Adani Enterprises Limited (Revised)

May 05, 2020

Rating

Instrument	Amount (Rs. Crore)	Rating[1]	Rating Action
Non-Convertible Debentures (NCD) Issue	400.00	**CARE A; Stable [Single A; Outlook: Stable]**	**Assigned**
Total	**400.00 [Rupees Four Hundred Crore only]**		

Details of instrument in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the non-convertible debenture issue of Adani Enterprises Limited (AEL) derives strength from the vast experience of its promoters in various businesses, diversified and synergetic operations of the Adani Group, leading position of AEL in integrated coal management (ICM) business in India wherein AEL imports coal through its established coal sourcing arrangements and sells to a diversified clientele, ramp-up in operations of the higher profit margin domestic coal mine developer and operator (MDO) business segment under AEL during FY19 and 9MFY20, improvement in the performance of solar cell and module manufacturing business during 9MFY20 and reduction in short term borrowings upon significant reduction in exposure to power business vertical of the Adani Group in FY19 and 9MFY20. Further, the rating take into account completion of divestment in agri-logistics and some power businesses to other Adani Group companies in FY19, the financial flexibility as a part of Adani Group and management's articulation that promoters would timely fund any shortfall in cash flows and to adhere to a specific tighter range of AEL's consolidated total external debt / PBILDT going forward. The rating also factors in receipt of final environmental clearance for the Australian coal mining project, signing of concession agreement for the three out of six airports awarded to AEL during February 2019 along with appointment of senior experienced professionals and reputed consulting firms to help augment its capabilities specific to the airports operations business.

The rating is, however, constrained by extended trade receivables in case of one of the entities of the power business vertical of the Adani Group, delay in extinguishment of corporate guarantee given for bank facilities of one of the companies in the power business vertical, working capital intensive nature of operations, moderate debt coverage indicators and risks associated with commodity price movement and foreign exchange rate fluctuations. The rating is further constrained by elevated project risk associated with its large sized capex plans mainly towards its Australian coal mining and related rail evacuation infrastructure while the project is significantly delayed with AEL having made significant investments towards it. The rating also factor in increase in capital expenditure plans over the next three years as compared to the one envisaged earlier. The rating is also constrained by inherent project risks associated with its plans to undertake significantly large size projects simultaneously across varied lines of businesses wherein AEL doesn't necessarily have prior experience.

Rating Sensitivities

Positive Factors

- *Completion of major capital expenditure plans*

Negative Factors

- *Total external debt / PBILDT exceeding 6.00x on a consolidated basis*
- *Delay in infusion of any need based requirement of funds from the promoter group hampering project returns*

Detailed description of the key rating drivers

Key Rating Strengths

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, Adani Group has evolved as a diversified conglomerate based in India having global operations with primary interests in energy and infrastructure sectors while AEL continues to operate

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

as the flagship company of the Group and plays a leading role in incubating new businesses for the Group. 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, transmission and distribution through various other group companies. AEL has coal mining operations in Indonesia and has also acquired a coal mine in Australia. Further 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 integrated coal management 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 non-coking coal catering to the requirement of both private and public sector undertaking (PSU) clients. AEL has consolidated its position in ICM 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 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 cost and ensures timely delivery to its customers. Out of India's total coal imports of ~173 million tonnes (MMT) during FY19, AEL (along with its subsidiaries) had a share of around ~67 MMT (39%).

Improvement in the performance of domestic MDO business during FY19 and 9MFY20

AEL has been acting as a coal MDO on behalf of Rajasthan Rajya Vidyut Utpadan Nigam Limited [RRVUNL; rated CARE BBB+ (CE); Stable / CARE A3+ (CE) / CARE D (Unsupported Rating)] for RRVUNL's coal requirement to run its power plants. AEL had completed mine development and coal production commenced from February 2013 and coal supply volumes have gradually ramped up. The volumes increased from 2.95 million tonne MMT in FY15 to 5.50 MMT in FY16 to 7.33 MMT in FY17 and then marginally declined to 7.05 MMT in FY18 due to transportation bottlenecks. Subsequently, upon resolution of the transportation bottleneck from April 2018, there has been a ramp up in the coal supply volumes to 12.13 MMT during FY19 and 10.59 MMT during 9MFY20.

Although MDO business does not contribute much to the total operating income (TOI) of AEL, it has healthy contribution to its profitability since it is a high margin business. 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. Financial profile of RRVUNL (the sole counterparty for this MDO business) is below average leading to higher working capital intensity. A ring-fenced cash flow structure as per Trust and Retention Account (TRA) agreement is in place for ensuring priority in servicing of the loans availed for funding the implementation and operations of the Parsa East & Kenta Basan (PEKB) coal block project within the 'Mining Division' of AEL along with maintenance of requisite debt service Reserve Account (DSRA).

Interest coverage of MDO business stood at 10.44 times and 12.46 times during FY19 and 9MFY20 respectively which is relatively superior compared to interest coverage of 1.54 times and 2.21 times for AEL at a consolidated level (from continuing businesses) during FY19 and 9MFY20 respectively. Also, collections from RRVUNL have also improved, mainly in Q2FY20. With the expected commencement of production from FY21 onwards at new domestic coal mines allocated to AEL under MDO route, the performance of AEL's domestic MDO division is expected to improve further going forward.

Improvement in the performance of solar cell and module manufacturing business during 9MFY20

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 ~Rs.2,000 crore.

MSPVL started trial runs for the module manufacturing in November 2016 and commissioned the entire cell and module capacity in June 2017. FY18 was the first year of operations for MSPVL during which it supplied 574 MW of solar cells and modules. During FY18, ~80% of the solar cells and modules were supplied by MSPVL to Adani Green Energy Limited (AGEL) for meeting its captive requirements. From FY19 onwards, MSPVL had plans to supply 40% of solar cells and modules to AGEL, 30% to other domestic companies and balance 30% by way of exports primarily to United States, European Union and Japan.

However, owing to high dumping of solar cells and modules, there was sharp fall in their prices leading to disruption in operations of MSPVL along with inventory losses during H1FY19. MSPVL incurred cash losses of ~245 crore during FY19. Debt servicing of MSPVL was funded through fund infusion by the promoters in MSPVL. On the back of various initiatives announced by the Government of India (GoI) for promoting domestic solar cell and module manufacturing industry like imposition of safeguard duty on import of solar cells and modules from China and Malaysia, roll-out of the Central Public Sector Undertaking (CPSU) scheme for purchase of additional 12 GW solar modules by the GoI undertakings to promote domestic content requirement (DCR) in solar cell and module manufacturing industry and introduction of the Pradhan Mantri Kisan Urja Suraksha evem Utthan Mahabhiyan (PM KUSUM) Scheme for farmers for installation of solar pumps and grid connected solar and other renewable power plants in the country, the performance of the solar cell and module manufacturing business of AEL has registered significant improvement in 9MFY20 with volumes of 797 MW in 9MFY20 as compared to 637 MW in FY19. Also, MSPVL has entered into engineering, procurement and construction (EPC) business of solar modules installation. The EPC and solar pump installation businesses are relatively high margin businesses. MSPVL is already receiving orders under EPC and solar pump installation businesses since Q3FY19. With the above-mentioned developments, the performance of MSPVL has witnessed significant turnaround in terms of PBILDT margins of 13.32% in 9MFY20 as compared to 2.72% in FY19. Sustained improvement in performance of this business segment of AEL would remain a key rating monitorable.

Financial flexibility and likely need-based support that AEL can receive being a part of the Adani Group

Promoters of AEL hold ~75% equity shares in AEL which provides significant financial flexibility to raise resources on need basis. Also, out of total promoter’s equity holding in AEL, 69.89% is unpledged as on December 31, 2019. Market value of total promoter’s equity holding in AEL as on December 31, 2019 stood at ~Rs.17,134 crore out of which the unpledged equity holding of the promoters was valued at ~11,976 crore. Further, as on December 31, 2019, the market value of unpledged equity holding of the promoters in Adani Ports and Special Economic Zone Limited (APSEZ; rated CARE AA+; Stable), Adani Transmission Limited (ATL), AGEL, Adani Gas Limited (AGL; rated CARE A1+) and Adani Power Limited (APL; rated CARE BBB-; Stable / CARE A3) stood at ~Rs.29,532 crore, ~Rs.17,695 crore, ~Rs.16,198 crore, ~Rs.13,385 crore and ~Rs.12,527 crore respectively. AEL’s management has articulated their stance of receiving timely need-based support from its promoters in case of exigencies and for funding its requirement of growth capital; and the significant market value of promoters’ unpledged shares in their various listed companies provides significant financial flexibility to AEL.

Completion of divestment in agri-logistics and some power businesses to other group entities

In February 2019, AEL had announced divestment of its entire stake in Agri Logistics business to APSEZ at a consideration of ~Rs.944 crore and divestment of its entire stake in few land holding entities of power vertical to APL at a consideration of ~Rs.323 crore. Both these divestments have been completed as on March 31, 2019 and have helped AEL realize around Rs.1,267 crore.

Key Rating Weaknesses

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

In ICM business, the prices for coal are mainly linked with the International Coal Price Indexes. Out of total coal imported by AEL, 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 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. According to AEL’s management, it has a practice to hedge most of its exposure; however, its profitability remains susceptible to sharp exchange rate fluctuations on the un-hedged portion. Till FY19, AEL was hedging its exchange rate risk by way of seagull options. However, due to high volatility in exchange rate in FY19, AEL’s profitability reduced on account of depreciation in rupee. However, from FY20 onwards, AEL has started to hedge its foreign exchange rate risk by way of taking forward cover in order to minimise losses. Further, the common group treasury also helps to partly mitigate exchange rate fluctuation risk. AEL’s imported coal trading business also faces regulatory risks. During the last few years, PSUs have been mandated to reduce their reliance over imported coal which has resulted in moderation in volumes and profitability margins of AEL's ICM business.

Extended trade receivables in case of one of the entities of the power business vertical of the Adani Group along with delay in falling-off of corporate guarantee given to one of the power business vertical companies

Post Adani Group's business restructuring in April 2015, AEL on a consolidated basis was vested with significant amount of loans & advances, trade receivables and other dues receivable from APL and its subsidiaries. There has been repatriation of a significant part of this to AEL during FY19 and 9MFY20 to the extent of ~Rs.1,900 crore and Rs.2,000 crore respectively. AEL's management has articulated further reduction of trade receivables from the Group's power business vertical to around Rs.2,000 crore over next two years from ~Rs.2,559 crore as on December 31, 2019 whereas the loans & advances now stand at zero as on even date. In spite of substantial reduction in AEL's exposure to the power business vertical in the form of loans & advances and receivables during FY19 and 9MFY20, the trade receivables continue to remain extended at ~Rs.2,559 crore as on December 31, 2019 from ~Rs.5,714 crore as on March 31, 2018 and ~Rs.4,193 crore as on March 31, 2019 and specifically in case of one of the entities of the power business vertical of the Adani Group, which stood at ~Rs.3,054 crore as on March 31, 2018 and ~Rs.3,771 crore as on March 31, 2019. Also, corporate guarantee given by AEL for a bank facility of Adani Power Rajasthan Limited (rated CARE BBB; Stable / CARE A3+) for ~Rs.1,062 crore (as on December 31, 2019) has been continuing longer than what was indicated by the company management. Further, during 9MFY20, AEL has extended further corporate guarantees of ~Rs.1,300 crore to the power business vertical of the Adani Group.

Inherent project risks associated with plans to undertake significantly large size projects simultaneously across varied lines of businesses wherein AEL doesn't necessarily has prior experience and increase in its capital expenditure plans

AEL has undertaken various projects across businesses that entail large capex. Earlier, AEL had envisaged to incur total capex of ~Rs.16,321 crore over FY19-FY21. However, AEL is now expected to incur total capex of ~Rs.25,439 crore over FY20-FY22 which is proposed to be funded by way of debt of ~Rs.15,202 crore which is significantly large compared to its existing size of operations. The increase in capex is largely due to the fact that till last year the capex towards Australian rail project was proposed to be funded largely through funds from the promoter group in addition to the debt to be raised on the project and AEL's equity contribution for its 50% equity stake in the project. However, now AEL has proposed to fund the same through its own accruals and external debt apart from 50% equity contribution from the promoter group. The increase in capex of Australian rail project is partly compensated by way of reduction in capex requirement of cement project in which nothing has been crystallised so far.

AEL has planned around ~Rs.4,763 crore of capex towards PEKB and new blocks allocated to AEL under the MDO route along with maintenance capex in MSPVL etc. through FY20-FY22.

The 'infrastructure and utilities capex' includes four Hybrid annuity model (HAM) projects in road sector, one HAM project in water treatment under Clean Ganga Mission of the GoI, renewable power generation project in Australia and six airports (Ahmedabad, Lucknow, Mangaluru, Jaipur, Thiruvananthapuram and Guwahati) under privatization programme of the GoI. AEL expects to incur capex of ~Rs.10,642 crore towards these segments over FY20-22.

The 'discretionary capex' includes data center business [AEL has signed a Memorandum of Undertaking (MoU) with Government of Andhra Pradesh (GoAP) for setting up data centers in and around Visakhapatnam over next 20 years], various projects in the defence sector [including joint ventures (JVs)] and Carmichael coal mine and associated rail project in Australia. AEL expects to incur ~Rs.10,034 crore towards these segments over FY20-22.

While AEL has undertaken large capex, the management has indicated that AEL will undertake these capex in a calibrated fashion with a clear preference to incur 'infrastructure and utilities capex' in priority over 'discretionary capex'. As AEL doesn't necessarily have prior experience in most of these businesses, this exposes AEL to project execution risks. However, AEL has entered into JVs with various industry players who have prior experience in that line of business in which AEL has plans to incur capex.

AEL has appointed senior experienced professionals and reputed consulting firms to help augment its capabilities specific to the airports operations business which is expected to mitigate project execution risk to an extent. As most of the aforesaid capex will have a debt funding mix to the extent of 70%, it will lead to higher leverage for AEL. However, management has reiterated that external debt servicing shall be its first priority and all deployment towards capex will be after external debt servicing only. AEL's management has articulated adherence to a specific range for AEL's consolidated total external debt / PBILDT. Further, in case this ratio exceeds 6.00 times on a sustained basis or in case its internal accruals are not sufficient to meet its capex requirement, promoters of AEL are committed to infuse funds into the company.

Large sized capex plans towards Australian coal mining and related rail evacuation infrastructure; albeit the project is delayed with AEL already having made significant investments

Few years back, the promoters of Adani Group had acquired 100% stake in Abbot Point Port Terminal in Australia. As a backward integration to the ICM business, in the year 2010, Adani Group (through a step-down subsidiary of AEL) acquired a mine at Carmichael Basin and decided to develop the mine and lay 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 by a JV of AEL wherein AEL and a promoter company hold 50% equity each. This mined coal is ultimately planned to be shipped to India for meeting its energy requirements. While all major environment clearances and government approvals have now been received, the implementation of the project has been significantly delay on account of, *inter-alia*, delay in achieving financial closure.

AEL has planned to implement the Australian mining project in phases. In the current first phase, it has estimated the total project cost at A$ 2.08 billion (~Rs.10,480 crore) out of which it has invested ~Rs.6,755 crore by March 31, 2019 out of own funds of AEL (consolidated). Fresh investments towards this project have been minimal in the last 3-4 years. The balance amount is planned to be invested through a combination of lease / debt and equity - and the actual mix is subject to financial closure. First phase of the project is expected to be operational by H2FY22 with a coal mining capacity of around 10 MMTPA.

Earlier, there were no concrete fund raising plans for implementing this project. More clarity on the funding mix was expected to emerge only after successful financial closure. However, out of balance requirements of around ~Rs.3,546 crore (as on December 31, 2018) towards Phase-I of the mine project, ~Rs.3,266 crore was expected to be debt-funded on successful financial closure at the mine special purpose vehicle (SPV) level while minimal resources of AEL were expected to be deployed. Further, the cost of project of the associated rail project (which is being developed in a 50:50 JV with the promoters) is expected to be A$ 1.67 billion (~Rs.8,382 crore) out of which investments to the tune of ~Rs.2,492 crore were done by March 31, 2019 by way of equity infusion from AEL and the promoters. The balance amount of project cost of ~Rs.5,890 crore was expected to be funded without any recourse from AEL.

However, there has been an increase in the equity commitments of AEL towards the Australian rail project. Till last year the capex towards Australian rail project was proposed to be funded largely through funds from the promoter group in addition to the debt to be raised on the project and AEL's equity contribution for its 50% equity stake in the project. However, now AEL has proposed to fund the same through its own accruals and external debt apart from 50% equity contribution from the promoter group. The debt requirement for both the projects is expected to be around A$ 1.43 billion (A$ 0.57 billion for the mine project and A$ 0.86 billion for the rail project). The same is proposed to be funded through a two-tier standby letter of credit (SBLC) structure in which the SBLC would be raised by AEL in two tranches. The SBLC facility is akin to a bank guarantee (BG) and shall also be backed by an unconditional and irrevocable guarantee from AEL. AEL has received firm sanctions of around Rs.1,500 crore from some lenders for funding the Carmichael mine & rail project and drawl against the same has already started. This amount is available for drawl up to August 2020. AEL is in the process of getting sanctions from the domestic lenders for both the projects and is expecting to achieve financial closure shortly.

Liquidity: Adequate

Operations of AEL have remained working capital intensive over the years. Usual credit period allowed to the coal customers is around 3-4 months as per industry practice. Further, it provides extended credit period to subsidiaries of APL. It also maintains inventory of coal for around 20-30 days for its cash and carry business whereas the average credit period provided by suppliers is around 45 days. Accordingly, its operating cycle rests at around 2 months which is usually funded by Letter of Credit (LC) from banks. AEL primarily uses non-fund based limits (LCs for coal purchase) and had average utilization of ~72% for 12 months ended March 2020. Further, being an incubator for new businesses, AEL utilises BG limits to place BGs with various government authorities. In order to meet the additional working capital requirement related to PEKB coal block project with the increase in the scale of mining operations, AEL has received sanction for additional fund based working capital limits of Rs.150 crore. AEL had commercial paper (CP) outstanding of Rs.1,927 crore as on March 31, 2018 in order to meet its working capital requirements. However, with the repatriation of substantial funds from power business vertical companies of the Adani Group, AEL has reduced its short term borrowings and CP level during FY19 and FY20. The outstanding of CP was Rs.142 crore as on March 31, 2020.

Analytical Approach: Consolidated; mainly because of 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, 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 consolidated analytical approach for AEL. List of entities getting consolidated in AEL is placed at **Annexure-4**.

Applicable Criteria
Criteria on Assigning Outlook and Credit Watch to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology - Consolidation and Factoring Linkages in Ratings
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 promoter group holding 74.92% stake in the company as on March 31, 2020. AEL, on a standalone basis, has mainly ICM / coal trading, power trading and MDO 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 of ships and shipping. AEL through its subsidiaries has invested significant funds in coal mining and related rail evacuation infrastructure in Australia.

Covenants of Rated Instrument: Detailed explanation of covenants of the rated instrument is given in Annexure-3

Particulars (Rs. Crore) – AEL (Consolidated)	FY18 (A)	FY19 (A)
Total Operating Income	36,480	40,915
PBILDT	2,595	2,506
PAT	594	506
PAT (After Minority Interest)	757	717
Overall Gearing (times)	1.38	1.05
Interest Coverage (times)	2.08	1.54

A: Audited

During 9MFY20, as per published un-audited results, AEL, on a consolidated basis, has earned a PAT of Rs.943 crore and PAT (after minority interest) of Rs.1,077 crore on a TOI of Rs.30,388 crore.

Brief Financials (AEL - PEKB Coal Block) (Rs. Crore)	FY18 (Pro-forma)	FY19 (Pro-forma)
Total Operating Income	798	1,459
PBILDT	449	917
Non-Cash Expense (Extraordinary Expense)	-	181
PBT	125	753
Total Debt/PBILDT (times)	1.45	0.91
Interest Coverage (times)	5.37	10.44

During 9MFY19, as per pro-forma results, AEL's PEKB coal block operations registered a TOI of Rs.1,234 crore with a PBT of Rs.1,006 crore.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instrument

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	-	-	-	400.00	CARE A; Stable

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)	Ratings	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (05-Jan-18)
2.	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (05-Jan-18)
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (05-Jan-18)
4.	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)	1)CARE A1 (05-Jan-18)
5.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (25-Apr-18)	1)CARE A; Stable (05-Jan-18)
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (21-Nov-18)	1)CARE A; Stable (05-Jan-18)
7.	Fund-based/Non-fund-based-LT/ST	LT/ST	610.00	CARE A+ (SO); Stable / CARE A1+ (SO)	1)CARE A+ (SO); Stable / CARE A1+ (SO) (03-Apr-20)	1)CARE A+ (SO); Stable / CARE A1+ (SO) (02-May-19) 2)CARE A+ (SO); Stable / CARE A1+ (SO) (05-Apr-19)	1)CARE A+ (SO); Stable (20-Aug-18) 2)CARE A+ (SO); Stable (25-Apr-18)	1)CARE A+ (SO); Stable (05-Jan-18)
8.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (20-Aug-18) 2)CARE A+ (SO); Stable (25-Apr-18)	1)CARE A+ (SO); Stable (05-Jan-18)
9.	Fund-based/Non-fund-based-LT/ST	LT/ST	6905.31	CARE A; Stable / CARE A1	1)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)	1)CARE A / CARE A1 (05-Jan-18)
10.	Fund-based - LT-Term Loan	LT	910.69	CARE A+ (SO); Stable	1)CARE A+ (SO); Stable (03-Apr-20)	1)CARE A+ (SO); Stable (02-May-19) 2)CARE A+	1)CARE A+ (SO); Stable (20-Aug-18) 2)Provisional	-

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. Crore)	Ratings	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
						(SO); Stable (05-Apr-19)	CARE A+ (SO); Stable (25-Apr-18)	
11.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	590.00	CARE A; Stable / CARE A1	1)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)	-	-
12.	Non-fund-based-LT/ST	LT/ST	7484.00	CARE A; Stable / CARE A1	1)CARE A; Stable / CARE A1 (03-Apr-20)	-	-	-
13.	Debentures-Non Convertible Debentures	LT	400.00	CARE A; Stable	-	-	-	-

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

Particulars	Key Indicative Terms of the Issue
Type of Instrument	Rated, Secured, Listed, Redeemable Non-Convertible Debentures
Issue Size	Rs.400 crore (Face value of Rs.10 Lakh per instrument)
Nature of Instrument	Secured
Coupon Rate	8.95% p.a.
Interest Servicing	Annual basis
Tenor	3 years with bullet repayment
Purpose	The funds raised through the NCD issue will be utilized for working capital purpose, repayment of existing loans, capital expenditure and general corporate purposes.
Listing	To be listed on Bombay Stock Exchange (BSE) within 20 days from the Deemed Date of Allotment.
Security	The NCDs shall be secured by way of pari-passu charge on the current assets of AEL except those pertaining to Mining Division. Security shall be created within 30 days from the Deemed Date of Allotment.

Annexure-4: 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, 2019
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

Sr. No.	Name of the Entity	Subsidiary / Associate / Joint Venture	% Shareholding by AEL as on March 31, 2019
14.	PT Lamindo Inter Multikon	Subsidiary	100.00
15.	PT Suar Harapan Bangsa	Subsidiary	100.00
16.	PT Tambang Sejahtera Bersama	Subsidiary	100.00
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 Chendipada Mining Private Limited	Joint Venture	49.00
22.	Adani Resources Private Limited	Subsidiary	100.00
23.	Surguja Power Private Limited	Subsidiary	100.00
24.	Rajasthan Collieries Limited	Subsidiary	74.00
25.	Talabira (Odisha) Mining Private Limited	Subsidiary	100.00
26.	Jhar Mining Infra Private Limited	Joint Venture	51.00
27.	Gare Pelma III Collieries Limited	Subsidiary	100.00
28.	Bailadila Iron Ore Mining Private Limited	Subsidiary	100.00
29.	Gidhmuri Paturia Collieries Private Limited	Subsidiary	74.00
30.	Adani Welspun Exploration Limited	Subsidiary	65.00
31.	Mahaguj Power LLP	Subsidiary	100.00
32.	Adani Synenergy Limited	Subsidiary	100.00
33.	Adani Shipping Pte Limited	Subsidiary	100.00
34.	Adani Shipping (India) Private Limited	Subsidiary	100.00
35.	Aanya Maritime Inc	Subsidiary	100.00
36.	Aashna Maritime Inc	Subsidiary	100.00
37.	Rahi Shipping Pte Limited	Subsidiary	100.00
38.	Vanshi Shipping Pte Limited	Subsidiary	100.00
39.	Urja Maritime Inc	Subsidiary	100.00
40.	Adani Bunkering Private Limited	Subsidiary	100.00
41.	Adani Minerals Pty Limited	Subsidiary	100.00
42.	Adani Mining Pty Limited	Subsidiary	100.00
43.	Adani Infrastructure Pty Limited	Subsidiary	100.00
44.	Galilee Transmission Holdings Pty Limited	Subsidiary	100.00
45.	Galilee Transmission Pty Limited	Subsidiary	100.00
46.	Galilee Transmission Holdings Trust	Subsidiary	100.00
47.	Galilee Biodiversity Company Pty Limited	Subsidiary	100.00
48.	Adani Renewable Asset Holdings Pty Limited	Subsidiary	100.00
49.	Adani Renewable Asset Holdings Trust	Subsidiary	100.00
50.	Adani Renewable Asset Pty Limited	Subsidiary	100.00
51.	Adani Renewable Asset Trust	Subsidiary	100.00
52.	Adani Rugby Run Trust	Subsidiary	100.00
53.	Adani Rugby Run Pty Limited	Subsidiary	100.00
54.	Adani Global Royal Holding Pte Limited	Subsidiary	100.00
55.	Queensland RIPA Holdings Trust	Subsidiary	100.00
56.	Queensland RIPA Holdings Pty Limited	Subsidiary	100.00
57.	Queensland RIPA Pty Limited	Subsidiary	100.00
58.	Queensland RIPA Trust	Subsidiary	100.00
59.	Queensland RIPA Finance Pty Limited	Subsidiary	100.00
60.	Adani Rugby Run Finance Pty Limited	Subsidiary	90.00
61.	Whyalla Renewable Holdings Pty Limited	Subsidiary	100.00
62.	Whyalla Renewable Holdings Trust	Subsidiary	100.00
63.	Whyalla Renewables Pty Limited	Subsidiary	100.00
64.	Whyalla Renewables Trust	Subsidiary	100.00
65.	Adani Australia Pty Limited	Subsidiary	100.00
66.	Adani Green Technology Limited	Subsidiary	51.00
67.	Adani Tradex LLP	Subsidiary	100.00
68.	Adani Tradecom LLP	Subsidiary	100.00

Sr. No.	Name of the Entity	Subsidiary / Associate / Joint Venture	% Shareholding by AEL as on March 31, 2019
69.	Adani Tradewing LLP	Subsidiary	100.00
70.	Adani Commodities LLP	Subsidiary	100.00
71.	Mundra Solar Limited	Subsidiary	51.00
72.	Mundra Solar PV Limited	Subsidiary	51.00
73.	Mundra Solar Technopark Private Limited	Subsidiary	45.06
74.	Adani Defence Systems and Technologies Limited	Subsidiary	100.00
75.	Adani Land Defence Systems and Technologies Limited	Subsidiary	100.00
76.	Adani Aerospace and Defence Limited	Subsidiary	100.00
77.	Adani Naval Defence Systems and Technologies Limited	Subsidiary	100.00
78.	Adani Rave Gears India Limited	Subsidiary	100.00
79.	Adani Transport Limited	Subsidiary	100.00
80.	Bilaspur Pathrapali Road Private Limited	Subsidiary	74.00
81.	Adani Water Limited	Subsidiary	100.00
82.	Prayagraj Water Private Limited	Subsidiary	74.00
83.	Mundra Copper Limited	Subsidiary	100.00
84.	Adani Cementation Limited	Subsidiary	100.00
85.	Adani North America Inc	Subsidiary	100.00
86.	Adani Infrastructure Private Limited	Subsidiary	100.00
87.	Adani Wilmar Pte Limited - Consolidated	Joint Venture	50.00
88.	CSPGCL AEL Parsa Collieries Limited	Associate	49.00
89.	Adani Wilmar Limited	Joint Venture	50.00
90.	Vishakha Polyfab Private Limited	Joint Venture	25.00
91.	KTV Health and Foods Private Limited	Joint Venture	25.00
92.	KOG KTV Food Products (India) Private Limited	Joint Venture	25.00
93.	Golden Valley Agrotech Private Limited	Joint Venture	50.00
94.	AWN Agro Private Limited	Joint Venture	25.00
95.	AWL Edible Oils and Foods Private Limited	Joint Venture	50.00
96.	Adani-Elbit Advance Systems India Limited	Joint Venture	51.00
97.	GSPC LNG Limited	Associate	14.49
98.	Vishakha Industries Private Limited	Associate	50.00
99.	Adani Global Resources Pte Limited	Joint Venture	50.00
100.	Carmichael Rail Network Holdings Pty Limited	Joint Venture	50.00
101.	Carmichael Rail Network Pty Limited	Joint Venture	50.00
102.	Carmichael Rail Network Trust	Joint Venture	50.00
103.	Carmichael Rail Asset Holdings Trust	Joint Venture	50.00
104.	Autotec Systems Private Limited	Associate	26.00
105.	Comprotech Engineering Private Limited	Associate	26.00
106.	Alpha Design Technologies Private Limited	Associate	26.00
107.	Adani Solar USA Inc	Associate	49.00
108.	Adani Finance LLC	Associate	49.00
109.	Adani Solar USA LLC	Associate	49.00
110.	Hartsel Solar LLC	Associate	49.00
111.	Midland Solar LLC	Associate	49.00
112.	Sigurd Solar LLC	Associate	49.00
113.	Oakwood Construction Services Inc	Associate	49.00
114.	Oakstream Holdings Inc	Associate	49.00

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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