

Captive mining: 'Don't throw out the baby with bath water'

Many developers faced genuine challenges and Government could have helped genuine players

Gujarat-based Adani Group has come across several hurdles related to electricity tariff and green clearances in its Special Economic Zones. However, these do not slow down Gautam Adani, Chairman of the conglomerate. 51-year-old Adani, with an individual net worth of \$2,650 million (according to Forbes), told *Business Line* in an interview that the Group's core businesses related to energy, resources, and logistics will continue to be the biggest drivers over the next few years. Excerpts from an interview with **Siddhartha P Saikia**.

What is your expectation from the new Government in 2014?

The Government should establish an environment of stability and predictability that makes the private players confident of investing. At the same time, ensure simpler and faster clearance mechanisms for infrastructure projects to enable the much-needed returns that will drive further investments. And finally, put in-place policies that differentiate and reward the players who take the risks and make the actual in-

vestments in the much-needed national infrastructure.

Over the last few months, the Government has demonstrated good intent to take the steps to get the clearances going, reduce regulatory issues, and most importantly, start listening to the challenges the industries face.

It needs to continue to do this and clear the essential projects that are stuck for the lack of approval by the Government. This is the

only way to stimulate investment. Basically, the Government should continue to do its work to build an atmosphere that promotes a climate of investment and then let the positive climate propel further growth.

The Government has informed the Supreme Court that it would cancel coal blocks that have not received requisite green clearances within six weeks. Do you think it is right to blame developers when they are not at fault and the delay is from Government's end?

What I will say is please do not throw out the baby with the bath water. This is a situation that needs evaluation on a case-



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GAUTAM ADANI
Chairman, Adani Group

to-case basis and decisions taken accordingly. Many of the developers were confronted with genuine challenges, and given the situation, there is a lot that the Government could have done to support the players whose intentions are sincere. If not carefully handled, this will yet again lead to a further loss of confidence in attracting investment.

What are your strategies with regard to acquisition of Dhamra port and what range of valuation you are aiming at?

I would not like to make any comment on the acquisition of any port at this point of time. We

do realise that the East-Coast is the next strategic growth opportunity for us, and we are evaluating various locations to expand our ports presence in that region.

Recently, the court has ordered shutting of few units at your SEZ. Earlier, there were issues with regards to green clearances in the area. How are you going to handle these issues?

These matters are being looked into and are being addressed appropriately. I would like to emphasise that we have always done what is necessary to comply with the regulations laid out by the various Government agencies. Please keep in mind that we are on a very large coastline constantly subject to variations in topography as well, and have to manage several interpretations of the regulations put forward by the different agencies we deal with. Till date, none of our projects have met with any legal blockage by the highest court. We are working to resolve the current issues and expect to be able to successfully do so.

The tariff issue of Mundra power plant is still hanging at the regulator's level. At the same time, Adani Power has bid for two new UMPPs in Odisha and Tamil Nadu. How comfortable are you to tie-up

funds if you bag any or both the projects?

These are two different questions. Regarding the tariff issue, we, along with the other groups impacted, have made our petitions and we anticipate a favourable outcome in the very near future from the regulators.

Regarding the bids for the two new UMPPs, both projects are being evaluated on their individual merits. Bidders also realise these projects have to be economically viable, and as long as this is the case, there should not be any issue getting support from banks and financial institutions. The more essential question to ask is how many companies have our track record of putting up power plants in record time and then efficiently operate these, take the initiative of establishing transmission to evacuate power, and therefore accelerate time to value. Six years back, we were just getting started and by March this year, we will have nearly 10,000 MW of generation capacity.

Are you eyeing any new acquisitions overseas?

To maintain our high double-digit growth rates, we will have to expand to domestically and internationally. This would be through acquisitions or partnerships and therefore are scouting for opportunities.