



Sagar Adani, Jeet Adani, Pranav Adani and Karan Adani, at Adani Group headquarters in Ahmedabad in May. Source: Bloomberg

Adani Unveils \$213 Billion Succession Plan as Scrutiny Persists

Gautam Adani says he'll shift control to his scions in the early 2030s. Controversy over the Hindenburg short-seller attack and a DOJ bribery probe still looms.

By [Anto Antony](#). + Follow

August 5, 2024 at 9:00 AM GMT+2

In early 2018, Gautam Adani – Asia's second richest man, with a fortune of more than \$100 billion – invited his sons and nephews to his home in the western Indian city of Ahmedabad. Over lunch, the patriarch asked the four younger men an unexpected question: Did they want to carve up the Adani Group's sprawling businesses between themselves and part ways? He gave them three months to decide.

That family confab kicked off what's poised to become one of the world's largest and most challenging transfers of wealth. The 62-year-old plans to

step down at 70, he told Bloomberg Television's *Inside Adani*, a special package about the conglomerate. That will open the door to a leadership transition in the early 2030s that, if fully realized, is fraught with risks for the billionaire clan and may have major ramifications for India's economy and beyond.

In a rare interview, the tycoon outlined his retirement and succession plans for the first time. The interview, which was limited to his leadership transition arrangements, did not address controversies swirling around his conglomerate, from investor concerns about business and accounting practices to a US Department of Justice bribery investigation. His heirs discussed issues including the various investigations and their vision for the group.

In a daring short-selling attack last year, New York-based Hindenburg Research accused the conglomerate of “the largest con in corporate history.” It alleged that the Adani Group had used a web of companies in tax havens to inflate its revenue and manipulate stock prices, even as debt piled up. For years, critics have raised similar questions. The group denied all claims but the damning report at one point sheared \$153 billion off its value, losses it eventually recouped ahead of India's election this year.

“It was a shock to people because they weren't expecting it in the way it was presented,” said Sagar Adani, one of Gautam's nephews. He added that the group “gave a very, very long and comprehensive response in just 72 hours on every single point.”



Gautam Adani, chairman of Adani Group, at the company's headquarters on May 25.

Photographer: Sumit Dayal/Bloomberg

The group has also faced regulatory probes at home and in the US. In March, Bloomberg reported that US prosecutors were investigating whether an Adani entity, executives linked to the company, or billionaire founder Gautam himself were involved in paying bribes to Indian officials in return for favorable treatment on a green-energy project. Azure Power Global Ltd., which competes with Adani for solar contracts and was also part of the investigation, said last year it was cooperating with the Justice Department following an internal probe. Azure did not respond to a request for comment.

The Adani Group has said none of its units has been notified of the probe, and that it's not aware of its chairman being part of the investigation. Sagar declined to provide further comment. No Adani unit has been charged with wrongdoing by the US Justice Department, and investigations don't always lead to prosecutions.

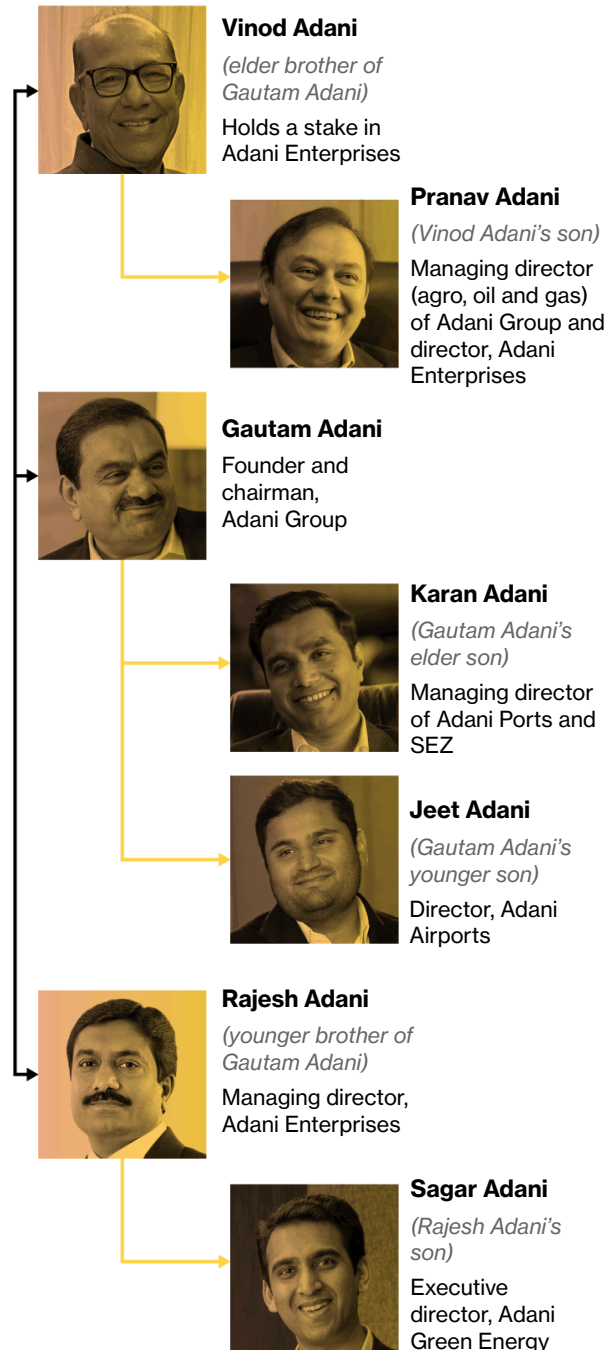
WATCH: Bloomberg's exclusive interview with Indian billionaire Gautam Adani

Given this array of legal and reputational risks, the conglomerate's leadership transfer takes on added significance for investors. At the same time, Adani's dominance in key sectors of India's economy makes it hard for global funds to overlook the group.

With a total market capitalization of \$213 billion across 10 listed units alone, the conglomerate controls vast swathes of the infrastructure that powers the nation's growth and underpins the Asian expansion of companies from Apple Inc. to Amazon.com Inc. The Adani Group is India's biggest importer of coal, its largest owner of solar farms and its second-biggest manufacturer of cement. Adani-owned ports carry almost half the country's shipping containers, while more than 90 million people use its airports each year.

Adani Group Succession

The founders' sons will take charge in the early 2030s



Source: Bloomberg

In the wake of the short-seller attack, the conglomerate slashed debt, pared share pledges and won new investors. Then came an unexpectedly weak election win for Prime Minister Narendra Modi – who is considered to be close to Gautam – that once again cut almost \$45 billion from the conglomerate's value. While the group has since rebounded, the result also re-energized opposition Indian National Congress leader Rahul Gandhi, who has alleged that Modi “handed over” the nation’s resources and infrastructure to Adani.

The billionaire has said his firms don’t receive preferential treatment, but the shifting political environment may increase scrutiny of the group’s government contracts.

“Succession is very, very important for the business sustainability,” Gautam said in his 16th-floor office at the group’s Ahmedabad headquarters. “I left the choice to the second generation as the transition must be organic, gradual and very systematic.”

That handover will have to contend with ongoing questions following Hindenburg, perceptions of key-man risk around Gautam, the maze of entities and trusts that hold the family’s company shareholdings – and the complexities thrown up by the succession plan itself.

When Gautam’s sons, Karan (37) and Jeet (26), and their cousins, Pranav (45) and Sagar (30), came back to the patriarch, they told him they wanted to run the conglomerate together as a family, even after Gautam’s departure.

That answer set in motion a series of moves, many of which have escaped public attention, such as the creation of a four-way leadership structure that splits management of the businesses but requires the heirs to work together. Their areas of responsibility do not neatly align with specific units or listed entities. Even common services across the group – such as human resources, finance and IT support – have been carved up among the four.

When the founder does step back, the joint decision-making will continue, the Adani children said in separate interviews – even in the event of a crisis or a major strategic call.



Big Take Asia

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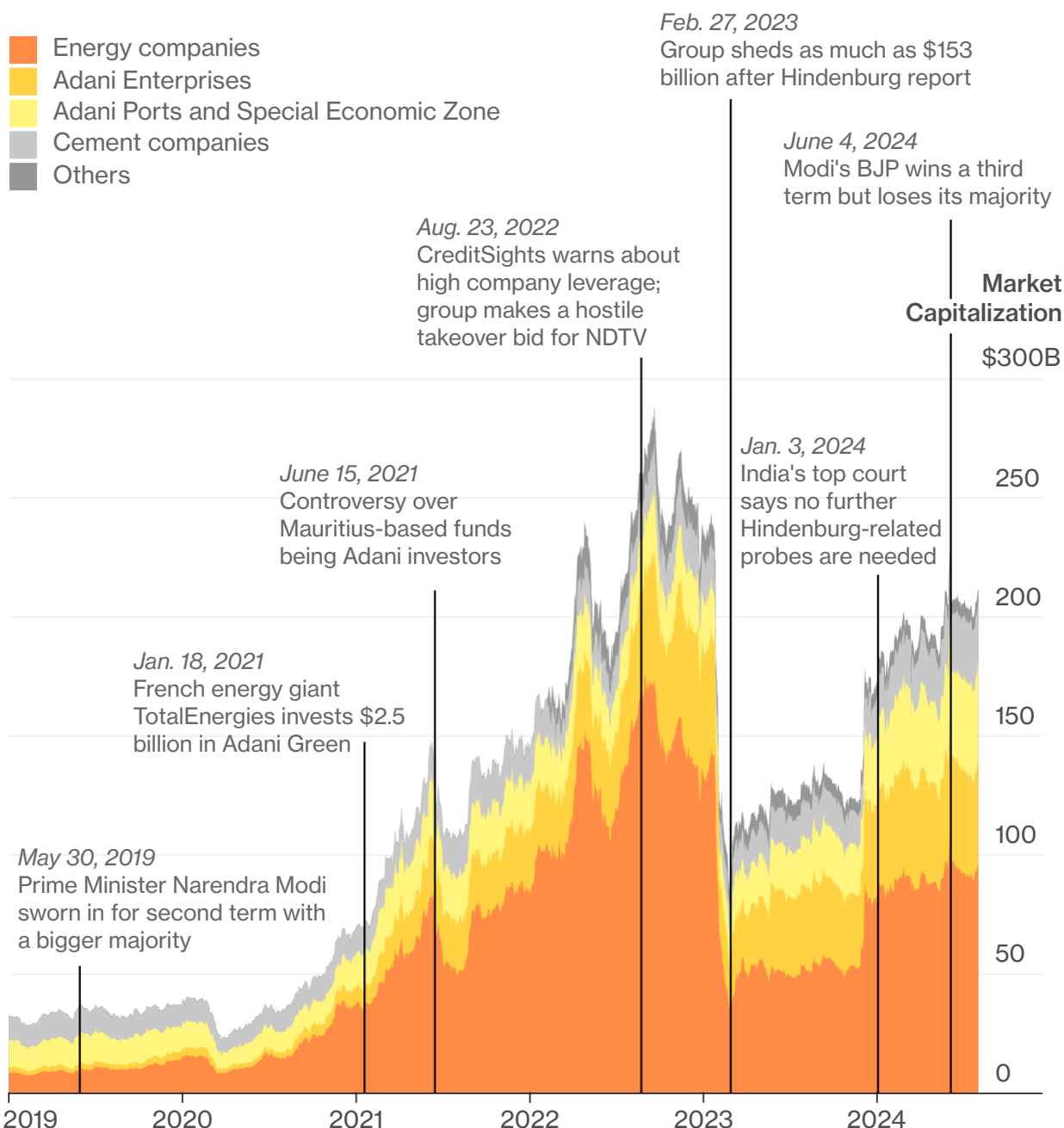
The scions brushed off questions about the challenge of collective decision-making. “Though each of us are looking at different businesses, we are like one team,” Pranav said. “The family members who are in headquarters have lunch together each day, where day-to-day issues are discussed.”

But without any formal hierarchy, business management will almost certainly be testing and time-consuming. Managing a vast pool of dynastic wealth is an extraordinarily difficult thing to do well, and few families have succeeded over multiple generations. The Waltons, owners of US retail behemoth Walmart Inc., have succeeded by retaining board-level oversight. A Koch sibling feud led to a failed boardroom coup in the 1980s and years of litigation. And India's Ambani family was ripped apart by the succession battle between Mukesh – now Asia's richest man – and his brother Anil.

“Having no clear leader among the four who can take key decisions could turn out to be a drawback,” said Raphael Amit, Professor of Management at the Wharton School. “For this to work there need to be clearly laid-out processes for conflict resolution and well-defined roles.”

Rise and Fall and Rise

A short-seller attack and an election setback have disrupted the Adani Group's meteoric growth



Note: Data as of August 1. Energy companies include Adani Power, Adani Green, Adani Energy Solutions and Adani Total Gas; Cement companies include ACC and Ambuja Cements; Others include New Delhi Television and Adani Wilmar.

Source: Data compiled by Bloomberg

Few outside the Adani family fully understand the empire's underlying structure. Its flagship company, Adani Enterprises Ltd., is controlled by the family through eight overseas entities, a family trust and a domestically incorporated company. The broader group is a web of special purpose vehicles, joint ventures with various government agencies and companies through which businesses are run.

When Gautam retires, his four heirs will become equal beneficiaries of the family trust, according to the scions. Such structures are often used by the ultra-rich, and help to keep business details private, to limit tax liabilities, and to protect assets from judicial or government crackdowns by placing

them in different jurisdictions. A confidential agreement will dictate the transition of stakes in the conglomerate's firms to the heirs, people familiar with the matter said.

“Transfer of management and wealth across generations for a group like Adani will be complex and a time-drawn process,” said Nirmalya Kumar, a professor at Singapore Management University's Lee Kong Chian business school. “How they are holding and controlling the wealth is a black box.”

However, Karan says company structures have been simplified over the last 15 years to avoid the “criss-cross holdings” found in other Indian conglomerates. The changes have been disclosed in public filings and the family now holds its stakes in each business directly, he said.

Karan Adani on a site visit to Mundra Port with some of the port's staff in May. Karan oversees businesses including cement, ports and logistics, and is also in charge of human resources.

Photographer: Sumit Dayal/Bloomberg

Mundra Port. Adani-owned ports carry almost half the country's shipping containers.

Photographer: Sumit Dayal/Bloomberg



Karan en route to Mundra in May. *Photographer: Sumit Dayal/Bloomberg*



Karan at a meeting with top executives at Mundra Port. *Photographer: Sumit Dayal/Bloomberg*



Karan's office in Ahmedabad. On the wall, a framed F1 racing suit worn by Michael Schumacher. *Photographer: Sumit Dayal/Bloomberg*

One of the closest models for the Adani succession plan is that of luxury giant LVMH Moët Hennessy Louis Vuitton SE. Each of billionaire Bernard Arnault's five children has an equal stake in a new holding company. Arnault, like Adani, has not said who will succeed him as chairman.

The Adani wealth transfer includes an even wider circle of family – nephews as well as sons. That's in keeping with the group's origins. In 1988, Gautam set up a commodity trading company with his brothers Vinod and Rajesh – the fathers of Pranav and Sagar, respectively – then expanded into ports, airports, coal and power. Over the past couple of decades, the group has grown internationally too, with interests that include an Israeli arms manufacturing deal and a mining project in Australia, among others.

“All four of us instinctively knew that we'd have to stay together as we grew up seeing our fathers working together,” said Jeet, who was still in college at the time of the decision.

However, the first-generation Adanis have not brought their daughters into the business. It's a notable absence: Many Indian tycoons – including Mukesh Ambani – now appoint their daughters to senior corporate positions.

“We are not one of the best in gender diversity, partly to do with the kind of locations that we are in and partly due to the kind of businesses,” said Karan, who is in charge of human resources. In Adani's ports business, for example, only 3% of employees are women. “I'm not saying it's impossible to bring more women into our workforce, but it has been tough. We have to keep pushing on it.”

His own young daughters can often be seen toddling around the office, and he expects them to join the conglomerate one day.

Jeet Adani, at a meeting with senior executives in the airport business unit at the group's headquarters in May. Jeet oversees India's biggest network of privately operated airports, as well as the group's defense arm and digital businesses.

Photographer: Sumit Dayal/Bloomberg



The Chhatrapati Shivaji Maharaj International Airport in Mumbai. More than 90 million people use Adani airports each year.

Photographer: Sumit Dayal/Bloomberg

By the standards of wealthy Indian scions, the US-educated Adani heirs keep a low profile. They're rarely seen on the cocktail circuits of Delhi or Mumbai, and regularly pull 100-hour weeks, according to officials they work with.

Pranav, the eldest, joined the group in 1999. He now oversees most of its consumer businesses, including consumer goods, gas distribution, media and real estate.

His responsibilities also include communications, and of the scions, he did the heaviest lifting around the Hindenburg crisis.

"We weren't communicating the way we should have. So now we are going out and communicating" to stakeholders and the media, Pranav said. The 100-odd member communications team has been restructured and bolstered, in an attempt to better manage the group's narrative.

Pranav has an appetite for risk, according to people familiar with the matter. On at least two occasions, he has replaced senior executives who advised him against bidding for large realty and gas distribution projects, they said. It will be years before returns show whether those bets were

right. Of the four heirs, he delegates the most to professional chief executive officers, according to senior officials he works with.

He's also running one of the group's trickiest and most high-profile projects: redeveloping Dharavi, Asia's largest slum. Several other developers have failed to pull off the task, which includes relocating about a million people, and a political party in opposition to Modi has vowed to halt the project if it comes to power in state elections due this year. If successful, Pranav could unlock the potential of a vast tract of land sandwiched between an airport Adani already operates and the city's main financial district. If he fails, the group risks large financial losses and the ill will of powerful politicians.

Pranav Adani in Mumbai in May. Pranav oversees most of the group's consumer businesses, including consumer goods, gas distribution, media and real estate.

Photographer: Sumit Dayal/Bloomberg

A site visit to Dharavi in Mumbai. Pranav is running one of the group's trickiest and most high-profile projects: redeveloping Asia's largest slum.

Photographer: Sumit Dayal/Bloomberg



Pranav during a meeting at Adani headquarters with executives across verticals that report to him. *Photographer: Sumit Dayal/Bloomberg*



Pranav listens to residents' concerns about the Dharavi redevelopment project during a site visit. *Photographer: Sumit Dayal/Bloomberg*



In his office in Ahmedabad. *Photographer: Sumit Dayal/Bloomberg*

Karan, Adani's elder son, is overseeing businesses including cement, ports and logistics. They are some of the group's most established units, and

among those with the steadiest cash flows. The ports business attracted criticism from Hindenburg for its high turnover of chief financial officers, although the role has now been stable since 2022. The unit is looking to expand its network and is seen as an extension of India's strategic priorities, developing ports in Vietnam, Israel and a US-funded port in Sri Lanka that seeks to unseat China's regional dominance.

"The clear priority is that we keep expanding not just within India, but also into our neighboring countries," Karan said. "By 2030, we want to be handling at least a billion tonne of volume." He sees India as a potential alternative to Dubai or Singapore, "the center point of the overall supply chain from east to west."

Pranav and Karan are the most obvious candidates to eventually take over as chairman. However, they say there are no plans for either to take charge.

Sagar, Gautam's younger nephew, oversees the group's energy business, as well as finance. He has a simple pitch for prospective investors: "An infrastructure portfolio of our size, our kind and growth rate doesn't exist anywhere else in the world."

Investors Qatar Investment Authority, TotalEnergies SE, Abu Dhabi-based International Holding Co. and GQG Partners LLC have all increased their bets on the group.

Sagar is also working on improving analyst coverage, which is scant for most of the conglomerate's firms. That's highly unusual for such large businesses, and Hindenburg alleged brokerages had made a conscious choice not to cover them.

"Analysts haven't seen such scale and rapid expansion in infrastructure platforms anywhere else," Sagar said. In addition, "our target investors are ones that look at a 10-year horizon, 20-year horizon" – time frames that analysts in India have not historically covered, he said. "We are engaging more with them to help them understand this."

The Adani energy business spans from coal to solar power and will guzzle up at least \$100 billion in capital expenditure over the next 10 years. Hindenburg noted signs of "short-term liquidity risk" in some of the group's listed energy units. The group's cashflows are large enough to cover its expenditure if it decides to do so, Sagar said.

The family will limit further investment in fossil fuels and take measures to phase out thermal power generation in line with the government's targets, Sagar said.

His plans to capitalize on India's mounting demand for electricity include building the world's largest renewable energy park by 2030, filling an area five times the size of Paris with solar panels and wind turbines. Most of the equipment currently needs to be sourced from China, whose relationship with India is often rocky.

"We are setting up our manufacturing ecosystem so that a majority of what we use in our plants is manufactured domestically. In 18 to 24 months we will be completely self-reliant," Sagar said.

Sagar Adani in his office in Ahmedabad in May. Sagar oversees the group's energy business, as well as finance.

Photographer: Sumit Dayal/Bloomberg

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Photographer: Sumit Dayal/Bloomberg

Gautam's younger son Jeet, the family's only trained engineer, is looking after India's biggest network of privately operated airports. He is also in charge of the group's digital businesses and its defense arm, which makes equipment ranging from small arms to missiles.

"Defense has a huge scope for overall development and digital also is a key area for us," Jeet said.

Interviews with Gautam and the other Adanis, as well as personnel within the conglomerate and business associates – some of whom asked to stay anonymous to speak freely about the powerful family – reveal an old-school Indian father, mentor and boss, who is often still at work at 2 a.m. His office contains three phones, but most communication comes in on four-inch slips of white paper that he tears up after reading.

The billionaire is as demanding of his proteges as any other group CEO, according to people familiar with the matter. In 2022, Gautam took Karan to task in front of other executives over an unexpected \$11 million quarterly loss at ACC Ltd. and demanded that he spend more time on the cement business, officials who were present said. Earlier this year he pulled up Jeet

in a meeting for the slow pace of the group's digital plans, according to the officials.

Following the feedback, Karan started to delegate more of his ports responsibilities in order to oversee the cement units more closely. Jeet tweaked the group's digital strategies and reworked the business plan for its superapp, Adani One.

“Whenever a mistake is seen it gets corrected in real time,” Gautam said.

Despite the group's blockbuster ambitions, the risks highlighted by Hindenburg and the US bribery probe still hang over the Adanis. India's markets regulator, Sebi, has issued at least six Adani companies with show-cause notices – formal documents outlining allegations of non-compliance.

In January, India's Supreme Court concluded no more investigations were needed and gave the regulator three months to wrap up its existing probes.

In June, Sebi issued Hindenburg with its own show-cause notice, saying the short seller had failed to abide by Indian rules and had “presented certain inferences in the Hindenburg Report based on misleading statements, creating a sensational report with a more certain negative impact than would have been possible with a straightforward narration of facts.”

Hindenburg posted an aggressive rebuttal on its website, describing the notice as “an attempt to silence and intimidate those who expose corruption and fraud perpetrated by the most powerful individuals in India.” Sebi did not respond to a request for comment.

The questions raised in the Hindenburg report have previously been addressed in public disclosures, “whether it is in our annual report, whether it is in our bond issuance or whether it is in any of our IPOs,” said Karan. “Where the issue would come is if, as a group, we had not disclosed.”



Sagar, Jeet, Pranav and Karan at Adani Group headquarters in May. *Photographer: Sumit Dayal/Bloomberg*

All four heirs say risk containment has been a bigger focus following the Hindenburg allegations, and acknowledge that growth will be more calibrated once they take over.

“If we continue to run the businesses in the same manner and in the same style that Gautam Adani did, with the same kind of risk appetite, we will probably fail,” said Jeet. “We are focusing on getting the right professional talent, managing them well and improving risk management.”

While the infrastructure opportunities in India are enormous – Morgan Stanley predicts that the country will drive a fifth of the world’s economic expansion this decade – the heirs are likely to need all the business acuity they can muster.

Gautam Adani says his four heirs will deliver. “I am happy that all of them are hungry for growth, which is not common in the second generation,” he said. “They have to work together to build a legacy.”

With assistance from Kurien Abraham, Ava Benny-Morrison, Adrian Leung, Jody Megson, Jane Pong, Yuki Tanaka and Maria Wood.

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