MFY22

AEL has been acting as a domestic coal mine developer and operator (MDO) on behalf of Rajasthan Rajya Vidhyut Utpadan Nigam Limited (RRVUNL) for RRVUNL's coal requirement to run its thermal power plants in Rajasthan. AEL had completed mine development and coal production commenced from February 2013 and coal supply volumes have gradually ramped-up. AEL has also secured contracts for other mines with various counterparties and therefore number of operating mines have increased from one in FY18 to four in 9MFY22. The coal supply volume gradually increased from 7.04 MMT during FY18 to 16.00 MMT during FY21 and 19.10 MMT during 9MFY22. Coal dispatch volume is expected to rise further in the medium term with increase in numbers of operational mines and focus of Government of India on enhanced coal production.

Although mining services business does not contribute much to the TOI of AEL, it has healthy contribution to its profitability. AEL receives 'Mining Fees' at agreed upon rate per tonne of coal supplied from the block with yearly escalation linked to wholesale price index (WPI) and consumer price index (CPI) along with reimbursement of related expenses, taxes, duties and logistics cost which provides good revenue visibility.

Vast experience of the promoters of AEL in various businesses and diversified and synergetic operations of the Adani group

The promoters of AEL have more than two decades of experience in various businesses along with established relationship with global players. Over a period of time, the Adani group has evolved as a diversified conglomerate based in India having global operations with primary interests in infrastructure and utilities sectors, while AEL continues to operate as the flagship company of the group and plays a leading role in incubating new businesses for the group. The Adani group was primarily involved in the imported coal trading business and gradually it has backward integrated its operations in domestic and overseas coal mining through AEL along with forward integration in ports, logistics, thermal and renewable power generation, power transmission and

distribution through various other group companies. AEL has coal mining operations in Indonesia and has also acquired a coal mine in Australia. Furthermore, AEL has a track record of successfully incubating businesses across various sectors in the past such as ports, power transmission, thermal and renewable power generation and city gas distribution businesses.

Leading position of AEL in IRM business in India wherein AEL imports coal through its established coal sourcing arrangements and sells to a diversified clientele

AEL, with its established business relations with coal suppliers of Indonesia, Australia and South Africa, has evolved as India's largest importer of thermal coal catering to the requirement of both private and public sector undertaking (PSU) clients. AEL has consolidated its position in the IRM business during the last decade and has developed strong business relationships with miners in Indonesia, Australia and South Africa for procurement of imported coal. AEL has developed business relationship with diversified customers across various end-user industries including coal-based thermal power generators, steel, textile, paper, brick and cement manufacturers, etc. It enjoys major share in domestic PSU tendering business. It imports coal through all the major ports of India, which saves the logistic costs and ensures timely delivery to its customers. During FY21, the IRM volumes of AEL (along with its subsidiaries) stood at around 63 million tonne (MMT).

Substantial reduction in exposure to thermal power vertical of the Adani group albeit some corporate guarantees are still outstanding

Exposure of AEL in the form of debtors from power vertical of the Adani group reduced substantially over the years and stood negligible at 2% of the networth as on March 31, 2021. However, a corporate guarantee given by AEL for a bank facility of Adani Power Rajasthan Limited (rated 'CARE BBB; Stable / CARE A3+') for around Rs.1,050 crore (as on December 31, 2021) has been continuing longer than expected. The outstanding corporate guarantees extended by AEL on a consolidated basis stood at around Rs.2,661 crore as on December 31, 2021.

Liquidity: strong despite working capital intensive operations for MDO, IRM and module manufacturing segment

The operations of AEL have remained working capital intensive over the years. AEL primarily uses non-fund-based limits (Letter of Credit (LCs) for coal purchase) and had average utilisation of around 81% during 12 months ended January 31, 2022. The financial profile of RRVUNL (the major counterparty for MDO business) is below average leading to higher working capital intensity for AEL. AEL also raises funds through CP issuances to fund working capital requirements and the outstanding standalone CP was Rs.975 crore as on December 31, 2021. However, AEL, on standalone level, had free cash and cash equivalent of Rs.714 crore as on December 31, 2021. On a consolidated basis, AEL reported cash accruals of Rs.1,800 crore as against the repayment of Rs.720 crore during FY22.

The cash flow from operations (CFO) has improved from Rs.3,152 crore during FY20 to Rs.4,094 crore during FY21 owing to the improvement in the performance of solar division, mining division as well as the coal-trading division. The strengthening of CFO has led to higher investible free cash flow for AEL, which is expected to improve further due to the commencement of operations in Australia and recovery witnessed in the Airport sector. The liquidity is also underpinned by the strong financial flexibility of the group as well as timely and need-based support from the promoters in case of capex requirements.

Key Rating Weaknesses

Inherent project risks associated with plans to undertake significantly large-size projects simultaneously across varied lines of businesses wherein AEL as an incubator does not necessarily has prior experience and increase in its capital expenditure plans

AEL has undertaken various projects across businesses that entail large capex. AEL is expected to incur capex of around Rs.52,000 crore during FY23-FY24, largely in airport and roads segment, which is envisaged to be funded through debt of around Rs.40,127 crore. The capex in the airport segment is regulatory in nature except for NMIAL and contingent on authorities' approval towards the same. In order to reduce its equity commitments, AEL plans to introduce strategic equity partner in the Airport business. In the roads segment, AEL is executing three large greenfield packages of Ganga expressway apart from 12 HAM projects. Equity commitment for the projects under roads sector is envisaged to be funded through internal accruals generated while retaining principal engineering procurement and construction (EPC) contract at AEL subsidiary level and through raising of top up loans once the HAM projects achieved provisional commercial operations date (PCOD). However, AEL is exposed to the inherent performance risk of third-party sub-contractor in these projects, which elevates the execution risk. As most of the aforesaid capex will have a debt funding mix to the extent of 70%, including the debt of MIAL and NMIAL, it will lead to higher leverage for AEL. However, 65% of the external consolidated debt is expected to be backed by escrow mechanism, which also protects the deployment of internal accruals for capex to an extent.

AEL also plans to foray into the manufacturing of green hydrogen with an envisaged investment outlay of USD 50 billion over next 10 years. However, the same is under initial stages and as articulated by the management it shall be finalised after inducting in a strategic technology partner. As a backward integration to the manufacturing of green hydrogen, AEL plans to undertake capex pertaining to the manufacturing of polysilicon and silicon wafers upon the receipt of production linked incentive (PLI) scheme aggregating 8 GW with approximate cost of Rs.10,000 crore and execution time frame of three years. AEL is exposed to the inherent project execution as well as stabilisation and technology risk for these first-of-its-kind projects for India. Furthermore, limited track record of the Adani group in manufacturing segment intensifies the implementation risk for aforementioned projects. Nevertheless, the strong financial flexibility of AEL along with experience of the Adani group in project execution and solar module manufacturing as well as renewable energy partly mitigate the risk. Moreover, the management has articulated to adhere external debt/PBILDT of 6x even while executing large-sized capex and therefore shortfall in funding of capex post debt servicing shall be funded by the promoters. The promoters of AEL have infused unsecured loans of Rs.10,915 crore till December 31, 2021, towards funding of capex in Airports and Australia.

Risk associated with commodity price movement, foreign exchange rate fluctuations and regulatory changes in its IRM business

In the IRM business, the prices of coal are mainly linked to the International Coal Price Indexes. Out of the total coal imported by AEL, the majority have a back-to-back supply contract according to the company management. Apart from that AEL maintains around 20-30 days' inventory in order to meet the spot demand from its customers. Hence, it is exposed to the short-term variation in imported coal prices under its stock-and-sale coal trading business. AEL is also exposed to the risk associated with the foreign exchange rate fluctuations since its entire imports are denominated in USD and significant amount of sales is in INR. While the management claims it hedges to most of its exposure, its profitability remains susceptible to sharp foreign exchange rate fluctuations on the unhedged portion. Meanwhile the common group treasury also helps to partly mitigate the foreign exchange rate fluctuation risk. AEL's imported coal trading business also faces regulatory risks.

Inherent regulatory risk and traffic risk for the infrastructure business

AEL is exposed to the inherent regulatory risk related to delay in the receipt of tariff order for airports business and traffic risk for its toll roads business due to various macro-economic factors beyond the control of the company. Greenfield toll roads of Ganga Expressways further elevates the traffic risk. However, longer concession period of 30 years for toll projects under Ganga Expressway and construction grant to be received from Authority are expected to offer some respite. AEl's MDO business is also exposed to the inherent environmental and regulatory challenges.

Analytical approach:

Consolidated; mainly because of the significant degree of operational, financial and managerial linkages between AEL and its subsidiaries. Also, AEL incubates various new businesses under it (in the past AEL has incubated port, thermal and renewable power, power transmission and city gas distribution businesses) and provides all the required support (operational, financial as well as managerial) till the time these businesses become self-sustainable, which necessitates taking a fully consolidated analytical approach for AEL. CARE Ratings Ltd has also fully consolidated Carmichel Rail Network Trust in projections. The commercial mining segment of AEL has not been considered in the projections for arriving at the ratings, as the same is under feasibility stage of study and initial stage of evaluation. The list of entities getting consolidated in to AEL is placed at **Annexure-6**. AEL has aggressively entered into the infrastructure segment with foray into Airports and roads, which has longer concession period with stable cash flow stream in the form of aero revenues for airports and annuities for HAM projects, and hence, CARE Ratings Ltd has also analysed debt coverage indicators and concession life coverage of those businesses independently along with the consolidated financials of AEL.

Applicable Criteria

Criteria on Assigning 'Outlook' and 'Credit Watch' to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Liquidity Analysis of Non-Financial Sector Entities
Rating Methodology: Market Linked Notes (Includes Equity Linked Notes)
Rating Methodology: Consolidation
Rating Methodology: Manufacturing Companies
Rating Methodology: Wholesale Trading
Rating Methodology: Airport Companies
Rating Methodology: Hybrid Annuity Road Projects
Financial ratios - Non-Financial Sector

About the Company

AEL, incorporated in the year 1993, is the flagship company of the Adani group with the promoter group holding 74.92% stake in the company as on December 31, 2021. AEL, on a standalone basis, has mainly integrated resources management (IRM) / coal trading, power trading and mining services businesses. AEL, on a consolidated basis, has diversified businesses, which include solar cell and module manufacturing, agro-processing (including sale of branded edible oil), commodities trading, bunkering (fueling) of ships and shipping. AEL, through its subsidiaries, has invested significant funds in coal mining and related rail evacuation infrastructure in Australia and is currently incubating new businesses including airports, road development, water treatment plant, data centres, etc.

Brief financials

Consolidated Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (UA)
TOI	44,248	40,576	45,291
PBILDT	3,139	3,554	3,187
PAT	1,040	1,046	462
Overall gearing including acceptances (times)	0.80	0.94	1.41
Interest coverage (times)	2.00	2.57	1.67

A: Audited; UA: unaudited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based/Non-fund-based-LT/ST		-	-	-	380.00	CARE A+; Stable / CARE A1+
Fund-based/Non-fund-based-LT/ST		-	-	-	6304.32	CARE A+; Stable / CARE A1+
Term Loan-Long Term		-	-	June 30, 2030	1366.68	CARE A+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	590.00	CARE A+; Stable / CARE A1+
Non-fund-based-LT/ST		-	-	-	7659.00	CARE A+; Stable / CARE A1+
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	200.00	CARE A1+
Proposed Debentures-Market Linked Debentures	-	-	-	**	200.00	CARE PP-MLD A+; Stable
Debentures-Non Convertible Debentures	INE423A07203	May 20, 2020	8.95%	May 20, 2023	400.00	CARE A+; Stable
Debentures-Market Linked Debentures	INE423A07211	October 08, 2020	-	April 08, 2022	200.00	CARE PP-MLD A+; Stable
Debentures-Market Linked Debentures	-	-	-	**	300.00	CARE PP-MLD A; Stable

*** Not Applicable as the MLD issue is proposed*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	-	-				
2	Fund-based - ST-Term loan	ST	-	-	-	-	1)CARE A1 (02-May-19) 2)CARE A1 (05-Apr-19)	1)CARE A1 (20-Aug-18) 2)CARE A1 (25-Apr-18)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (25-Apr-18)
4	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (21-Nov-18)
5	Fund-based/Non-fund-based-LT/ST	LT/ST*	380.00	CARE A+; Stable / CARE A1+	1)CARE A+ (SO); Stable / CARE A1+ (SO)	1)CARE A+ (SO) / CARE A1+ (SO) (CWD)	1)CARE A+ (SO); Stable / CARE A1+ (SO)	1)CARE A+ (SO); Stable (20-Aug-18)

					(05-Apr-21)	(30-Sep-20) 2)CARE A+ (SO); Stable / CARE A1+ (SO) (03-Apr-20)	(02-May-19) 2)CARE A+ (SO); Stable / CARE A1+ (SO) (05-Apr-19)	2)CARE A+ (SO); Stable (25-Apr-18)
6	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (20-Aug-18) 2)CARE A+ (SO); Stable (25-Apr-18)
7	Fund-based/Non-fund-based-LT/ST	LT/ST*	6304.32	CARE A+; Stable / CARE A1+	1)CARE A; Stable / CARE A1 (05-Apr-21)	1)CARE A / CARE A1 (CWD) (30-Sep-20) 2)CARE A; Stable / CARE A1 (03-Apr-20)	1)CARE A; Stable / CARE A1 (02-May-19) 2)CARE A; Stable / CARE A1 (05-Apr-19)	1)CARE A; Stable / CARE A1 (20-Aug-18) 2)CARE A; Stable / CARE A1 (25-Apr-18)
8	Term Loan-Long Term	LT	1366.68	CARE A+; Stable	1)CARE A+ (SO); Stable (05-Apr-21)	1)CARE A+ (SO) (CWD) (30-Sep-20) 2)CARE A+ (SO); Stable (03-Apr-20)	1)CARE A+ (SO); Stable (02-May-19) 2)CARE A+ (SO); Stable (05-Apr-19)	1)CARE A+ (SO); Stable (20-Aug-18) 2)Provisional CARE A+ (SO); Stable (25-Apr-18)
9	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST*	590.00	CARE A+; Stable / CARE A1+	1)CARE A; Stable / CARE A1 (05-Apr-21)	1)CARE A / CARE A1 (CWD) (30-Sep-20) 2)CARE A; Stable / CARE A1 (03-Apr-20)	1)CARE A; Stable / CARE A1 (02-May-19) 2)CARE A; Stable / CARE A1 (05-Apr-19)	-
10	Non-fund-based-LT/ST	LT/ST*	7659.00	CARE A+; Stable / CARE A1+	1)CARE A; Stable / CARE A1 (05-Apr-21)	1)CARE A / CARE A1 (CWD) (30-Sep-20) 2)CARE A; Stable / CARE A1 (03-Apr-20)	-	-
11	Debentures-Non Convertible Debentures	LT	400.00	CARE A+; Stable	1)CARE A; Stable (05-Apr-21)	1)CARE A (CWD) (30-Sep-20) 2)CARE A; Stable (05-May-20)	-	-

12	Debentures-Market Linked Debentures	LT	500.00	CARE PP-MLD A+; Stable	1)CARE PP-MLD A; Stable (05-Apr-21)	1)CARE PP-MLD A (CWD) (30-Sep-20)	-	-
13	Non-fund-based - ST-Loan Equivalent Risk	ST	200.00	CARE A1+	1)CARE A1 (05-Apr-21)	1)CARE A1 (CWD) (30-Sep-20)	-	-
14	Debentures-Market Linked Debentures	LT	200.00	CARE PP-MLD A+; Stable				

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities-

Particulars	Detailed explanation	
	NCD Issue	MLD Issue
Financial Covenants	Security cover will be at least 1.10 times of the outstanding book value of the NCDs at all times during the tenure of NCDs.	-
Non-Financial Covenants	If the Credit Rating of AEL is downgraded to 'BBB' grade or lower, at any point of time during the currency of the NCDs, the eligible investors shall have the right to exercise the put option and require AEL to redeem all outstanding NCDs by payment within 30 days therefrom.	In the event existing rating from one of AEL's existing rating agency goes below A-, the investors would have a put option. The put option can be exercised within 15 days of the downgrade on 75% of the investors agreeing to it. A further period of 15 days would be available for AEL to pay the requisite dues (principal plus interest) to the investors without any prepayment penalty.

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Debentures-Market Linked Debentures	Highly Complex
2	Debentures-Non Convertible Debentures	Complex
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Loan Equivalent Risk	Simple
6	Non-fund-based-LT/ST	Simple
7	Term Loan-Long Term	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender-wise details of bank facilities please **click here**

Annexure 6: List of subsidiaries/joint ventures/associates of AEL getting consolidated

Sr. No.	Name of the Entity	Subsidiary / Associate / Joint Venture	% Shareholding by AEL as on March 31, 2021
1.	Adani Global Limited	Subsidiary	100.00
2.	Adani Global FZE	Subsidiary	100.00
3.	Adani Global DMCC	Subsidiary	100.00
4.	Adani Global Pte Limited	Subsidiary	100.00
5.	PT Adani Global	Subsidiary	100.00
6.	PT Adani Global Coal Trading	Subsidiary	100.00
7.	PT Coal Indonesia	Subsidiary	100.00
8.	PT Sumber Bara	Subsidiary	100.00
9.	PT Energy Resources	Subsidiary	100.00
10.	PT Niaga Antar Bangsa	Subsidiary	100.00
11.	PT Niaga Lintas Samudra	Subsidiary	100.00
12.	PT Gemilang Pusaka Pertiwi	Subsidiary	100.00
13.	PT Hasta Mundra	Subsidiary	100.00
14.	PT Lamindo Inter Multikon	Subsidiary	100.00
15.	PT Suar Harapan Bangsa	Subsidiary	100.00
16.	PT Tambang Sejahtera Bersama	Subsidiary	100.00

Sr. No.	Name of the Entity	Subsidiary / Associate / Joint Venture	% Shareholding by AEL as on March 31, 2021
17.	Adani Agri Fresh Limited	Subsidiary	100.00
18.	Natural Growers Private Limited	Subsidiary	100.00
19.	Parsa Kente Collieries Limited	Subsidiary	74.00
20.	Chendipada Collieries Private Limited	Subsidiary	100.00
21.	Adani Resources Private Limited	Subsidiary	100.00
22.	Surguja Power Private Limited	Subsidiary	100.00
23.	Rajasthan Collieries Limited	Subsidiary	74.00
24.	Talabira (Odisha) Mining Private Limited	Subsidiary	100.00
25.	Gare Pelma III Collieries Limited	Subsidiary	100.00
26.	Bailadila Iron Ore Mining Private Limited	Subsidiary	100.00
27.	Gidhmuri Paturia Collieries Private Limited	Subsidiary	74.00
28.	Adani Welspun Exploration Limited	Subsidiary	65.00
29.	Mahaguj Power LLP	Subsidiary	100.00
30.	Mundra Synenergy Limited (Formerly known as Adani Synenergy Limited)	Subsidiary	100.00
31.	Adani Shipping Pte Limited	Subsidiary	100.00
32.	Adani Shipping (India) Private Limited	Subsidiary	100.00
33.	Aanya Maritime Inc	Subsidiary	100.00
34.	Aashna Maritime Inc	Subsidiary	100.00
35.	Rahi Shipping Pte Limited	Subsidiary	100.00
36.	Vanshi Shipping Pte Limited	Subsidiary	100.00
37.	Urja Maritime Inc	Subsidiary	100.00
38.	Adani Bunkering Private Limited	Subsidiary	100.00
39.	Adani Minerals Pty Limited	Subsidiary	100.00
40.	Adani Mining Pty Limited	Subsidiary	100.00
41.	Adani Infrastructure Pty Limited	Subsidiary	100.00
42.	Galilee Transmission Holdings Pty Limited	Subsidiary	100.00
43.	Galilee Transmission Pty Limited	Subsidiary	100.00
44.	Galilee Transmission Holdings Trust	Subsidiary	100.00
45.	Galilee Biodiversity Company Pty Limited	Subsidiary	100.00
46.	Adani Renewable Asset Holdings Pty Limited	Subsidiary	100.00
47.	Adani Renewable Asset Holdings Trust	Subsidiary	100.00
48.	Adani Renewable Asset Pty Limited	Subsidiary	100.00
49.	Adani Renewable Asset Trust	Subsidiary	100.00
50.	Adani Rugby Run Trust	Subsidiary	100.00
51.	Adani Rugby Run Pty Limited	Subsidiary	100.00
52.	Adani Global Royal Holding Pte Limited	Subsidiary	100.00
53.	Queensland RIPA Holdings Trust	Subsidiary	100.00
54.	Queensland RIPA Holdings Pty Limited	Subsidiary	100.00
55.	Queensland RIPA Pty Limited	Subsidiary	100.00
56.	Queensland RIPA Trust	Subsidiary	100.00
57.	Queensland RIPA Finance Pty Limited	Subsidiary	100.00
58.	Adani Rugby Run Finance Pty Limited	Subsidiary	100.00
59.	Whyalla Renewable Holdings Pty Limited	Subsidiary	100.00
60.	Whyalla Renewable Holdings Trust	Subsidiary	100.00
61.	Whyalla Renewables Pty Limited	Subsidiary	100.00
62.	Whyalla Renewables Trust	Subsidiary	100.00
63.	Adani Australia Pty Limited	Subsidiary	100.00
64.	Adani Green Technology Limited	Subsidiary	51.00
65.	Adani Tradex LLP	Subsidiary	100.00
66.	Adani Tradecom LLP	Subsidiary	100.00
67.	Adani Tradewing LLP	Subsidiary	100.00
68.	Adani Commodities LLP	Subsidiary	100.00
69.	Mundra Solar Limited	Subsidiary	51.00
70.	Mundra Solar PV Limited	Subsidiary	51.00
71.	Mundra Solar Technopark Private Limited	Joint Venture	100.00
72.	Adani Defence Systems and Technologies Limited	Subsidiary	100.00
73.	Adani Land Defence Systems and Technologies Limited	Subsidiary	100.00
74.	Adani Aerospace and Defence Limited	Subsidiary	100.00

Sr. No.	Name of the Entity	Subsidiary / Associate / Joint Venture	% Shareholding by AEL as on March 31, 2021
75.	Adani Naval Defence Systems and Technologies Limited	Subsidiary	91.00
76.	Adani Rave Gears India Limited	Subsidiary	100.00
77.	Adani Road Transport Limited (Formerly known as Adani Transport Limited)	Subsidiary	100.00
78.	Bilaspur Pathrapali Road Private Limited	Subsidiary	74.00
79.	Adani Water Limited	Subsidiary	100.00
80.	Prayagraj Water Private Limited	Subsidiary	74.00
81.	Mundra Copper Limited	Subsidiary	100.00
82.	Adani Cementation Limited	Subsidiary	100.00
83.	Adani North America Inc	Subsidiary	100.00
84.	Adani Infrastructure Private Limited	Subsidiary	100.00
85.	Alpha Design Technologies Private Limited	Subsidiary	26.00
86.	Mancherial Repallewada Road Private Limited	Subsidiary	74.00
87.	Galilee Basin Conservation and Research Fund	Subsidiary	100.00
88.	Suryapet Khammam Road Private Limited	Subsidiary	74.00
89.	NW Rail Operations Pte Limited	Subsidiary	100.00
90.	North West Rail Holdings Pty Limited	Subsidiary	100.00
91.	North West Rail Pty Limited	Subsidiary	100.00
92.	Gare Pelma II Mining Private Limited	Subsidiary	100.00
93.	Adani Airport Holdings Limited (Formerly known as Adani Airports Limited)	Subsidiary	100.00
94.	Adani Lucknow International Airport Limited	Subsidiary	100.00
95.	Flaire Unmanned Systems Private Limited	Subsidiary	100.00
96.	Kurmitar Mining Private Limited	Subsidiary	100.00
97.	Adani Guwahati International Airport Limited	Subsidiary	100.00
98.	Adani Thiruvananthapuram International Airport Limited (Formerly known as Adani Trivandrum International Airport Limited)	Subsidiary	100.00
99.	Adani Mangaluru International Airport Limited (Formerly known as Adani Mangalore International Airport Limited)	Subsidiary	100.00
100.	Adani Ahmedabad International Airport Limited	Subsidiary	100.00
101.	Adani Jaipur International Airport Limited	Subsidiary	100.00
102.	Stratatech Mineral Resources Private Limited	Subsidiary	100.00
103.	Adani Metro Transport Limited	Subsidiary	100.00
104.	Mundra Solar Energy Limited	Subsidiary	-
105.	Kurmitar Iron Ore Mining Private Limited	Subsidiary	100.00
106.	Adani Iron Ore Mining Private Limited	Subsidiary	100.00
107.	Adani Railways Transport Limited	Subsidiary	100.00
108.	Gare Palma II Collieries Private Limited	Subsidiary	100.00
109.	Sabarmati Infrastructure Services Limited	Subsidiary	100.00
110.	Vijaynagara Smart Solutions Limited	Subsidiary	100.00
111.	Gomti Metropolis Solutions Limited	Subsidiary	100.00
112.	Periyar Infrastructure Services Limited	Subsidiary	100.00
113.	Brahmaputra Metropolis Solutions Limited	Subsidiary	100.00
114.	Agneya Systems Limited	Subsidiary	100.00
115.	Carroballista Systems Limited	Subsidiary	100.00
116.	Rajputana Smart Solutions Limited	Subsidiary	100.00
117.	Adani Chendipada Mining Private Limited	Subsidiary	100.00
118.	Jhar Mining Infra Private Limited	Joint Venture	51.00
119.	Adani Wilmar Pte Limited – Consolidated	Joint Venture	50.00
120.	CSPGCL AEL Parsa Collieries Limited	Associate	-
121.	Adani Wilmar Limited	Joint Venture	50.00
122.	Vishakha Polyfab Private Limited	Joint Venture	25.00
123.	KTV Health and Foods Private Limited	Joint Venture	25.00
124.	KOG KTV Food Products (India) Private Limited	Joint Venture	25.00
125.	Golden Valley Agrotech Private Limited	Joint Venture	50.00
126.	AWN Agro Private Limited	Joint Venture	25.00
127.	AWL Edible Oils and Foods Private Limited	Joint Venture	50.00
128.	Adani-Elbit Advance Systems India Limited	Subsidiary	54.00

Sr. No.	Name of the Entity	Subsidiary / Associate / Joint Venture	% Shareholding by AEL as on March 31, 2021
129.	GSPC LNG Limited	Associate	5.46
130.	Vishakha Industries	Associate	50.00
131.	Adani Global Resources Pte Limited	Joint Venture	50.00
132.	Carmichael Rail Network Holdings Pty Limited	Joint Venture	50.00
133.	Carmichael Rail Network Pty Limited	Joint Venture	50.00
134.	Carmichael Rail Network Trust	Joint Venture	50.00
135.	Carmichael Rail Asset Holdings Trust	Joint Venture	50.00
136.	Autotec Systems Private Limited	Associate	26.00
137.	Comprotech Engineering Private Limited	Associate	26.00
138.	Adani Solar USA Inc	Associate	49.00
139.	Adani Solar USA LLC	Associate	49.00
140.	Hartsel Solar LLC	Associate	49.00
141.	Oakwood Construction Services Inc	Associate	49.00
142.	Sigurd Solar LLC	Associate	49.00
143.	Adani Finance LLC	Associate	-
144.	Midland Solar LLC	Associate	-
145.	Midlands Managing Member LLC	Associate	-
146.	Midlands Lessor Parent LLC	Associate	-
147.	Midlands Holding LLC	Associate	-
148.	Midlands Lessee LLC	Associate	-
149.	Adani Development LLC	Associate	-
150.	Adani Land LLC	Associate	-
151.	Oakstream Holdings Inc	Associate	-
152.	Adani Total LNG Singapore Pte Limited	Joint Venture	50.00
153.	Adani Power Resources Limited	Associate	49.00
154.	Adani Global (Switzerland) LLC	Subsidiary	100.00
155.	Nanasa Pidgaon Road Private Limited	Subsidiary	100.00
156.	Vijayawada Bypass Project Private Limited	Subsidiary	74.00
157.	AdaniConnex Private Limited (Formerly known as DC Development Chennai Private Limited)	Subsidiary	100.00
158.	DC Development Hyderabad Private Limited	Subsidiary	100.00
159.	DC Development Noida Private Limited	Subsidiary	100.00
160.	PLR Systems Private Limited	Subsidiary	51.00
161.	Azhiyur Vengalam Road Private Limited	Subsidiary	100.00
162.	Kutch Copper Limited	Subsidiary	100.00
163.	PRS Tolls Private Limited	Subsidiary	100.00
164.	Kodad Khammam Road Private Limited	Subsidiary	100.00
165.	Vizag Tech Park Limited	Subsidiary	100.00
166.	Mumbai International Airport Limited	Associate	23.50
167.	Navi Mumbai International Airport Private Limited	Associate	74.00

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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