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April 17, 2011 Rs 25



NEW BUSINESS FAMILIES

'Boom Babies' of Economic Reform



NEW BUSINESS FAMILIES





The Adanis: (From left) Pranav, Priti, Rajesh, Gautam and Karan

UMESH GOSWAMI

Power Point

Gautam Adani is building an integrated operation for his group in power, oil and gas, and agriculture. By ANAND ADHIKARI

ADANI GROUP

Founder: Gautam Shantilal Adani, 48
Wife: Priti manages Adani Foundation

Son: Karan handles the ports business

Brother: Rajesh oversees the trading business

Nephew: Pranav looks after the agri business

Total Turnover: ₹28,000 crore in 2009/10

Main Companies: Adani Enterprises, Adani Power, Adani Wilmer, and Mundra Port and SEZ

In August last year, Gautam Shantilal Adani, the 48-year-old chairman of Adani Group, was vacationing in London with his wife and two sons when he received a call from one of his senior executives. The company was in the final stages of negotiations with Australia-based Linc Energy for its coal assets and Adani's assent was crucial. The call lasted just a few minutes. The terse message to the caller: "Go ahead."

It was one of the largest deals for a coal mine by an Indian group — Adani Enterprises paid ₹12,600 crore in cash and royalty for the mine. But the Adani Group founder never sat for the negotiations nor met Linc Energy's negotiators. "Gautambhai was very much in the loop, but never both-

ered to intervene," says a top executive, pointing out that Adani always supports and trusts his core team once he is convinced about a project or an idea.

Adani's business acumen has ensured a meteoric rise for his group over the past couple of decades. The corporate journey of this college dropout has been nothing short of spectacular — from a small-time diamond trader in the eighties to running a ₹3,000-crore trading house by the turn of the century to a ₹28,000-crore conglomerate with interests in ports, mining, power generation, oil and gas exploration and distribution, and real estate today.

In the early 1980s, a teenaged Adani came to Mumbai from Ahmedabad to dabble in the diamond business. "I was given

freedom by my family to pursue my ambitions," he says. The young Adani initially honed his skills as a diamond sorter while observing how the trade was being carried out. Soon he graduated to diamond trading.

In 1988, he started Adani Exports, a partnership trading firm in Ahmedabad dealing in agricultural products, dye intermediates and plastic products, with a seed capital of ₹5 lakh. The business flourished, and as the group expanded at a scorching pace, Adani's family joined the business.

Rajesh, his 46-year-old brother is today Managing Director of Adani Enterprises and Adani Power. Nephew Pranav joined the family business after completing his business management from Boston University and is MD of Adani Wilmer, the group's agri-business. Son Karan is now looking after ports and another nephew will join the business

"We are looking at more ports on the eastern coast of India," says B. Ravi, Chief Financial Officer. The group is also scouting for ports overseas, especially in Australia where they have recently bought coal mines.

Shipping was the missing component in the group's businesses but all that may change soon. The group today has to charter between 60 and 70 ships for its trading operations. "We plan to buy 20 ships by 2020. Two are already sailing," informs Adani.

Realty is another focus area. The group is implementing the biggest integrated township project in Ahmedabad spread over 60 acres. He also has plans for a private airport, water management and is also developing a special economic zone near Mundra port.

To pull off his ambitious plans, Adani has realised the imperative of building a

"Today, the Adani Group is fast moving from being largely family run to being more professionally driven."

soon. "It helps to have family members as there is better communication and commitment is assured," says Adani.

His vision is to have an integrated operation for his group — from coal mining to power generation. The group today mines the coal, transports it by rail or water using its own tracks, jetty and vessels, and unloads it at its own port. "There is no other integrated power company in India," says Ravi Sharma, CEO of Adani Power.

In the oil and gas business, where he has entered the exploration and distribution of gas, Adani plans to scale up operations and also establish forward linkages by setting up an LNG terminal and a gas pipeline network. "We will look at operating the oil and gas business overseas. That will cut down six to seven years of gestation period," says Atul Sathe, CEO of Oil and Gas at Adani Group.

In ports, too, the group has big plans. Apart from the Mundra port, it is expanding its port presence in Goa, Hazira and Dahej.

core team of professionals to assist the family. Today, the group is fast moving from being largely family run to being more professionally driven. All his businesses from power, port and oil and gas exploration to agriculture are manned by professionals. Adani scouts for professionals who are adept leaders even if they don't have domain knowledge. Adani, for instance, hired Sharma, a telecom professional, to head his group's power initiatives. The first set of professionals who joined the group had a motley background — from finance, commodity trading to human resources.

Adani's message to his team today is simple: "We should be the best in whatever we do." He plans to expand his core team to implement his vision 2020 — achieving 200 million metric tonnes of cargo, 20,000 MW of power generation and 200 million metric tones of coal mining. And given his track record, it is difficult not to take him seriously. ♦