

Business Overview

Company Profile:

- Incorporated on March 2, 1993, Adani Enterprises Ltd. (AEL) is part of the Adani group, which is among India's top business houses with an integrated energy and infrastructure platform in India and a long track record of successfully executing large-scale projects.
- They are one of India's largest listed business incubators in terms of market capitalisation and are driven by the philosophy of incubating businesses in four core industry sectors - energy and utility, transportation and logistics, consumer, and primary industry.
- The company represents an effective complement of established and developing businesses which address the needs of India.
- They are recipients of several industry awards including the Confederation of Indian Industry National Award in 'Beyond the Fence Category' for excellence in water management; 'Bronze in brochure design for growth in goodness' by Association of Business Communicators of India in December 2020; runner up in the 'Large Project Category' by the Indian Chamber of Commerce ("ICC") at the Third ICC Social Impact Awards; and the top honour at the Greentech Safety & Environment Award in the 'Environment Protection' category in 2021.

Business Portfolio:

- **Energy and Utility:** The company is setting up a Green Hydrogen Ecosystem. They develop data centres with an aim to retain and drive India's internet-derived data in India and are developing infrastructure projects that enhance water treatment and use efficiency.
- **Transport and Logistics:** The company currently develops, operates and manages 7 operational airports across the cities of Mumbai, Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati and Thiruvananthapuram, and 1 greenfield airport in Navi Mumbai.
- **Consumer:** The company manufactures, market and brand food FMCG products.
- **Primary industry:** The company offers mining services which involves contract mining, development, production related services, and other mining services to mining customers. They offer integrated resource management services of coal. They have also recently acquired commercial mines to conduct commercial mining activities.
- Under industrials, the company intends to manufacture petrochemicals, copper and similar metals, and manufacture strategic military and defense products that enhance India's self-reliance.

Issue Details

Up to [●] FPO Equity Shares aggregating up to ₹ 20,000 Crore* issued on a partly paid basis

*Assuming full subscription and allotment and receipt of all Call Monies with respect to the FPO Equity Shares

Issue size: ₹ 20,000 Cr

Face value: ₹ 1/-

Employee Reservation: ₹ 50 Cr

Price band: ₹ 3,112 - 3,276

Bid Lot: 4 shares and in multiples thereon

Retail Discount: ₹ 64 Per Share

BRLMs: JM Financial Limited, Axis Capital Limited, ICICI Securities Limited, Jefferies India Private Limited, SBI Capital Markets Limited, BOB Capital Markets Limited, IDBI Capital Markets & Securities Limited, IIFL Securities Limited, Monarch Network Capital Limited & Elara Capital (India) Private Limited

Registrar: Link Intime India Private Limited

Indicative Timetable

Activity	On or about
Anchor Investor Issue Opens	25-01-2023
Issue Opens	27-01-2023
Issue Closes	31-01-2023
Finalization of Basis of Allotment	03-02-2023
Refunds/ Unblocking ASBA Fund	06-02-2023
Credit of equity shares to DP A/c	07-02-2023
Trading commences	08-02-2023

Listing: BSE & NSE

Issue Break Up

Retail	QIB	NII
35%	50%	15%

Competitive Strengths

Business incubator with a demonstrated track record of incubating sustainable infrastructure businesses in India with a focus on enhancing stakeholder value: The company is one of India's largest listed business incubators in terms of market capitalisation. They represent an effective complement of established and developing businesses which address the needs of India. The company has, over the years, seeded new business interests for the Adani group, developed them into sizeable and self-sustaining business verticals and subsequently demerged them into independently listed and scalable platforms, thereby unlocking value for their shareholders.

Demonstrated track record and expertise in project execution and management: Since inception in 1993, the company has incubated several companies across many verticals in the infrastructure sector and has built a distinctive specialization in project execution and has successfully executed all projects that they have undertaken to date. By leveraging the Adani group's multi-decade pool of managerial experience across a range of competencies for executing projects, the company recognizes opportunities early, bids for or acquires projects, and aims to successfully execute projects.

Tapping on the growing green hydrogen potential in India to build a fully-integrated green hydrogen ecosystem in India: For green hydrogen, the Government of India has set a production target of 5 MMT per annum by 2030. This will require an electrolyser installation capacity of 27 GW – 30 GW and nearly 110 GW – 130 GW of renewable capacity. Tapping on this potential and to further own and India's sustainable growth, the company is setting up a fully-integrated green hydrogen ecosystem in India under their subsidiary ANIL with an objective to incubate, build and develop an end-to-end integrated ecosystem for the manufacture of green hydrogen. Their green hydrogen ecosystem covers (i) the manufacture of equipment required for the manufacture of renewable power and green hydrogen, (ii) the manufacture of green hydrogen and the renewable power required for it, and (iii) the manufacture of downstream products.

Airport assets of national importance are strategically located and are supported by a stable regulatory framework and concession terms: The company's airports are located in regions which experienced rapid economic growth in recent years. All the airports are city center airports mostly in the capital cities of the prominent states in India. The GDP at constant prices of the states of Gujarat, Karnataka, Uttar Pradesh, Rajasthan, Assam, Kerala, and Maharashtra where the company's airports are located grew at a CAGR of approximately 9.24%, 8.26%, 5.09%, 5.36% 6.02%, 4.42%, and 4.98% during Fiscals 2012 to 2020 partially as a result of a series of economy, stimulating initiatives supported by the local state governments. The company has emerged as the largest private operator of airports based on number of airports.

Robust environmental, social and governance ("ESG") focus enhancing value in a responsible way: The long-term sustainability of the company's businesses is built on the foundation of delivering sustained value for the stakeholders. their journey of value-creation for all the businesses rests on an integrated approach of taking into account ESG principles. It reflects enhanced financial capital, manufactured capital, human capital, intellectual capital, social and relationship capital and natural capital. As a result of various initiatives with regards to these factors, they are the only company in India, in its sector to be included in the Dow Jones Sustainability Index ("DJSI") Emerging Market index and was ranked seventh in the global peer group (135 companies selected by S&P Global).

One of the leading global players in integrated resource management: Integrated resource management is one of the core current business activities of the company. As part of integrated resource management business, the company provides customers with a one-stop-shop for their energy needs by managing the entire supply chain of services from sourcing of coal, managing the finances for the voyage time, providing port handling services, managing inland transportation of coal and delivery of the coal at customers' doorstep. Their competitive advantage is derived from the synergies between Adani group's various business verticals, including the ports terminals on both the east and west coasts of India, which provide a strong infrastructure for efficient logistics management.

Experienced promoters and strong leadership: The company is led by Promoters, Mr. Gautam S. Adani and Mr. Rajesh S. Adani, supported by an able and experienced senior management. They have an experienced management team with experience across sectors and board of directors with a collective experience of over many decades. Most members of the senior management have extensive experience in the industries the company operates in, resulting in effective operational coordination and continuity of business strategies.

Scalable financial structure and demonstrated financial performance: The company has created a robust financial foundation of owned and borrowed funds. This makes it possible for them to mobilize resources from lenders at favorable costs. They have demonstrated consistent growth in terms of revenues and profitability. The consolidated revenue from operations of the company for Fiscals 2020, 2021, 2022 and in the six months ended September 30, 2021 and 2022 was ₹43,402.56 crores, ₹39,537.13 crores, ₹69,420.18 crores, ₹25,796.79 crores and ₹79,019.48 crores, respectively, growing at a CAGR of 16.9% between Fiscal 2020 to Fiscal 2022. They focus on maximizing the utility of assets to optimize capital efficiency, while ensuring quality of products and services.

For further details, refer to 'Competitive Strengths' page 173 of RHP

Business Strategies

Focus on incubating and expanding the green hydrogen ecosystem to support a low carbon future: The company intends to set up a fully integrated green hydrogen ecosystem in India to enable access to low cost renewable power and produce low cost green hydrogen at scale, and manufacture downstream products. They intend to invest approximately up to US\$50 billion over the next 10 years in the green hydrogen ecosystem for production of up to 3 MMT of green hydrogen. For that, the company plans to be fully backward integrated in solar module manufacturing to achieve supply assurance and cost efficiencies.

Development of the airports business with focus on consumers: The company's airports portfolio comprises seven operational airports, an effective platform to build a network effect for new routes. They intend to re-define India's airports infrastructure sector through gateway development, regional footprint growth, focus on consumers and non-passengers and a deeper investment in digital technology interventions that widen consumer choice and delight.

Drive growth in non-aeronautical services revenues and commercial property development at the airports: The terms of the concession agreements for airports of the company provide them with flexibility in developing non-aeronautical services, which are generally not subject to government tariff regulation. These non-aeronautical services include food and beverage outlets at airports, retail and other services such as foreign exchange and advertising and promotions, operation of car parks and sale of duty-free products and lounges. In addition, non-aeronautical services revenues include revenue earned from the lease of commercial space such as offices and airline lounges. The company expects to generate revenue from the commercial development of property surrounding airports of approximately 650 acres.

Continue to grow the data center business: The company's aim is to leverage the vast quantum of data generated by their various consumer facing businesses that interface every day with millions of customers. For that, they intend to set up secure data centers across India. The company partnered with EdgeConneX to build a reliable network of data centers in India. They intend to build data centers with an aggregate capacity of up to 1 GW by 2030, supported by ongoing land acquisition and construction activities across Chennai, Noida, Navi Mumbai, Hyderabad, Vizag, Pune, Kolkata and Bangalore.

Expand and diversify roads business: Currently, the company builds and operates roads in India and expects to expand into rail and metro eventually, in line with their strategies. The company entered the business of road construction, development and maintenance in 2018 and has since built a portfolio of 14 road assets spanning over 5,000 lane kms across 10 states in India. They intend to continue maintaining a comprehensive mix of road assets while continuing the journey towards building portfolio of 12,000 lane kms of road assets.

Build a seamless digital ecosystem: As part of the digital business, the company intends to digitalise Adani group's consumer-facing portfolio to meet customer needs with improved customer engagement, increased monetisation and a faster time-to-market. They intend to develop an integrated Adani platform or super app (called Adani One App) to provide a seamless experience to customers of various Adani group's businesses.

Pursue strategic alliances and partnerships: The company intends to pursue strategic alliances to enhance their capabilities, address specific industry opportunities, develop the technical expertise and price the products and services more competitively. They have demonstrated the capacity to operate joint ventures with partners in the data centers, agro-products, FMCG and mining services, among others. The company believes that they possess a culture of specialisation in projects execution, one of the most challenging segments in India, marked by the ability to execute projects faster than the sectorial average by drawing on a validated Group level managerial experience.

Focus on incubating and expanding the petrochemicals and copper businesses: The company believes there is a growing opportunity to consume green fuels and moderate national carbon footprint. To this end, they will leverage the Adani group's resources at Mundra SEZ to build a state-of-the-art petrochemicals industry to enhance PVC import substitution. Further, domestic copper demand has increased by 1.9% CAGR between Fiscals 2017 and 2022. The company's vision is to emerge as a globally aligned copper business committed to building India and enhance value for stakeholders through trust and courage.

Continued focus of ESG: The company is fully committed to ESG aspects and have a robust ESG framework. Their ESG focus area and priorities are identified based on a detailed materiality assessment exercise conducted in Fiscal 2022.

For further details, refer to 'Our Strategies' page 179 onwards of RHP

Profile of Directors

Gautam S. Adani is one of the Promoters and the Executive Chairman of the Company. He has over three decades of business experience across various business verticals such as resources, logistics and energy.

Rajesh S. Adani is one of the Promoters, the Managing Director and CEO who has been associated with the Company since its inception. He is in charge of operations of the Adani group and has been responsible for developing its business relationships.

Pranav V. Adani is an Executive Director of the Company who has been active in the Adani group since 1999. He has been instrumental in initiating and building numerous new business opportunities across multiple sectors. His understanding of the economic environment has helped the Group in scaling up the businesses multi fold. He has spearheaded the joint venture with the Wilmar Group of Singapore and also leads the oil and gas, city gas distribution and agri infrastructure businesses of the Adani group.

Vinay Prakash is an Executive Director of the Company who joined in 2001 and is currently the CEO of Adani Natural Resources. He has contributed towards the development of the natural resources business of the Adani group since its inception and oversees its diversification and expansion in India and abroad. Presently, he is also the chairman of ASSOCHAM's National Council on Coal.

Hemant Nerurkar is an Independent Director of the Company. He has over three decades' years of experience in the steel industry.

V. Subramanian is an Independent Director of the Company. He occupied many senior positions in the Government of India and the Government of West Bengal during a career of over three decades' years. He was also the member - secretary of the high-level committee that recommended reforms and a "Roadmap for Civil Aviation" in India. Presently, he is a freelance consultant.

Vijaylaxmi Joshi is an Independent Director of the Company. She is a 1980 batch IAS officer of the Gujarat cadre and has held various posts in the Central and State governments.

Narendra Mairpady is an Independent Director of the Company. Presently, he is also the chairman of ASSOCHAM National Council for Banking and Finance.

Dr. Omkar Goswami is an Independent Director of the Company. Presently, he also serves on the board of Godrej Consumer Products Limited. He is also the founder and chairman of CERG Advisory Private Limited.

Given above is the abstract of data on directors seen on page 336 of the RHP

Object of the Offer

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Amount (Rs. In Crore)
Funding capital expenditure requirements of some Subsidiaries in relation to (a) certain projects of the green hydrogen ecosystem; (b) improvement works of certain existing airport facilities; and (c) construction of greenfield expressway	10,869.00
Repayment, in full or part, of certain borrowings of the Company and three of the Subsidiaries, namely, Adani Airport Holdings Limited, Adani Road Transport Limited, and Mundra Solar Limited	4,165.00
General corporate purposes ⁽¹⁾	[•]
Total Net Proceeds⁽²⁾	[•]

(1) Subject to the finalization of the basis of Allotment and the allotment of the FPO Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

(2) Assuming full subscription and allotment and receipt of all Call monies with respect to the FPO Equity Shares. one or more of the Objects.

Comparison with peers

There are no listed companies in India that engage in a business similar to that of the Company.

Financials (Consolidated):

(Rs. in Crore unless stated otherwise)

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity Share Capital	114.00	109.98	109.98	109.98
Instruments entirely Equity in nature	141.56	640.00	-	-
Other Equity	31,296.81	21,506.53	17,048.59	16,836.59
Net Worth	36,176.40	26,928.37	18,910.01	18,209.94
Total Borrowings	40,023.50	41,023.77	16,051.42	12,604.91
Revenue from Operations	79,019.48	69,420.18	39,537.13	43,402.56
EBITDA	4,100.15	4,725.71	3,258.85	2,967.96
EBITDA Margin	5.16%	6.71%	8.09%	6.73%
Profit/(Loss) Before Tax	1,302.68	952.05	1,085.97	1,122.33
Profit/(Loss) After Tax	901.04	787.70	1,045.76	1,039.99
Return on Net Worth	2.49%	2.93%	5.53%	5.71%
Basic EPS	8.23	7.06	8.39	10.35

Above data obtained from pages 14, 63, 65, 364, 533 & 627 of RHP

Notes:

- Earnings Per Share (Basic) = net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year
- Net Worth means Total Equity as appearing in Consolidated Statement of Asset and Liabilities.
- Total borrowings = current and non-current borrowing as appearing in the Consolidated Financial Information.
- EBITDA is calculated as profit before tax and exceptional items for the year or period, plus finance costs and depreciation and amortization expenses.
- EBITDA Margin is calculated as EBITDA as a percentage of total income.
- Return on Net worth (%) = net profit after tax / net worth at the end of the period/year.

Key Risk Factors

- The limited operating history of some of the company's businesses may not serve as an adequate basis to evaluate the future prospects, results of operations and cash flows.
- The company's integrated resource management business primarily depends on an increasing demand for imported coal in India and their ability to maintain a diverse supplier base.
- Certain companies within the Adani group are involved in various legal, regulatory and other proceedings which could have an adverse impact on the company's business and reputation.
- One of the Independent and Non-executive Directors, V. Subramanian, has been named in the CIBIL suit filed accounts list. In the event his name features in the wilful defaulter list, the company may be required to reconstitute their Board. Any such event may result in an adverse impact on the Offer, the company's reputation and operations.
- The company's mining services business depends on their ability to increase the customer base and their failure to do so may adversely impact the operations.
- The airport operations and the fees charged for aeronautical services are regulated by the Government of India and the terms of the company's concession agreements. Accordingly, government regulations and the terms of the concession agreements (including with respect to the determination of tariffs for aeronautical services) have materially affected, and will continue to materially affect, the results of operations, cash flows and financial condition.
- Revenue from the company's airports business depends on levels of air traffic, which in turn depend in part on factors beyond their control, including economic and political conditions and the regulatory environment.
- Any failure to execute on the green hydrogen strategy could have an adverse impact on the company's operations.
- The company depends on the government based competitive bidding process for infrastructure assets. The inability to effectively bid for projects could impact their operations and financial condition.
- The company faces a variety of risks in connection with their reliance on concessions and other contracts where the counterparties are central and state government companies.
- Currently the company's roads and airports businesses are primarily dependent on projects in India undertaken or awarded by governmental authorities and they derive majority of the revenues from contracts with a limited number of government entities. Any adverse changes in the central or state government policies may lead to the company's contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on the company's business and results of operations.
- The Statutory Auditors have highlighted a statement on certain matters specified in Companies (Auditors Report) Order, 2020 ("the Order") in the company's audited financial statements for Fiscal 2022.
- The company's substantial indebtedness could adversely affect their business, prospects, financial condition, results of operations and cash flows.
- The company and the Subsidiaries have unsecured loans that may be recalled by the lenders at any time and they may not have adequate funds to make timely payments or at all.
- The company could be subject to claims by customers or actions by regulators or both for malicious complaints.
- The company has certain contingent liabilities and sub-ordinate debt and their financial condition may be adversely affected if these contingent liabilities materialize.
- The company, the Promoters, the Directors and the Subsidiaries are involved in certain proceedings, any adverse developments related to which could materially and adversely affect their business, reputation and cash flows.
- The company has, in the past, entered into certain related-party transactions, and they may continue to do so in the future, which may potentially involve conflicts of interest.
- Technical failures of the company's solar modules and cells could cause delays and adversely impact their operations.
- Certain of the Directors and Key Management Personnel may have interests in the company other than reimbursement of expenses incurred and normal remuneration or benefits.
- Some of the company's operations carry an inherent risk of causing damage to the environment. This could subject them to significant disruptions in business, legal and regulatory actions, which could adversely affect the business, financial condition cash flows and results of operations.
- The company may not be able to fully comply with insider trading rules and regulations, which could result in criminal and regulatory fines and severe reputational damage. Further, they may fail to detect illegal or improper activities in the business operations on a timely basis, which may have an adverse effect on their reputation, business operations, financial condition, cash flows and results of operation.
- Certain corporate records, regulatory filings of the company and certain other documentation are not traceable.

Please read carefully the Risk Factors given in detail in section II (page 26 onwards) of RHP

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Registration details:

JM Financial Services Ltd.

Stock Broker - Registration No. - INZ000195834

Corporate Identity Number: U67120MH1998PLC115415

Registered office Address: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025.

Tel: (91 22) 6630 3030 |Fax: (91 22) 6630 3223

Corporate office Address: 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025.

Tel: (91 22) 6704 3000/3024 3000 |Fax: (91 22) 6704 3139.