

## GAUTAM ADANI ON LAND ALLOTMENT

**“We have not received any concession. The said land was owned by government & was barren...**

**...It is unfair if one compares the price of land before and after development work at Mundra”**

# Got No Favours in Land Deals: Adani

Says group has healthy relations with authorities outside Gujarat too

**MITUL THAKKAR**  
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**G**autam Adani, accused by Rahul Gandhi of pocketing lucrative land at throwaway prices in Narendra Modi's Gujarat, has asserted he has not cut sweetheart deals in his dramatic rise from a college dropout to the magnate who runs India's biggest port and is the largest private power producer.

The chairman of the Adani Group is focused on his conglomerate's ambitious expansion plan but is dismayed by the noisy election campaign in which politicians routinely hurl allegations of crony capitalism and target tycoons such as Adani, RIL Chairman Mukesh Ambani as well as the Tata and Essar groups, ignoring their side of their story.

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**ET EXCLUSIVE** Q&A

**GAUTAM ADANI**  
CHAIRMAN, ADANI GROUP

## ‘BJP is Billed for Aircraft Use’

**Gautam Adani clarifies that his conglomerate has a separate business unit for aviation, and that BJP has hired aircraft from his group for which the party is billed. ►► PAGE 17**

discouraging to undermine our commitment and contribution in building infrastructure of national importance,” Adani told ET in an interview.

Responding to allegations that his aircraft were ferrying BJP leaders, Adani said his group had an aviation unit that charged politicians if they used its fleet.

Rahul Gandhi has made the largess allegedly bestowed on industrialists such as Adani the centrepiece of his cam-

paign against Modi, as the Congress leader has sought to portray the Gujarat CM as a pawn in the hands of crony capitalists. At a recent rally, Gandhi claimed that Modi had bestowed upon Adani land for ₹1, the price of a toffee.

Aam Aadmi Party leader Arvind Kejriwal has also attacked Modi for his relations with business leaders such as Ambani and Adani.

**Land Given by Various Govts ►► 17**

ET EXCLUSIVE Q&amp;A

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**Q** We have developed the Mundra land during the last 20 years by investing over ₹50,000 crore to create world-class infrastructure

# ‘BJP is Billed for Aircraft Use’

**C**ought in the political crossfire in a highly-charged poll season campaign, **Gautam Adani**, chairman of the Adani Group, asserts that the charges hurled at him are baseless and are either politically motivated or because of lack of information. Brushing aside charges that he pocketed lucrative land at throwaway prices in Gujarat, Adani told ET's **Mitul Thakkar** in a wide-ranging interview that he has not received any favours and the land, owned by the government, was absolutely barren and unfit for agricultural activity. Edited excerpts:

## How is this general election different from previous ones for business houses like Adani Group?

We respect the views and opinions of different political parties. However, in this politically-charged atmosphere, we feel that wild and baseless allegations are either politically motivated or poorly informed and ill-advised. It is disheartening and discouraging to undermine our commitment and contribution towards building infrastructure of national importance.

## In the election campaign, it has been alleged that the Modi government gave you land at cheap rates in Mundra. What is your position on this?

Since 1993, we have been developing a port and a special economic zone in a phased manner at Mundra. During this period, different political parties were ruling the state. These governments allotted land during different phases of development after assessing the need and complying with all procedural requirements. We have not received any concession in land allotment. The said land was owned by the government and was absolutely barren and unfit for agricultural activity. We have never acquired any private agricultural land through the government acquisitions route.

**But you were allocated land at throw-away prices, as they say.**



## **Q** ON ACCUSATIONS

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It is unfair and completely misleading if one compares the price of the land before and after the development work undertaken at Mundra. We have developed the land during the last 20 years by investing over ₹50,000 crore to create world-class infrastructure of power, road, rail, shipping, attracting industries and generating massive employment.

## How much land have you acquired at Mundra?

We have acquired 7,350 hectares of land at Mundra.

## How do you justify acquisition of such a large land bank?

The land has been acquired for port and port-based multiproduct SEZ. To ensure that the units in SEZ have a competitive edge in its manufacturing cost, they need to be world-class in size and scale of operation. We have observed that similar port-based SEZs in other parts of the world are set up in a fairly large area. The SEZ will also house social infrastructure such as housing, educational institutions, health-care facilities, utilities like water, electricity and effluent treatment.

## Did you get such support for your projects outside Gujarat?

We have invested in power generation in Rajasthan and Maharashtra, for coal mining in Chhattisgarh and Odisha, for power supply and city gas distribution in Haryana and for port-terminal development in Goa, Andhra Pradesh and Tamil Nadu. These investments are in the infrastructure sector. Hence, government policies and support is very critical in implementation and we are working closely with the government. We would like to place it on record that we are getting excellent support from all states irrespective of different ruling parties. This is understandable as this sector is the priority sector for government and is the backbone of the growth for the economy.

## Narendra Modi frequently files in your aircraft. This has become a major issue. What is your response on that?

We have a separate business unit for aviation. The BJP has hired the aircraft from us and is billed for the use.

## What has been your progress in implementing the business plant Vision 2020?

Our vision by 2020 is to achieve 200 million tonnes per year of cargo handling at our ports, setting up 20,000 MW power generation facilities and mining 200 million tonnes of coal. We are confident of achieving this ahead of time. Our Mundra port has the distinction of being the largest commercial port in India and also the first port in India to cross 100 million tonnes cargo-handling in a year. This has been achieved in a short period of just 12 years and we are confident of achieving handling 200 million tonnes of cargo well before 2020. We have significant presence on the Western coast of India and are now evaluating opportunities for presence on the eastern coast of India. The power business is also on its way to achieving the target set by us; today, we are the largest private sector power producer in India with generation capacity of 8620 MW; this will reach 9,280 MW by June 2014. We have plans to add another 7,260 MW; the execution will start as soon as better clarity emerges on coal supply and power pricing related issues. On coal mining business, we are operating coal mines in Indonesia and have acquired large coal tenements in Australia, which has one of the largest coal reserves in the world. We are also working as a mine developer cum operator and have signed contracts for nearly 100 million tonnes per year. Besides this, we are also looking for opportunities for investing in coal assets.

**How are you planning to fund the future projects when raising funds is a major challenge?**

Investor confidence in Adani is fairly high and most of our investors are long-term investors. We are one of the few companies who have been able to raise over ₹11,000-crore equity in the last seven years. We have longstanding relationships with our lenders, too, and they have faith in us. We have fully met all of our financial commitments and are enjoying a high credit rating. We fund our expansions and new businesses through a judicious mix of debts, internal accruals and fresh equity and are confident that we will be able to meet our needs through internal accruals and debt for our current plans.

## What differentiates you from other infrastructure players?

Our business model is unique; we have opted for seamless integration of our infrastructure businesses. This model allows us to capture values across the chain, from mines to port to power generation and transmission. It makes us the most competitive producer.

## What will be the implications of the regulatory order to partly compensate the company for fuel cost?

We are the largest private sector player in power in India. The reasons for loss are changes in law in Indonesian imported coal, short supply of coal through domestic linkages and non-provision of these factors in power purchase agreements (PPA). The recent CERC order is a big support to the sector, which will partially overcome these problems. It is pertinent to note that the cost of power even after implementation of the order for our Mundra project is much lower than the recent contracts finalised by the states, which ranges from ₹4.5-5 per unit Case-1 and Case-2 bids. Since our rates are lower, we get priority in power dispatches on a merit basis; this benefits the consumers.