

## FINANCIAL TIMES

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THE MONDAY INTERVIEW

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# Gautam Adani, founder, Adani Group

By James Crabtree



Shipping up: Gautam Adani convinced the government of Gujarat to let him develop a harbour facility near Mundra, India's largest private port

The ascent of Gautam Adani is among the most startling in recent Indian business history. A self-made billionaire in a nation awash with dynasties, he turned a minor commodities business into a conglomerate stretching from ports and shipping to coal, power and infrastructure. The business grew 16-fold in barely a decade, earning revenues of \$8.7bn last year. It is an expansion unmatched by any other Indian first-generation industrialist, and one that now earns Mr Adani a place at the pinnacle of his country's tycoon class.

For all its rapidity, however, Mr Adani's rise is little known abroad. He keeps a low profile at home too and, buccaneering reputation notwithstanding, in person he is quiet, almost withdrawn. "Either you are extrovert or introvert, and so I am an introvert in that sense," he says in a soft, slow voice. "I'm not a social person that wants to go to parties."

Sitting in his headquarters in Ahmedabad, capital of the western state of Gujarat, the 50-year-old looks relaxed. He has round features and a bushy black moustache that quivers slightly as he discusses his modest beginnings. "I'm a school dropout. So, at the age of 16, I moved to Mumbai to try my luck on some business," he says.

Initially, he experimented in the diamond trade before returning to his home state to run a small plastics factory owned by his brother.

Mr Adani eventually set up his own business, Adani Enterprises, the Adani Group's flagship company, to import and export commodities in 1988. The move established a pattern for his career: earn a small amount in one business, then take on heavy debts against its income to finance expansion into another.

He credits a childhood visit to a local port as the inspiration for one such move. "I was a young boy with no background, and I saw what actually at the time was a small ship, but to me it was like looking at a big, big ship," he says.

The image stayed with him, and years later he convinced Gujarat's government to let him develop a harbour facility near the coastal town of Mundra – a sprawling complex that now houses India's largest private port alongside the world's biggest privately held coal power station.

The move into power epitomises Adani's helter-skelter path. "We realised that it was a huge, enormous market," he says. The company turned on its first power station only in 2009, but its rapid, debt-fuelled progress means it is set to overtake Tata as India's largest private power producer later this year. "We are very focused on being number one," he says. It is an attitude that has meant forays abroad too, including buying mines, ports, and railways in Australia and Indonesia.

Mr Adani's reputation for project execution often earns him respectful comparisons with another Gujarati entrepreneur: Dhirubhai Ambani, the late patriarch of Reliance Industries, India's largest private company. To his detractors, the duo share a less favourable trait: a knack for winning business through political ties, in particular given Mr Adani's links to Gujarat's chief minister Narendra Modi, the leading Hindu nationalist BJP candidate to be India's next prime minister.

It is a charge he rejects. "Modi is not directly helping any individual, that I can tell you," he says. "Modi is helping industries through policy, and not allowing any nonsense into the system."

Instead, Mr Adani credits his success to his trading background: "We calculate risk parameters very fast," he says. "I analyse in my own way, in very simple, no-jargon language. If somebody is talking in very complicated way, I never like that."

He may have an ability to calculate risk, but Mr Adani's personal life has been marked by profound dangers, notably a day he was held for ransom by bandits in 1997. It is an episode he prefers not to discuss, saying simply that "two or three very unfortunate incidents happened in my life, that is one of them".

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The CV

Another came on November 26 2008, when terrorists

**Born:** 1962 in Ratanpol, Gujarat  
**Career:** 1978 Moves to Mumbai and begins work as a diamond trader  
 1981 Returns to Gujarat to work in his brother's plastics factory  
 1983 Visits South Korea, where he makes a deal for importing PVC  
 1988 establishes Adani Exports, a commodities trading group  
 1995 Wins licence granted to Mundra port and special economic zone  
 2006 Begins mining operations in Indonesia  
 2010 Buys coal assets in Australia for \$2.72bn  
 2011 Buys Australia's Abbot Point coal terminal  
 2012 Opens final stage of Mundra power plant  
 2013 Announces plans to reduce debt and leveraging, in the face of mounting losses  
**•Interests:** Relaxes by listening to Bollywood music and watching action movies; loves Gujarati vegetarian food  
**•Family:** Married to Priti, a dentist, with two sons, Karan and Jeet

attacked Mumbai, including the seafront Taj hotel where Mr Adani was having dinner. "I got out only when the commandos entered. My mobile was working so I was trying to contact friends," he says of a night sheltering as heavily armed militants roamed the halls killing bystanders, setting the building alight and exchanging fire with commandos.

The bonds of family helped overcome such experiences: the fourth of five brothers, Mr Adani says these ties are his only priority outside business, and the main call on his leisure time. "Actually, my mother passed away just three years back, and I had never gone on holiday without my mother," he says.

This year has brought happier experiences, however, with the wedding of his eldest son, which also provided a rare moment in the limelight. The celebrations included lavish parties from Gujarat to Goa, which were noted in the press as much for the numbers of private jets shuttling in VIP attendees as for the thousands of guests.

While Mr Adani's rise has mirrored that of his country over the past decade, more recently he has found himself as an exemplar of its troubles, notably during this year's crunching economic slowdown. Investors once viewed the \$14.3bn in debts he piled up during the boom years as a sign of vaulting ambition. Now they are a cause for alarm, forcing Mr Adani to rein in his plans while he recalibrates his finances.

"Definitely, the last one year, it is getting difficult," he admits, referring to India's flatlining industrial economy in general, as well as a number of his own projects that are stuck in his country's treacherous bureaucracy. However, he avoids blaming the political system. "Our philosophy as a group is we never go and cry to the government, saying 'you have promised this and you have not done that'," he says. "Irrespective of whatever we say about corruption and other things, at end of the day they also want to see development."

Mr Adani says the slowdown will be brief: he plans to press on and double the capacity of the Adani Group by 2020, playing, as he puts it, his own part in India's rise. "I like to align my business with areas of most national importance," he says. "It's not just making money."

Despite the enforced hiatus, in time he plans to take on yet more debt to fund the

expansion. "Either you sit on the pile of cash or you continue to grow," he says, making clear that his model of aggressively leveraging one project to fund the construction of the next persists. "In five years, we went from \$3bn to \$20bn in assets. There is no other way you can do it."

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