A man with a mustache, wearing a black and white striped polo shirt and dark trousers, is crouching on a stone ledge next to a pond. He is looking towards the camera with a slight smile. His right hand is extended towards two white geese that are standing in the water. The background is filled with lush green foliage, including palm trees and various shrubs. The scene is set outdoors, likely in a garden or park.

ADANI AT HIS
AHMEDABAD HOME

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GAUTAM ADANI



BILLIONAIRE WHO BEAT THE SYSTEM

Worth \$10 billion and ranked the seventh richest Indian in the world, the college dropout and first-generation entrepreneur insists wealth is just a number

By Dhiraj Nayyar and Uday Mahurkar

It is 9.30 am on a Monday morning. The security guards at Gautam Adani's home, just off the Sarkhej-Gandhinagar highway in Ahmedabad, do a thorough job of checking our papers before letting us in. Adani was once kidnapped for ransom in the 1990s and his security detail is taking no chances. The garden on both sides of the driveway is beautifully landscaped and the lawns carefully manicured. A red Ferrari is conspicuous by its presence among a fleet of cars. His bungalow is aesthetically designed with open courtyards and sprawling green spaces.

Adani is warm in his welcome. The 49-year-old is dressed in a T-shirt, trousers and slippers. He has none of the swagger you would expect from a man worth \$10 billion and ranked as the seventh richest Indian in the world. Says Malay Mahadevia who has known Adani since 1974 and is a director in the Adani Group, "He is a man of few words. He hates bragging about his success."

In his home state, Adani, the first dollar billionaire based in Ahmedabad, often draws comparisons with the legendary Dhirubhai Ambani. Like the senior Ambani, Adani is a first-generation entrepreneur who rose from a modest background and dropped out of college to create a massive Rs 30,000 crore business empire in quick time. But the shy, self-effacing Adani, who runs

a conglomerate that spans across ports, power and coal-trading, dislikes comparisons. "I request you not to compare," he says. "I like Dhirubhai's vision. Even in the licence raj he saw the big picture and set up world-class facilities." He is quick to add, "But he's not a role model. I like to take different things from different people."

Adani, whose family comes from a community of entrepreneurs in Tharad in north Gujarat, speaks slowly, with long pauses. English isn't his first language and he takes his time looking for the right expression. When he replies to a question, he doesn't beat about the bush.

The comparison with Dhirubhai often extends to what many see is Adani's uncanny ability to manoeuvre a complex government machinery to his advantage. Unlike Dhirubhai, Adani is a product of liberalised India. After a few years in the early 1980s spent as a diamond trader in Mumbai, he set up Adani Enterprises in 1988 as an export-import company, just three years before Manmohan Singh began

the end of the licence-permit raj. Adani rubbishes any suggestion of underhand dealings. "Dealing with the Government does not mean you have to give a bribe. From my experience in working with bureaucrats and politicians, if you are a credible business group, they will definitely help you. At the end of the day, they too want development of their constituency, state or country."

He says he likes to keep a safe distance from politics. "I don't like politics," says Adani. "I am not aligned to any political party. I have friends in all political parties. But I never talk politics with them, only developmental issues." He is clear about the kind of politicians he likes. "I am not attracted to those politicians who are short on vision and only want to make money. I like those who have vision."

Vision is an important word in Adani's vocabulary. "Every era has its own constraints and opportunities. Dhirubhai saw the opportunities in the constraints he had. Today, we must search for opportunity in the constraints we face," he says. In the early 1990s, Adani took on Reliance by importing PVC manufactured by the latter and selling it for cheaper. Allegations of duty evasion against him were never proved. Adani's David dented the Reliance Goliath. He never looked back.

Adani insists that his personal wealth is just a number. "Money

LIKE DHIRUBHAI, ADANI ROSE FROM A HUMBLE BACKGROUND TO CREATE A BUSINESS EMPIRE IN QUICK TIME.

SMALL TO EXTRA-LARGE The Adani Group has come a long way in just over two decades

1988-93

Founds Adani Enterprises with a capital of Rs 5 lakh. It posts a turnover of Rs 2.20 crore. Converts it into a public limited company with a capital of Rs 1 crore.

1994-95

Adani Enterprises goes to the primary market with an IPO which is oversubscribed by over 25 times, netting Rs 18.75 crore. Acquires rights to Mundra port.



MUNDRA PORT

1998-2000

Turnover crosses Rs 2,000 crore. Trades in over 40 commodities in 28 countries. Market capitalisation at Rs 1,710 crore as share price hits Rs 776 (June 2000)

2003-04

Adani Enterprises becomes top net corporate foreign exchange earner. Turnover crosses Rs 7,000 crore. Sells stake in Mundra to a Singapore firm.

2005

Turnover crosses Rs 13,000 crore. Company goes international for the first time by issuing foreign currency convertible bonds worth \$38 billion.

doesn't drive me. I like challenges where you feel you are part of nation-building. I could have created many different businesses but I feel more satisfied when I create something that can be a part of the India journey." In 1995, he found the perfect opportunity. The Gujarat government decided to invite a private player to run the Mundra port in Kutch, a first in India. Adani bagged control of the port from the then Chimambhai Patel government in 1993, though the formal announcement came two years later. Today, it is the largest among 12 private sector ports in the country.

Adani cites two reasons for his interest in bidding for Mundra. "We were in global trading and utilised different ports in the country. We realised there was severe congestion and our own cargo was getting delayed. So the first motivation was to strengthen our own global trading." The second reason he gives demonstrates the vision factor in his decisions. "We were then only a trading company, a *khokha* company, an empty box." He explains, "In people's eyes we were like a finance company with no physical assets. I was looking for an asset base to take us into the next orbit." At the time he acquired Mundra, Adani still travelled second-class by train. Now, his company owns three private planes, including a Beechcraft and a Bombardier, which he insists are not for his personal use. He is buying a helicopter to fly him to places with no airstrips.

Acquiring Mundra was no bed of

roses. Crucially, there was no rail link between the port and the national network. The original licence clearly stated that the Government would help with the link. Says Adani, "The Gujarat government did not do much except push here or there in the ministry of railways. From the ministry's point of view, Mundra was a dot. I had a vested interest to push Mundra."

Adani is almost sympathetic in his assessment of the Government's inefficiencies. "Government is not God. It will not be able to resolve all your issues overnight. It has various constraints. Whatever is available you make do." Adani waited to get a letter of intent from the railways. He then proceeded to build the 64-km of track, at a cost of Rs 250 crore. He says, "My philosophy is not to go and cry to the Government. You must work with the Government. Whatever is left to be done, continue to address it. In time those issues get addressed."

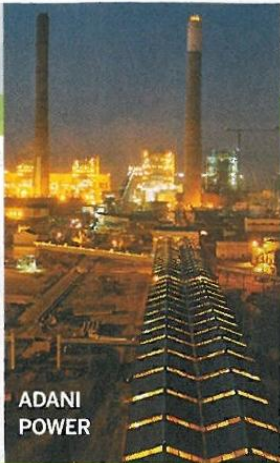
It is a philosophy he's lived by till date. The Adani group is in the process of constructing a 3,300 MW power project in Maharashtra with an investment of Rs 22,000 crore. The

ministry of environment put a spanner in the works in 2009 by withdrawing permission for a captive coal mine because of its proximity to a tiger reserve. Says Adani, "One morning, suddenly, the ministry of environment and forests barred our coal mine. But we never made a hue and cry about it. I thought okay you have a concern with the tiger sanctuary, let me work out other solutions." There was no delay to the construction of the project. "We never stopped the project. By the end of the year it will be commissioned." When asked why he is so optimistic, he says, "I am not doing anything wrong. I am genuinely developing the project and the electricity will go to Maharashtra."

Is his confidence based on the fact that he can substitute local coal with imported coal from a mine he recently acquired in Queensland, Australia, for \$10 billion? Replies Adani, "We have already sold the power at a fixed price for 25 years. You can't have Australian coal available for an Indian price. So if the Government is unable to resolve the mining issue then we have to work with the state government on a change in tariff." His strategy is shrewd. Either the Government of India or the Government of Maharashtra will have to see reason.

His foray into power generation is recent. It was driven by the same kind of 'do-it-yourself' motivation that propelled him to build 64 km of railway track. Mundra had been developed into a full-fledged special economic zone by 2006 and the 10 clusters of

WHEN HE ACQUIRED MUNDRA PORT, ADANI STILL TRAVELLED BY TRAIN. NOW, HIS COMPANY OWNS THREE PRIVATE PLANES.



2006

Makes first foray into power. Mundra port expanded into a special economic zone; construction of 660 mw power plant at Mundra begins.

2007

Turnover touches Rs 16,000 crore. IPO of Mundra Port and SEZ oversubscribed 115 times; shares initially priced at Rs 440 were listed at Rs 770.

2008-09

Issues foreign currency convertible bonds for \$250 million. Wins rights to a block near Bombay High. Adani Power IPO oversubscribed 22 times.

2010-11

Turnover crosses Rs 30,000 crore. Wins coal purchase rights in Indonesia. Invests \$10 billion in a mine, railroad and port in Queensland, Australia.

UMESH GOSWAMI/www.indiatodayimages.com

units which set up shop there wanted assured power supply. Says Adani, "We could not depend on the state grid. We give power at Rs 3.50 per unit compared to Rs 5.50 charged by government." The Adani Group generates 2,600 mw of power in Mundra. By 2020, he intends to branch out across India, generating 20,000 mw in Rajasthan, Chhattisgarh, Madhya Pradesh and Orissa, besides Maharashtra and Gujarat. "Initially, I never thought of making power a big business. But when I analysed the sector, I saw that India needed a lot of power." Adani's vision took flight.

Is he worried that his core businesses in power, ports and mining will be adversely affected by the controversy surrounding land acquisition? Adani is philosophical. "In every developing country, when you seek to increase the pace of growth, these things will happen. Policymakers, developers and industry need to take corrective steps." Would he be willing to part with a greater share of profit as royalty? "Government has all rights to increase royalty. But the major issue is of governance." He explains, "When the money comes to the Government, the question is how effectively it is being spent. Government can increase royalty. Markets will adjust but ultimately, all increases are passed on to the consumer."

Adani is emphatic that it is the job of the Government to ensure rehabilitation and resettlement and to correct what he admits is increasingly inequitable distribution of wealth. "It

is not the responsibility of the private sector. Any money that accrues to the Government kitty is the responsibility of the Government." What about corporate social responsibility? "Of course, we are doing CSR, but it will be limited to our areas of operation and liking. If I believe in education and health, then I'll do that in Ahmedabad

or Mundra. We give 3 per cent of our profits to the Adani Foundation." He is particularly proud of Adani Vidya Mandir, a school in Ahmedabad which admits only those children whose parents have an annual income less than Rs 1 lakh. The school is run by his wife Priti, 46. "All that I have learnt is from my own experiences." He adds, "I can say I am a good observer. I am an introvert. But I am a good listener and absorb anything good I see."

His limited education has never been a hurdle. It almost was, once. His prospective father-in-law nearly turned him down as a match for his daughter Priti, a qualified dentist. An astrologer advised him to get her married to Adani, then a small trader, as "the boy will float in riches and his wife will be a queen". Adani proved the astrologer right. He is very clear that while his is a family business, day-to-day operations must be left to professionals. His brothers, son Karan, 24, and nephew work for him. "They should work at the ground level for 8-10 years," says Adani.

He is never ruffled by adversity. "I am a very calm person. I never lose sleep," says Adani. He was in the Taj hotel in Mumbai on 26/11. "I was the last to move out," he says. Adani's almost fatalistic take on life applies to his business too. "I have seen money come and go. Neither are you happy while getting the money nor are you sad while losing it. I believe one should not worry about what is not in one's control. Destiny will decide." So far, it has decided in Adani's favour. ■

Business the ADANI WAY

Do it Yourself

"The only way I can ensure the lowest cost electricity to my clients is if I own the coal, the port and the transport. That is the logic of vertical integration in infrastructure."

Right Time to List

"We only go public once risks are taken care of. Mundra went public in 2007, Adani Power in 2009."

Go Global

"I bought a large mine in Australia for \$10 billion last year. I have realised that there is uncertainty here. To have so much of power generation dependent on Indian fuel isn't wise."

Cut Your Losses

"We got out of retail because we couldn't give it time. We could not expand at a pan-India level. Being in Gujarat was not good enough."