

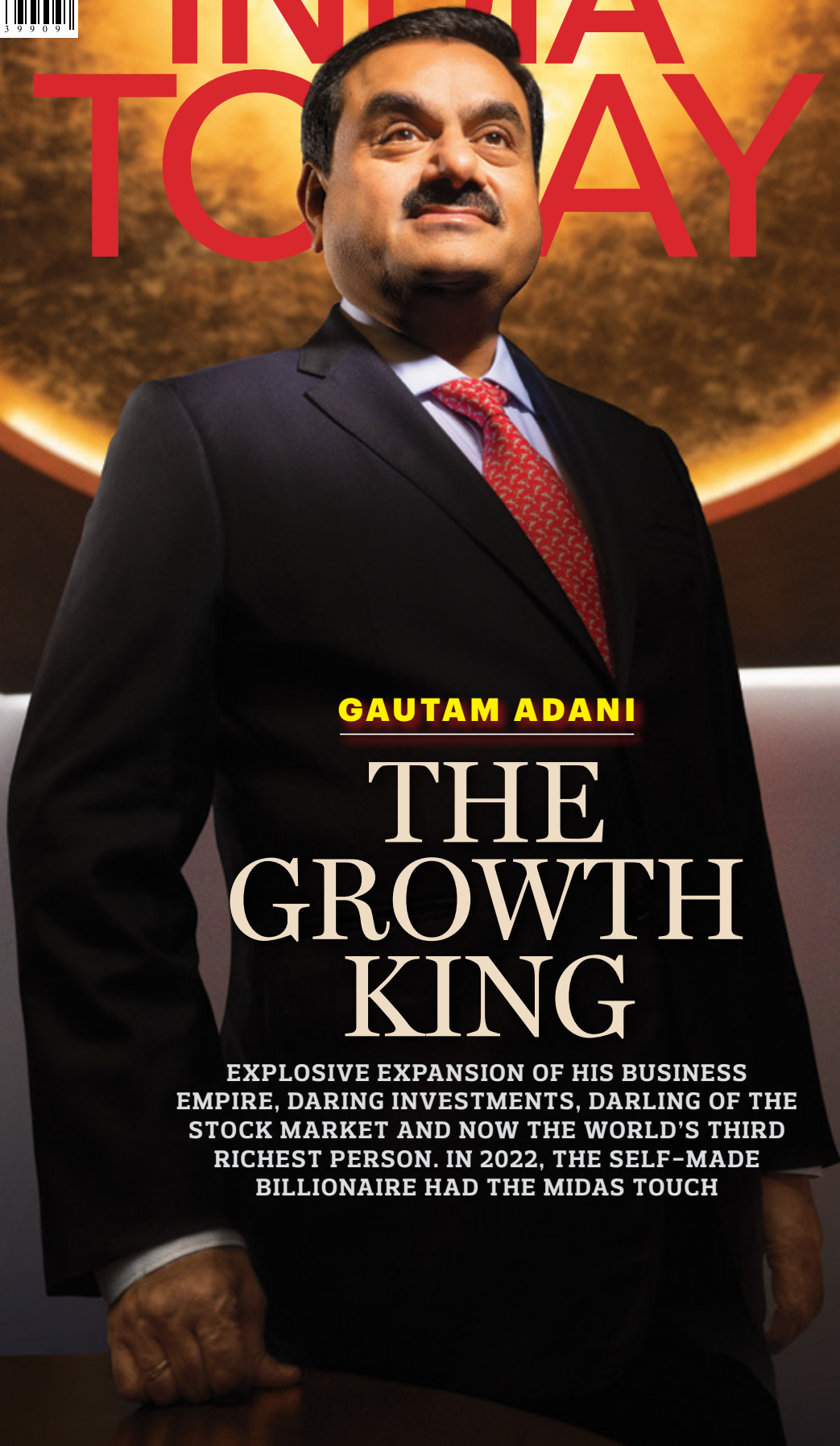
NEWSMAKER OF THE YEAR 2022

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INDIA TODAY



GAUTAM ADANI

THE GROWTH KING

EXPLOSIVE EXPANSION OF HIS BUSINESS
EMPIRE, DARING INVESTMENTS, DARLING OF THE
STOCK MARKET AND NOW THE WORLD'S THIRD
RICHEST PERSON. IN 2022, THE SELF-MADE
BILLIONAIRE HAD THE MIDAS TOUCH

COVER STORY

NEWSMAKER
OF THE YEAR
GAUTAM
ADANI

THE GROWTH KING

Self-made billionaire Gautam Adani had an exceptional 2022 even by his own standards, including closing the largest infrastructure deal India has seen

By Raj Chengappa and
M.G. Arun in Ahmedabad

Photograph by BANDEEP SINGH



COVER STORY

NEWSMAKER OF THE YEAR
GAUTAM ADANI



It's the festive season and the atrium of the glass-walled Adani conglomerate headquarters in Shantigram, Ahmedabad, is decked up with white cardboard boxes stacked in tapering rows to resemble a giant pyramid reaching to the skies. The installation, 'Convergence', is meant to depict a united Adani vision of the future.

The Adani Group and founder-chairman Gautam Adani's vision was in full flow in 2022 with much to celebrate. Expanding at an explosive rate, the group's market capitalisation grew nine-fold in just three years to cross Rs 17.9 lakh crore as on December 23, making it India's second most valuable firm just behind the Tata Group but ahead of Reliance Industries. Adani even overtook Reliance Industries' Mukesh Ambani to become the richest person in India and Asia, apart from becoming the world's third wealthiest with a personal net worth of over \$125.8 billion (per the *Forbes* list, as on December 28).

Demonstrating his penchant for betting big, in September Adani acquired the Swiss firm Holcim's stake in ACC and Ambuja Cements for \$10.5 billion (around Rs 87,000 crore), the single largest acquisition in the infrastructure space. With that, his group became the second largest cement manufacturer in the country behind industry leader UltraTech of the Aditya Birla Group. The year also saw Adani make acquisitions in diverse sectors including two popular rice brands, the

MIDAS TOUCH

2022 saw Adani's business expanding and fortune soaring. A lowdown on his growth:



WORLD'S THIRD RICHEST

With a net worth of \$125.8 billion, Gautam Adani is the world's third richest person behind French fashion business tycoon Bernard Arnault (\$180.5 billion) and Tesla and Twitter CEO Elon Musk (\$138 billion). He also overtook Mukesh Ambani, chairman of Reliance Industries, as the richest Indian



STOCK MARKET DARLING

His group's total market capitalisation registers a phenomenal ninefold growth from Rs 1,96,917 crore on December 23, 2019 to Rs 17,90,038 crore as on December 23, 2022



BETTING BIG

Acquires Swiss firm Holcim's stake in Ambuja Cements and ACC for \$10.5 billion (around Rs 87,000 crore), India's single largest deal in the infra sector, and becomes the country's second largest cement manufacturer behind Aditya Birla Group's UltraTech



EXPLOSIVE EXPANSION

Takes over controlling stake of NDTV; acquires India's largest marine services firm Ocean Sparkle and Essar's Mahan-Sipat transmission project; buys Kohinoor and Charminar rice brands from the US-based McCormick; wins, along with Gadot, tender to privatise Israel's Haifa Port; achieves financial closure for Navi Mumbai Airport for Rs 12,770 crore; enters telecom space, buying 5G spectrum worth Rs 212 crore for industrial applications; signs deal with the Odisha government to invest Rs 57,575 crore in two alumina refinery and iron ore projects



SECURING FINANCES

Gets Abu Dhabi's International Holding Company to invest \$2 billion (Rs 16,568 crore) in group's green portfolio. Adani's Mumbai International Airport raises \$750 million (Rs 6,213 crore) from Apollo Enterprises. Adani-Wilmar's Rs 3,600 crore IPO in January over-subscribed 17.3 times



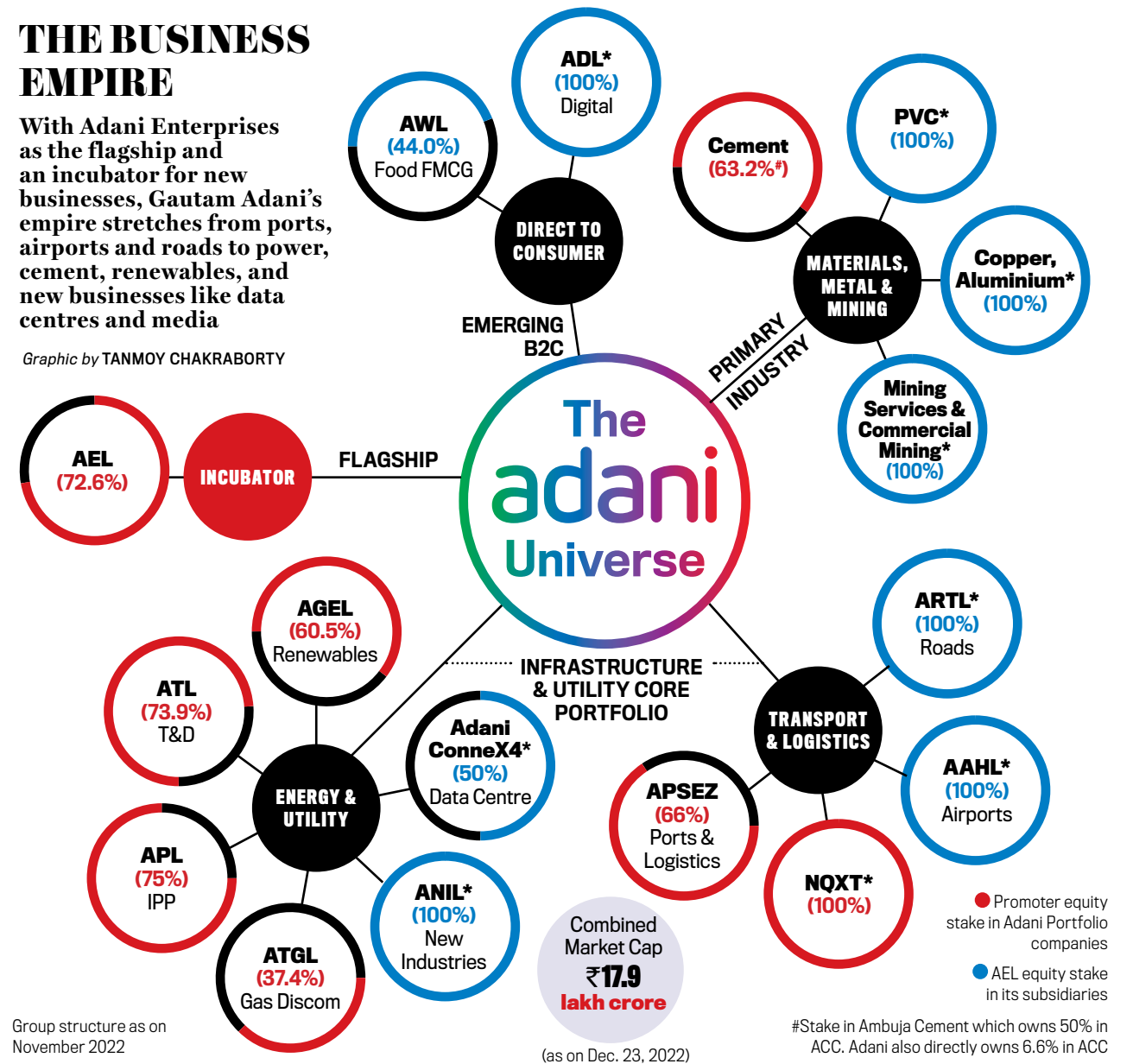
THE BIG GIVER

On his 60th birthday in June, the Adani family commits Rs 60,000 crore to charity for healthcare, education and skill development

THE BUSINESS EMPIRE

With Adani Enterprises as the flagship and an incubator for new businesses, Gautam Adani's empire stretches from ports, airports and roads to power, cement, renewables, and new businesses like data centres and media

Graphic by TANMOY CHAKRABORTY



AEL: Adani Enterprises Ltd. **ATGL:** Adani Total Gas Ltd. **NOXT:** North Queensland Export Terminal **ARTL:** Adani Roads Transport Ltd. *Unlisted companies
AGEL: Adani Green Energy Ltd. **ANIL:** Adani New Industries Ltd. **AAHL:** Adani Airport Holdings Ltd. **ADL:** Adani Digital Ltd.
ATL: Adani Transmission Ltd. **APSEZ:** Adani Ports and Special Economic Zone Ltd. **AWL:** Adani Wilmar Ltd.

ON THE FAST TRACK

The listed Adani Group companies and how they fare in terms of creating shareholder value

Figures in ₹ crore (for 2021-22)

	Consolidated Revenue*	Comprehensive Income#	Total debt	Market Cap as on Dec. 26, 2022
AEL	69,420	1,233	28,482	4,23,710
APL	27,711	4,955	41,418	1,06,182
APSEZ	15,934	4,721	45,453	1,74,118
ATL	11,258	984	27,491	2,75,097
AGEL	5,133	405	44,390	2,97,299
ATGL	3,206	510	995	3,64,224
AWL	54,214	800	2,568	68,181
Ambuja	28,965	3,722	44	1,02,092

* Ambuja's consolidated figures include ACC's; as on Dec. 31, 2021

Total comprehensive income includes profit attributable to non-controlling interest as well

THE BIG LEAGUE

Adani Group is India's second largest in market capitalisation

	Market cap in ₹ '000 crore	Growth
Tata Group	1,201	71%
Adani Group	1,197	809%
Reliance Industries	996	70%
Aditya Birla Group	274	86%
Mahindra Group	169	73%

● Dec. 23, 2019 ● Dec. 23, 2022

Sources: Adani Group & BT Research

THE RISE AND RISE OF GAUTAM ADANI

Slow and steady...the journey to become the world's third richest person



largest marine services company, a transmission project and media company NDTV. All this despite the lingering Covid pandemic and a still raging war in Ukraine that continues to cause global disruptions in business.

The Adani Group has grown at an astonishing pace despite hurdles and strife. In a little over a decade, Adani has become India's largest private sector power producer, port operator, airport operator, consumer gas business and electric transmission company, apart from being the largest infrastructure developer and generator of renewable energy. If Adani was the poster boy of the 1991 reforms, today, with his Midas touch, he is the epitome of the India story—a self-made billionaire who carved out a gigantic, diverse empire in less than three decades. He now has global ambitions and is braced to deal with the stiff resistance his ventures face abroad (and sometimes even in India). As he told INDIA TODAY, "Giving up has never been part of the Adani culture. Having honed my skills in a dynamic democracy like India, me and my group are confident we can

deliver and do business in any part of the world. I have faced adversity and crisis from childhood. Each occasion taught me several valuable lessons and made me stronger (see interview: *'I always tell my team—never waste a crisis'*)." **THE MEANING OF MONEY** When Adani speaks, he does so with a quiet conviction, and a disarming candour. He knows he has arrived but that hasn't changed the simplicity with which he expresses his feelings or the humility with which he answers criticisms against his business empire. The walls of his 16th floor office are lined with massive paintings by well-known artists but Adani admits he can't recall half their names. He shuns parties and rather than use his fleet of expensive cars prefers to come to office in a jet-black, bulletproof Toyota Alphard with a convoy of bodyguards accompanying him. The VIP entrance of his HQ bears a large fibreglass sculpture done by Indian Gond and Australian Aboriginal artists that celebrates two diverse cultures separated

1962

June 24: Gautam Adani is born as the seventh child to Shantaben and Shantilal Adani at Ahmedabad

1978

A 16, leaves for Bombay to realise his dream of setting up a business

1979

Negotiates his first deal by selling a parcel of diamonds at Dhanji Street

1982

Returns to Ahmedabad and joins Ezy Packaging, a family plastic processing unit; takes charge of procurement and marketing

1986

Apr. 1: Adani Agency and Adani Associates are formed for export/import of plastics, metals, pharmaceuticals, etc.

May 1: Marries Pritiben Vora in Ahmedabad

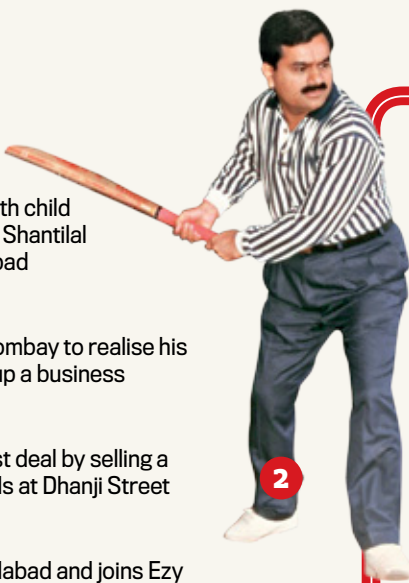
1987

Apr. 7: Their first child, son Karan, is born

1988

Nov. 1: Adani Exports, founded in March, lists on the BSE; IPO oversubscribed by 25 times

Nov. 7: Second son Jeet is born



A LIFE IN PICTURES

1. Adani with his father (1989), 2. playing cricket at an inhouse league (1996), 3. inaugurating jetty at Mundra (1998), 4. holding granddaughter Gayatri, 5. signing the Holcim deal (2022)

1998

Jetty at Mundra becomes operational
AEL commences coal trading

1999

Adani-Wilmar is founded, launches Fortune (which goes on to become India's largest selling edible oil brand in 2012)

2006

Coal mining operations begin in Indonesia

2007

MPSEZL listed on BSE and NSE, IPO oversubscribed by 116 times
Adani is listed among the top 10 richest Indians by Forbes

2009

Adani Power listed on BSE and NSE, IPO oversubscribed by 21 times; its first unit (330 MW) of the Mundra thermal power plant becomes operational in Oct.

2012

Acquires Abbot Point Port in Australia and Carmichael coal mine in Queensland
AEL commissions a 40 MW solar power plant at Bita, Gujarat

2013

Mundra becomes India's No. 1 private port

2014

Adani Power becomes largest private thermal power generator (9,280 MW)
Adani Ports acquires Dhamra Port in Odisha from Tata and L&T

4

2016

Commissions one of the world's largest solar power plants (648 MW) in Tamil Nadu; ATL acquires GMR Energy's transmission assets
Ventures into defence for making unmanned aerial vehicles

2017

Takes over R-Infra's Mumbai electricity distribution—Adani Electricity is born
Adani Gas becomes the largest city gas distribution player
APSEZ completes acquisition of Kattupalli and Krishnapatnam Ports on the eastern coast

2020

Adani Gas becomes a premier integrated gas utility after a 50:50 venture with Total Energies
Wins the mandate to operate six airports in India
Adani Green Energy wins the contract for the world's largest solar project, leapfrogs towards the goal of 25 gigawatts (GW)

2021

Adani Airport Holdings Ltd takes over management of Mumbai International Airport from GVK Group

Sept.: APSEZ fully unlocks India's eastern hinterland with Rs 6,200-crore acquisition of Gangavaram Port in Visakhapatnam

Dec.: Bags India's largest expressway project; makes the move to acquire SB Energy's 5 GW renewable power portfolio in India

2022

Jan.: Adani-Wilmar's Rs 3,200-crore IPO oversubscribed by 17 times

Sept.: Acquires Swiss firm Holcim's stake in Ambuja Cements and ACC, becoming India's second largest cement manufacturer

Sept.: Becomes the world's third richest person

Dec.: Gains a controlling stake in NDTV



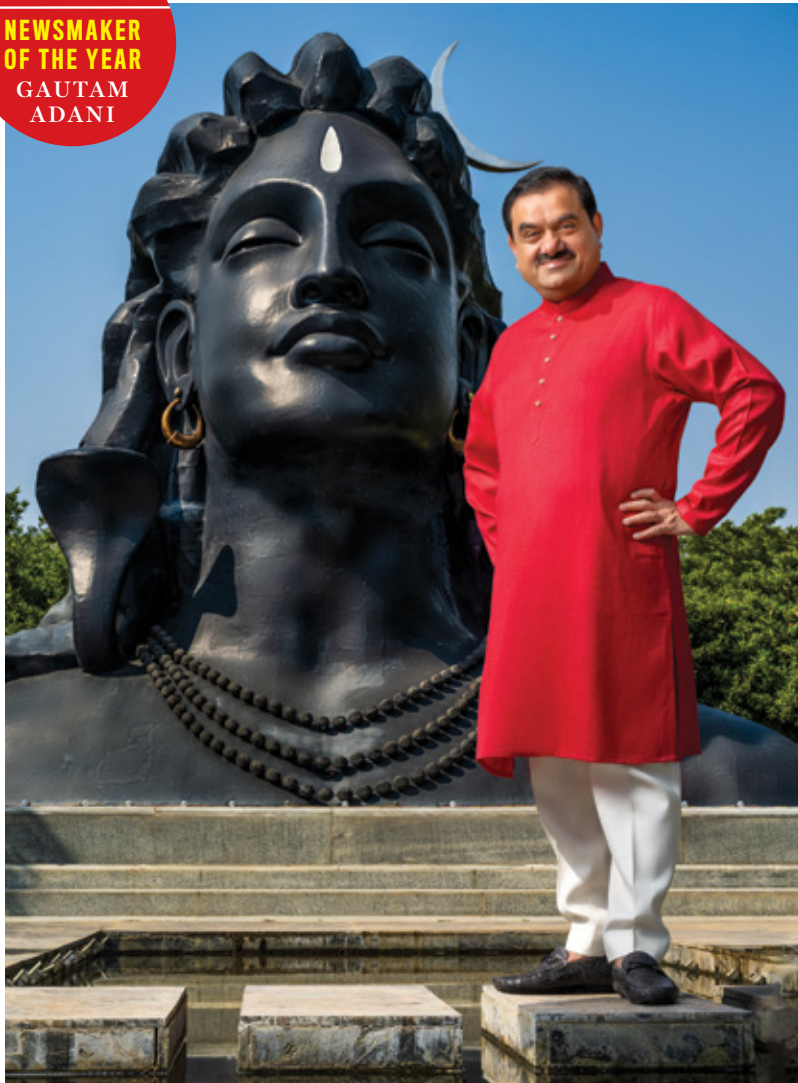
Extracted from *Gautam Adani: Reimagining Business in India and the World* by R.N. Bhaskar

by the Indian Ocean and symbolises his growing international reach, including interests in an Australian coal mine.

His designer house in Ahmedabad city has a large bust of Lord Shiva straddling the manicured garden with its flowing fountains. Again, the works of famous painters are displayed across the halls of the house. By itself, money is not fulfilling for him. He understands that ultimately money means power, not just to keep his family secure but also to influence others. But, as he puts it, you "can't chew on money" and the greatest joy is in giving back to society. "I get my thrills from handling challenges...the bigger they are, the happier I am," he says. That give-it-back feeling expressed itself on a major scale this year in June when Adani turned 60. As a birthday gift, his family decided to set aside Rs 60,000 crore for the Adani Foundation that his wife Priti heads, for use in health care, education and skill development for the needy.

Priti is a dentist by training and her marriage to Gautam in 1986 was arranged by the families who shared business ties

and middle-class origins. For Gautam, his idea of relaxing is still playing rummy with Priti at night, even when he returns from office at midnight, which is often. He adds a trifle wistfully that she is always the winner, and he ends up owing her money. Priti laughs and says she admires Gautam for his ability to focus and the fact that once he makes up his mind on a topic he cannot rest till he knows everything about it. She likes that he is always open to new ideas, that he is a good listener and, most of all, that he makes sure to spend quality time with her and their two sons, Karan and Jeet, and their extended families. Gautam says Priti is his "Lady Luck" because it's after his marriage that he grew both personally and professionally. He adds with a smile, "She is more qualified than me—I am just a 10th pass and she is a doctor." That vein of thought leads him to one of his success mantras: "While education equips you with knowledge, it's life's experiences that give you wisdom. Knowledge combined with wisdom ensures success," he says.



► Gautam Adani standing next to the Adiyogi Shiva statue at his residence in Ahmedabad



► (Sitting) Adani with brother Rajesh and wife Priti; (standing from left) nephew Sagar, son Karan and nephew Pranav

Photographs by BANDEEP SINGH

Adani aligns his business vision with that of the priorities of the government. That gives him the tailwind to succeed

THE TURNING POINTS

It's his learn-by-earning model and faith in his own intuition that would propel Gautam to greater heights. The seventh of eight children, he grew up in Ahmedabad where his father, Shantilal Adani, was a textiles and commodity trader. But while Gautam was good at studies, he dropped out after passing his tenth class and decided to head to Mumbai (travelling in third class by train) to be a diamond trader. His logic was that his elder brothers had gone on to do higher studies but they still returned to work in the family business. Adani's first big break as an entrepreneur would come when his elder brother bought a plastics factory in Ahmedabad and asked him to return to help run it. Gautam soon found that the raw material shortage was acute, not just for his brother's factory but for thousands of other small-scale manufacturers. So, when Rajiv Gandhi as prime minister liberalised the export-import policy in 1985, he seized the opportunity and began importing raw materials and supplying them to factories at a profit.

The second big turning point would come in 1991, when the Narasimha Rao government ended the licence raj, ushering in liberalisation and opening up infrastructure development to public-private partnerships. With

the margins for imports declining, Adani decided to expand his export business and went public with his company, Adani Exports. While the young Gautam was a savvy exporter, he soon realised that the real value of a company lay in creating assets. It was then, in 1995, that the third big turning point unveiled itself when Keshubhai Patel, the then Gujarat chief minister, decided to push hard on developing the state's coastal region. It was around this time that global commodities trader Cargill wanted to source salt produced across the Kutch coastline and chose Mundra as the best possible location to develop a port (it had good draught, making it easy for big ships to dock there).

Cargill entered into a partnership with Adani Exports to build a jetty but subsequently reneged on the deal. Adani saw opportunity in the crisis. As a trader, he knew how profitable a port could be and applied for permission to convert the jetty into a full-fledged port. By 2001, he had won the rights to run the Mundra port for 30 years. That would be the biggest turning point of his life. If others dismissed Mundra as a vast marshy coastline in the wilderness, Adani saw it in the same light as Dhirubhai Ambani did Jamnagar in Gujarat—a port town that would be the platform to achieve his dreams. While Dhirubhai and his sons, Mukesh and

HIS WAY

Work, leisure, likes and more...
how Gautam Adani leads his life

WORKAHOLIC: Adani works for 12 hours on most days. "I always tell people that when I am at work, I relax. Whenever I go on a holiday, I work too," he says

STRESS BUSTER: Plays a game of rummy with his wife Priti at least three to four times a week, even if he reaches home late. "She is always the winner. The card game helps me relax and spend some quality time with my wife."

PERSONALITY TRAIT: A positive thinker, does not get worked up by any adverse situation. Believes in destiny

MANAGEMENT STYLE: Empowers professionals to think as entrepreneurs and take own decisions. Stands by them even if things go wrong. Follows his gut feeling, and prefers logical and simple solutions over jargon

OTHER INTERESTS: Says he doesn't have many friends; so likes going solo when walking or exercising. Loves old Hindi songs by Mukesh and Kishore Kumar

ROLE MODEL: Dhirubhai Ambani, who he met only once but has read a lot about. Says he can relate to the difficulties Ambani faced during the 'licence raj'

FAVOURITE FOOD: Is a foodie and vegetarian. Loves Gujarati cuisine, but while travelling tries out local delicacies

FAVOURITE GETAWAY: Destinations that have great scenic beauty. Switzerland tops the list

HOW HE TRAVELS: Does not like to flaunt his wealth, although he owns four private jets for business travel and has a fleet of luxury cars. Prefers to go to office in a jet-black, bulletproof Toyota Alphard

Anil, set up the country's largest oil refinery plants, Gautam steadily acquired vast tracts of land in Mundra. By 2007, his acquisition totalled over 15,000 hectares spanning 40 km of coastline on which he would construct a state-of-the-art port with 26 berths, making it the largest port facility in the country.

THE ADANI WAY

The Mundra port provided a gateway for Adani to enter other businesses—power generation, since it owned large tracts of land and was a large importer of coal, a key input; the edible oil business as it used to import the commodity for Singapore's Wilmar, later forming a 50:50 joint venture with it; the transmission, distribution and renewables businesses since they were natural extensions of power, as was piped gas; airports and roads as an extension of the infrastructure story; and now cement, since it can use fly ash from Adani's power plants as feedstock. Today, the group owns or operates 12 ports across seven states and accounts for a quarter of the country's ports capacity. He is also India's largest airport operator, handling 25 per cent of the passenger traffic and 40 per cent of the air cargo, and its largest edible oils manufacturer. The group employs over a 100,000 people, both directly and indirectly, across the world.

The Mundra port experience would define the way Adani does business. One signature move was to align his business vision with the priorities of the government of the day. The second was to expand business by venturing into what he calls "adjacencies" or sectors complementary to his interests, which he also describes as "connecting the dots". He says, "Our thinking is clear as to how we can help the country. This aligns the businesses with the aspirations of the country and also gives our activities the required tailwind that makes for smooth sailing." Veteran investment banker Nimesh Kampani has been quoted saying, "Gautam Adani is an ideal example of an empire builder who did not owe his growth to any of the new-age technologies. Instead, he chose to be part of the development scene of the country and achieve success through the contributions he could make to society."

How does the cement acquisition, then, fit into his overall business ambitions? Adani explains that his business empire has two large verticals. On the one side are ports, logistics and airports, largely classified as ports and transport. On the other are energy and utilities. The energy portfolio houses the group's thermal plants, renewables, transmission, distribution, LNG terminals and city gas distribution. "We are increasing our positioning in every vertical, but at the same time with these different verticals standing together, we are creating 'adjacencies'. Cement is coming out of these adjacencies," he explains. The word, denoting the entry into businesses that



► Mundra Port, the largest private port of India, on the north shores of the Gulf of Kutch in Gujarat

have a "nearness" to existing business, has a close resonance with the policy of backward and forward integration followed by Reliance Industries founder Dhirubhai Ambani (whom Adani considers his 'inspiration'), while building his massive petrochemicals empire.

BETTING BIG ON GREEN ENERGY

The biggest push from Adani is coming in the green energy business. This again is in tandem with the Centre's plans to considerably scale up power generation from renewable sources. In 2015-16, the Narendra Modi government had committed to aggressive targets of installing 175 GW of renewable energy, excluding large hydro projects, by 2022. Of this, the targeted solar energy capacity was 100 GW by March 2023, 40 GW of which was to be rooftop solar and 60 GW ground-mounted. The targets were no doubt ambitious, but it has given Adani the fodder to fuel his green energy plans. Adani is clear that when the country's huge energy transition happens, it shouldn't be dependent on China and is setting up one of the most integrated green-energy value chains. The giga factories will extend from polysilicon to solar modules, complete manufacturing of wind turbines and the manufacturing of hydrogen electrolyzers. "When we are in full command of the chain, we will see that India can produce the cheapest fuel electron in the world," he predicts. The factories will also help generate an additional 45 GW of renewable energy to add to the Adani Group's existing 20 GW capacity, as well as three million tonnes of hydrogen by 2030. Asked about the possibility of hydrogen energy becoming viable soon, he says, "The Indian government has brought out a very



► Kamuthi solar power project, one of the world's largest, in Tamil Nadu

Adani is unfazed by flak that his group is 'over-leveraged', and points to the ratings from global credit agencies

attractive production linked incentive (PLI) scheme which has made the hydrogen business attractive and viable."

In green energy, the rivalry between him and Mukesh Ambani, India's second richest man, is palpable. Adani's announcement came just days after Ambani, whose Reliance Industries plans to invest \$75 billion in renewables infrastructure including generation plants, solar panels and electrolyzers, had announced a fifth giga factory as part of RIL's investment in low carbon energy. Adani, who rubbishes suggestions of a business rivalry with Ambani, says his relationship with "Mukeshbhai" is of mutual respect, but adds that any new technology "needs to start somewhere". Over the course of time, the cost of business would drop, making such technologies more affordable. He cites the example of the solar power business, where the high cost of solar panels in the early days led to tariffs as high as Rs 18 per unit. However, as input costs came down, so did tariffs, and today it is less than Rs 2.50 per unit.

QUESTIONS ON FINANCES

Large acquisitions such as the one in cement require a huge amount of capital. In fact, Adani's growth is underlined by the 50 companies he bought in the past seven years. Having borrowed heavily from banks to fuel his ambitions, the group debt had swelled to around Rs 1.88 lakh crore, as of March 2022. And there is more spending in the pipeline. Adani Enterprises, which has interests in new energy, transport and consumer businesses, plans to spend \$10.4 billion (over Rs 86,000 crore) as capital expenditure till 2024. In the following five years from then on, the capex would be \$49 billion (around Rs 4 lakh crore). Some critics say the group is 'over-leveraged', and that the structures the group has created make it difficult to determine the consolidated position of debt and equity.

Adani is unfazed by such criticism. His explanation is that global rating agencies, whose credit ratings are critical to raising capital overseas, have given his companies ratings that are equivalent to sovereign ratings (the country's ratings). Moreover, in infrastructure, the biggest raw material is capital, and capital is a mix of debt and equity. The Adani Group's debt to EBITDA (earnings before interest, taxes, depreciation and amortisation, a measure of profitability) ratio, which was 7.6 per cent some seven years ago, has shrunk to 3.2 per cent. The group's exposure to borrowings from banks, which was 86 per cent nine years ago, is now down to 32 per cent with almost 50 per cent of the borrowings coming from international bonds.

THE POLITICS OF BUSINESS

How did Adani achieve all this in such a short time and also got the stock markets to cheer him? The soft-spoken industrialist



is said to have a unique ability to build and maintain relationships and has a reputation for not backing out of any deal he enters into. He does not try to buy out or squeeze his partners. When a deal does not work out as expected, Adani insists on sitting down with the partner and ironing out the rough edges to see it through. Investors love him for his steadfast way of not raising money from them till a business starts to generate cash. This method allows him to get higher valuations at the time of fundraising. Those close to him cite the example of Adani Wilmar. The 50:50 joint venture, stitched in January 1999, remains an equal partnership, with Adani showing no desire to increase his stake in the company. But Adani does believe in size, scale and speed and wants to dominate any industry he gets into.

Moreover, despite the popular notion of him being close to Prime Minister Narendra Modi, he maintains relationships across party lines, making him acceptable to every government. “He has concluded projects under the Congress government, the BJP government, the National Democratic Alliance, the Left parties in Kerala and even the mercurial Mamata Banerjee of the Trinamool Congress in West Bengal,” writes journalist R.N. Bhaskar in the book, *Gautam Adani: Reimagining Business in India and the World*. Interestingly, recent protests by a section of fishermen and Catholic priests against Adani’s Vizhinjam port project on the southern tip of Kerala saw sworn enemies, the ruling CPI(M) and the BJP, come together in support of the project. Adani, in turn, says protests do not bother him as they are “an essential part of the democratic process”.

He also shrugs off allegations that the rise of his business empire has to do with Modi’s ascent to power, first as Gujarat CM and, in 2014, as India’s prime minister. He emphasises that the three major breaks in his entrepreneurial journey were due to policies under former prime ministers Rajiv Gandhi and Narasimha Rao, and ex-Gujarat CM Keshubhai Patel, apart from policies pushed through by Modi when he became CM in 2001 and PM in 2014. Adani emphatically says, “These allegations are baseless and suffer from a recency bias, seeing our group’s success through a short-term lens. My professional success is not because of any individual leader but because of the policy and institutional reforms initiated by several leaders and governments over a long period of more than three decades.” Adani brushes aside charges of what a former chief economic advisor to the Union finance minister called “stigmatised capitalism”, saying in his businesses he had always pushed for a competitive bidding process to snuff out charges of political patronage.

MANAGING THE EMPIRE

Adani likes to run his companies with a judicious mix of professionals from within the family and outside. Brother Rajesh Adani is group MD, sons Karan Adani and Jeet Adani are CEO of Adani Ports and SEZ, and V-P, group finance, respectively. Nephews Pranav Adani and Sagar Adani are MD, agro, oil & gas and executive director, Adani Green Energy, respectively. Asked how he manages such a giant conglomerate, Adani says, “All our businesses are run by professional, competent CEOs. I do not interfere in the day-to-day functioning of the companies. My role is limited to formulating strategy, capital allocation and performance review. It’s also why I have the time to not only manage such a large and diverse organisation but also incubate several new businesses and look for new opportunities for acquisitions.”

Adani points out proudly that none of the 50-odd assets he has bought in the past seven years, including the distressed ones, have failed precisely because of his “committed team”. He believes in pushing his managers to take “entrepreneurial” decisions, with some hand-holding, of course. Executives are encouraged to take big bets, and treat wrong decisions as part of the learning curve. Insiders say he gives operational freedom to the CEOs and keeps his focus on broader strategies and capital allocation. Adani leans on his gut feeling while making decisions, prefers simple and logical solutions, and loathes jargon. He has been in some life-threatening situations, including being trapped in the Taj Mahal Hotel in Mumbai in 2008 during the terrorist attack. Adani had to hide in

the basement till they were eliminated. He says, “I am a positive thinker and do not get worked up in any situation. When things are not in your control, why worry? Destiny decides such things. Even on days that have been traumatic, I sleep peacefully.”

Adani believes this is India’s century and sees the country becoming a \$30 trillion economy by 2050 (it is at \$3 trillion now), because the median age of the population will still be 38—younger than for any other country. Apart from having a young and aspirational workforce, India will also have the world’s largest middle class population. That vision seems to have given him a clear blueprint for the Adani Group’s journey in the years ahead. He isn’t too fussed about predictions of a global recession in 2023 either, saying, “I am a born optimist and never lose hope. India will emerge stronger from this.” It is his never-waste-a-crisis approach and the extraordinary ability to create enormous value in whatever he does that has propelled Adani to the pinnacle of Indian business in just decades. With a large part of that expansive growth happening in 2022, Gautam Adani is without doubt INDIA TODAY’s Newsmaker of the Year. ■

Adani says the protests against his projects do not bother him as they are “an essential part of the democratic process”

INTERVIEW | GAUTAM ADANI

“I ALWAYS TELL MY TEAM—NEVER WASTE A CRISIS”

Photograph by BANDEEP SINGH



GAUTAM ADANI, billionaire industrialist and third richest man in the world, is India Today's Newsmaker of the Year. In a freewheeling interview with Group Editorial Director **RAJ CHENGAPPA**, he talks about the Adani Group's explosive expansion in 2022, future plans, the many controversies and even his relationship with Prime Minister Narendra Modi. Excerpts:

Q. Looking back at 2022, what makes this year so special for you?
For me, 2022 was an exceptional year in so many ways. We had a successful Adani Wilmar IPO and now it is becoming the seventh listed company in our group. We have built a business model where we start one from scratch, make it profitable and then go public. This IPO was another example of that. We also became India's second largest cement manufacturer when we acquired ACC and Ambuja Cements for around \$10.5 billion (Rs 86,787 crore). It is the largest acquisition we have ever made, and it is also India's largest-ever M&A transaction in the infrastructure and materials space.

Q. Apart from being the richest Indian and the richest Asian, you are also the world's third richest person. How does it feel to be that wealthy? What does money mean to you?
See, these rankings and numbers do not matter to me. They are only media hype. I am a first-generation entrepreneur who had to build everything from scratch. I get my thrills from handling challenges—the bigger they are, the happier I am. For me, the opportunity and ability to make a difference in the lives of people and contribute to the growth of the nation is far more satisfying and important than being on some wealth ranking or valuation list. I am thankful to God that he has given me the opportunity to serve the nation through infrastructure building.

Q. Can you define what makes you happy?
Personally speaking, this was the biggest year of my life. This year, I celebrated my 60th birthday. The personal milestone

Then Gujarat CM Narendra Modi with Gautam Adani at a 'Vibrant Gujarat' summit in 2011



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“My role is limited to formulating strategy, capital allocation and performance review. It's why I have the time to not only manage such a large organisation but also incubate new businesses”

apart, my family committed Rs 60,000 crore to the Adani Foundation to support three social causes close to my heart—education, healthcare and skill development—which are foundational for any nation. This has given me immense satisfaction and happiness which no professional achievement can ever give.

Q. What motivates you in business and life?
As an ordinary man, the courage, strength, resilience and tenacity of the average Indian are very inspiring and motivating for me. To share with you, at the 2nd edition of our 'Green Talks' series, I was greatly moved by the stories of Arunima Sinha and Kiran Kanooja, two extraordinary women who, unfortunately, lost their limbs but still conquered the world. Arunima climbed Mt Everest and Kiran, a 'blade-runner', is running marathons. Both are incredible women and the pride of India. They are the real heroes of *naya* India. Their stories moved me to tears. I am truly humbled by their spirit. Could there be anything more motivating than such courage, valour

and determination in the face of adversity? Seeing their story, my belief is further reinforced that there is no machine stronger than the human mind. Such stories are the biggest source of motivation for me.

Q. What is the logic behind the Adani group's expansion, whether in building infrastructure or entry into new areas?
I was born in a middle-class family and I lived through the 1970s and '80s when we had to struggle for *bijli*, *sadak* and *paani*. That was a time when India had a huge infrastructure deficit in ports, airports and other areas. In contrast, China, which also became independent around the same time as India and had a lower per capita income than India in 1990, began leapfrogging ahead of us in development. All these issues instilled a huge desire in me to do whatever I could to transform India, particularly in infrastructure. Meanwhile, starting from 1991, policy changes created an enabling environment for the entry of the private sector in the infrastructure space. This is why I am determined to use every opportunity to build world-class infrastructure and facilities in India.

Q. What is your management style, your mantra for success?
All our businesses are run by professional, competent CEOs. I do not interfere in the day-to-day functioning of the companies. My role is limited to formulating strategy, capital allocation and performance review. It's also why I have the time to not only manage such a large and diverse organisation but also incubate several new businesses and look for new opportunities for acquisitions.

Q. One of the new acquisitions was the takeover of the NDTV media group. Will the same management principle

“The allegations about PM Modi and me are baseless and suffer from a recency bias, seeing our group's success through a short-term lens. My professional success isn't because of any individual leader but because of the policy and institutional reforms initiated by several leaders and governments over three-plus decades”

of non-interference that you showed in other group companies follow suit here? How will you ensure its editorial independence?

On editorial independence, let me say categorically that NDTV will be a credible, independent, global news network with a clear *lakshman rekha* between management and editorial. You can endlessly debate and interpret each and every word that I say...as has been done by many...but my fundamental point is that the proof of the pudding is in the eating. So, please allow us some time before you start judging us.

Q. Another concern raised by critics is that the Adani Group is highly overleveraged, that its debt is to the tune of Rs 2 lakh crore. How do you plan to tackle the debt and repay it?

I am greatly surprised by these conversations around our debt. We are financially very strong and secure. Such noises are coming from two sections. The first are people who have not bothered to do a deep-dive to understand the detailed nuances of debt and finances of our companies. I am sure if they make an effort to understand the financial statements, all the misgivings about debt will disappear. Then there is the second category of people with vested interests who are deliberately creating confusion and misunderstanding to tarnish the reputation of the group. The fact is that, in the past nine years, our profits have been growing at twice the rate of our debt, because of which our debt-to-EBITDA (earnings before interest, taxes, depreciation, and amortisation) ratio has come down from 7.6 to 3.2, which is very healthy for a large group where most of the companies are in the infrastructure space with assured and predictable cash flow unlike in manufacturing. This is the reason why not just national, but international rating agencies too have rated us equivalent to India's sovereign rating. It is a matter of great pride for me that no other business group in India has as many companies as the Adani Group which have sovereign ratings. It is these fundamental financial strengths of our group that helped us close the ACC and Ambuja deal in a record time of just three months.

Q. There are also concerns that banks, including public sector banks, have huge exposure to Adani debt. How do you respond

to such concerns?

Well, people raise concerns without verifying the facts. The fact is, nine years ago, out of our total debt, 86 per cent was lending from Indian banks. But now, the exposure of Indian banks in our total lending is only 32 per cent. Almost 50 per cent of our borrowings are now through international bonds. You will appreciate that international investors are very astute and will subscribe only after due diligence.

Q. How do you respond to critics who say your meteoric rise is because of your proximity to Prime Minister Narendra Modi?

Prime Minister Modi and I are from the same state. That makes me an easy target for such baseless allegations. When I look back at my entrepreneurial journey, I can divide it into four phases. Many will be surprised to know that it all began when Rajiv Gandhi was prime minister. He liberalised the Exim policy and, for the first time, several items were brought in the OGL (open general licence) list. That is what helped me to start an export house. But for Rajiv Gandhi, my journey as an entrepreneur would never have taken off. The second big push I got was in 1991, when the duo of Narasimha Rao and Manmohan Singh initiated sweeping economic reforms. Just like many other entrepreneurs, I too was a beneficiary of those reforms. The third turning point came in 1995 when Keshubhai Patel was sworn in as Gujarat chief minister. Until then, all development in Gujarat was around the NH-8 from Mumbai to Delhi via cities like Vapi, Ankleshwar, Bharuch, Silvassa, Vadodara, Surat and Ahmedabad. He was a visionary and focused on coastal development, and it was that policy change that took me to Mundra and prompted me to build our first port. The rest, as they say, is history.

Q. Which was the fourth turning point?

The fourth turning point was in 2001, when Gujarat witnessed a massive focus on development under chief minister Modi. His policies and their implementation went on to not only change the economic landscape of the state but also brought about social transformation and development of previously underdeveloped areas. It also allowed industries and employment to take off like never before. Today, under his able leadership, we are seeing a similar resurgence at the national and international levels, where a new India is asserting itself. It is unfortunate that such narratives are being pushed to defame me. As I explained, these allegations are baseless and suffer from a recency bias, seeing our group's success through a short-term lens. My professional success is not because of any individual leader but because of the policy and institutional reforms initiated by several leaders and governments over a long period of more than three decades.

“NDTV will be an independent, credible global news network with a clear *lakshman rekha* between management and editorial...please allow us some time before you start judging us”

Q. What would you say about Prime Minister Modi's style of leadership?

Prime Minister Modi has provided a visionary and inspirational leadership to India, not just by bringing about significant policy changes but also through various programmes and schemes which directly touch the lives of every Indian. There is hardly any aspect of governance which he has not touched. He is trying hard to bring transformative changes not only in the Indian economy but also pushing for social transformation and inclusive growth. He has through several innovative schemes and their effective implementation also given a strong push to the industrial and economic development of India. Schemes like Aatmanirbhar Bharat, Digital India and Start-up India have acted as economic multipliers, creating endless business and manufacturing opportunities and millions of direct and indirect jobs. The prime minister's equally strong focus on the social sector, agricultural economy and underdeveloped areas of the country with a safety net

AMIT PANCHAL



(From left) Mountaineer Arunima Sinha, Adani and blade runner Kiran Kanojia

for the poor has ensured that the growth is inclusive and sustainable. His schemes like Swachh Bharat, Jan Dhan Yojana, Direct Benefit Transfer and Ayushman Bharat have brought transformative changes in India.

Q. You have faced a lot of criticism in other areas of your business, whether in Australia, Sri Lanka or the investments made in various parts in India...

Gautam Adani is a product of a democratic India. Protests, criticism and allegations are essential parts of a vibrant democracy. In fact, they define democracy. I am a firm believer that our democracy has given us economic freedom and opportunities and we all have benefited from it. Now we can't complain and cherry-pick about other aspects of democracy which have their own functional values within the boundary of the law. We are in the infrastructure sector which is the most difficult space to work in. I have a very open mind towards criticism. For me, the message has always been more important than the messenger. I always introspect and try to understand the other's point of view. I am conscious that I am neither perfect nor am I always right. Every criticism gives me an opportunity to improve myself.

Q. Despite all the criticism, you have never given up. Is that part of the Adani culture?

Yes, giving up has never been part of Adani's culture. Over the years, the group has developed a strong and professional team with endless energy and a problem-solving approach. We are always looking at solutions. Having honed my skills in such a dynamic democracy like India, me and my group are confident that we can deliver and do business in any part

“Girls like Arunima and Kiran—both of them amputees—are the real heroes of *naya* India. Could there be anything more motivating than such courage, determination and valour in the face of adversity?”

of the world. I have faced adversity and crisis from childhood. Each occasion taught me several valuable lessons and made me stronger. It is why I always tell my team: 'Never waste a crisis'.

Q. You are also betting big on green energy, especially solar and hydrogen. How confident are you that they will become viable businesses in the near future given the costs of converting, say green hydrogen into fuel, including storing it?

Green energy is very close to my heart and energy transition is not only a huge business opportunity but also our responsibility to future generations. The government of India has brought a very attractive production linked incentive (PLI) scheme which has made the green hydrogen business viable and attractive. In fact, I am very confident that with this enabling support we will not only meet domestic demand but soon become a green hydrogen exporter.

Q. First-generation entrepreneurs like Dhirubhai Ambani faced many difficulties. You are also a first-generation entrepreneur. Who do you look up to as a mentor?

Dhirubhai Ambani is a source of inspiration for millions of entrepreneurs in India. He showed us how a humble man without any backing or resources and against all odds can not only set up a world-class business group but also leave behind a legacy. Being a first-generation entrepreneur with humble beginnings, I am deeply inspired by him.

Q. Looking forward, how do you see India's economy grow in the year ahead?

In our 75 years of independence, it took us 58 years to get to our first trillion dollars of GDP, 12 years to get to the next trillion and just five years for the third trillion. But now, if you look at our pace of social and economic reforms, I see India adding a trillion dollars to its GDP every 12 to 18 months within the next decade. I am very optimistic about India's growth and prosperity. This optimism comes from the fact that in 2050, we will have a young India of 1.6 billion people with a median age of 38. We will also have the world's largest middle-class population. This demographic dividend combined with the largest middle class will spur growth and prosperity in India, making it a \$30 trillion economy. So, clearly, this century belongs to India.

Q. Finally, many experts think a global recession is likely in 2023. Are you concerned by such predictions?

I am a born optimist and never lose hope. I recall that many pundits had painted a similar gloom scenario for India during the 2008 global financial crisis. But India was successful in beating the prediction. I am optimistic that the next Union budget will provide a great opportunity to address all these concerns. A strong focus on capital expenditure, employment, social infrastructure and social security will help ward off the global headwinds of recession. India will emerge stronger from this. ■