



ADANI

BUSINESS *of* SUCCESS



Market

The last twenty years has seen India develop into a land of limitless opportunities. However, to leverage this potential two important conditions must come together: a leader with an entrepreneurial bent of mind and a business dovetailing its strategies with the needs of an emerging economy.

Of the many companies which have helped transform India's dusty landscape into vibrant centres of production, few can match the credentials of the Adani Group. Today, this business brand is a powerful name in energy, logistics and infrastructure sectors. Its business portfolio includes, coal mining and trading, oil and gas exploration, power generation and transmission, shipping, port development, container trains, grain storage silos and SEZ and realty development. The group's success lies in its ability to synergise between its diversified business interests and integrated verticals.

The successful accomplishment of this complex task has placed the Adani Group in the fast track and propelled it into the league of the country's top ten business houses by market capitalisation.

Achievements

Thanks to a well-planned and meticulously executed strategy, the Adani Group has many laurels to its credit. In its most recent recognition, the group's Mundra thermal power project was conferred the Infrastructure Excellence Award 2011 in the Energy and Power category by CNBC. Mundra Port, too, was crowned with the prestigious Annual Indian Maritime Gateway award in the category of the Private Port of the Year 2009. In addition, Adani Enterprises Limited (AEL), the flagship company of the Adani Group, received the Five Star Trading House status from India's Directorate General of Foreign Trade (DGFT) and, for the second time in succession, was rated amongst the 50 Top Performing Asian Companies by the prestigious Forbes magazine.

History

The company's story begins in 1988 when Gautam Adani branched out of his family's trading business to start a partnership firm that would make the most of the opportunities offered by the export-import (EXIM) policy of 1985.

In a series of swift developments, the partnership firm grew into a public limited

company in 1993 and entered the capital markets with an IPO in 1994. The company, Adani Exports Limited (now renamed as Adani Enterprises Limited) was accorded the status of Super Star Trading House on 1st

April 1994 by the Ministry of Commerce. It thus became the youngest trading house in India.

The young entrepreneur soon realised that to be successful, an emerging market required the involvement of dynamic logistics companies to support the growth sought from industrialisation. To set him off on his way, two things fortuitously happened: the first was a proposed joint venture between Adani trading house and a US-based company to farm and export salt that came unstuck, and the other was the government's decision to open infrastructure development to private investment.

The abandonment of the joint venture had left a vast swathe of land at the coast the company had earmarked for salt farming and rights to develop a jetty for salt export, unutilised. In this Gautam Adani saw an immense opportunity. He launched himself into building a private port at Mundra connected to an Indian Railway junction 64 kilometres away, by a private railway line and an edible oil refinery in close proximity to it. As it transpired the port would go on to

becoming India's largest private port and the refinery, India's largest edible oil refinery.

Suffused with success, the group is currently developing India's largest port-led special economic zone (SEZ) and has gone upstream into coal mining, oil and gas exploration and has entered the power sector with several mega power generation projects on the anvil. It commissioned India's first supercritical technology-based 660 MW unit, earning in the process, the Clean Development Mechanism certificate from the United Nations Framework Convention on Climate Change. It also began developing a supply chain of compressed natural gas (CNG) to automobiles and piped natural gas (PNG) to household users in various parts of the country.

Along the way, the group has earned many distinctions. Today, it operates the largest privately managed merchant port in India, is the developer of the largest multi-product SEZ in the country, drives the world's largest automated imported coal terminal and is the largest integrated coal management firm in India.

The group's flagship company is Adani Enterprises Limited (AEL) which has two listed subsidiaries: Mundra Port and Special Economic Zone Limited (MPSEZ) and Adani Power Limited (APL).

Product

The Mundra Port is one of the Adani Group's major assets. It has the advantage of lying across



the ocean from the Middle East, the African continent and Europe - three of India's largest trading partners.

The Mundra Port SEZ also operates a multi-product, large format private special economic zone. This gated project has its own network of roads, water supply, power generation, sewage disposal and drainage, infocom services, gas distribution and social infrastructure.

In the power generation business the Adani Group is developing seven thermal power projects with a combined capacity of 18,500 MW of which over 1980 MW has already been commissioned. The company is also constructing transmission lines for evacuating this power.

Under its international coal mining operations, the Adani Group has developed green-field coal mining concessions in Bunyu, Indonesia with coal reserves exceeding 150 million metric tonnes and has acquired 100% interest in Galilee Tenement in Queensland, Australia with estimated coal reserves of 7800 million metric tonnes.

As part of its gas distribution business, Adani Gas has established nearly 60 CNG stations and a gas distribution network covering 90,000 households and 450 industrial and 700 commercial connections in Ahmedabad,



agreement with the regional government of Sumatra Selatan and PT Bukit Asam Tbk, a Government of Indonesia coal mining company, for setting up a rail and port project to be executed over a period of 48 months. The project will involve the construction of a 250-kilometre long railway line and a comprehensive port infrastructure to facilitate the export of up to 60 million metric tonnes of coal per annum.

Back home, local opportunities are on the boil. As part of the company's continuous diversification and expansion plan in the port sector, Mundra Port has developed a bulk cargo handling terminal at Dehej in Gujarat and is developing multi cargo berths under a sub-concession at Hazira. It has also received concessions to develop berths for coal handling at Mormugao Port in Goa and at Visakhapatnam in Andhra Pradesh. Further inroads are being made by Adani Logistics Limited which has received a license for running container train operations across India including all ports.

Adani Enterprises has entered in to the integrated logistics-cum-mine development and operation business by undertaking responsibility to mine, move and deliver coal to four state utilities in India. Adani is also working on a coal movement plan which will combine land as well see routes to optimise cost of delivery. To date, the company has delivered over 100 million metric tonnes.

In the real estate sector, Adani is developing an integrated township in Gujarat, a residential complex in Borivali, a residential-cum commercial complex in Byculla and a commercial complex at the Bandra-Kurla Complex (BKC) – all in Mumbai.

Promotion

The Adani Group straddles both the business-to-business as well as the consumer segments. Naturally, to reach this diverse audience it needs to employ a host of differing media vehicles. But irrespective of the objective, the group strategically reaches out for a 360-degree approach. This simply means that the company holistically covers every important avenue and point of contact: below-the-line, point of purchase, mass advertising, literature, trade channel promotions, local tie-ups and even direct marketing.

The company realises that India has a vast population of under privileged people. To reach out to them the group has created the Adani Foundation. This body of empowered people works in four core areas: education, community health, sustainable livelihood and rural infrastructure development. The Foundation hopes to help fulfil objectives articulated in the Millennium Development Goals of the United Nations.

Brand Values

The Adani Group is a global organisation with interests in several parts of the world. To meet the obligations that arise out of transnational operations it has developed a set of economic and sociological considerations that form the nub of its philosophy.

The company mission is enshrined in its corporate proclamation that states that the group will assimilate knowledge, develop capabilities and manage collective enterprise to profitably tap global business opportunities for the benefit of the organisation and its stakeholders. Simultaneously, it also sees itself as a globally preferred business associate and an entrepreneurial organisation having responsible concern for employees, the society and the ecology.

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Things you didn't know about Adani

- ▶ As far back as 1997/98 the Adani Group was the country's top net foreign exchange earner and the largest private sector Super Star Trading House in India
- ▶ The initial public offering (IPO) for the Mundra Port and Special Economic Zone (MPSEZ) in 2007 was oversubscribed an incredible 115 times while the 2009 IPO for Adani Power Limited was oversubscribed 21.64 times. In 2009 the world was still recovering from the economic crash
- ▶ Adani operates the world's largest, fully-mechanised coal terminal at Mundra, capable of handling 60 million metric tonnes of coal annually
- ▶ Adani has commissioned the country's first supercritical technology-based environment-friendly power generation unit of 660 MW at Mundra. It is the first unit of its kind in the world to gain registration for carbon credits
- ▶ Adani's 4620 MW power generation facility at Mundra is the largest single location coal-based thermal power generation facility under implementation in India



Vadodara and Faridabad. The company has been shortlisted for distribution of gas in Chandigarh, Allahabad and Ghaziabad.

In its oil and gas exploration and production business the Adani Group has development and production sharing rights in valuable assets in India, Thailand and Egypt.

Adani Enterprises is one of the leading trading houses in coal and agro commodities. It is, today, India's largest coal importer and trader and has procured two capsize ships for moving coal. Apart from grains, castor and soya it has now also emerged as a leading importer of pulses.

Recent Developments

One look at the activity in the Adani camp and it's easy to see that the group is in a hurry to accomplish and achieve.

In a series of initiatives it has stretched itself to conducting business across the globe.

In Indonesia, the company has inked an

