

Growth with sustainability is our mantra: Karan Adani

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"Growth with sustainability is our mantra," says Karan Adani, CEO of Adani Ports and Special Economic Zone Ltd (APSEZ), India's biggest private port operator. In his first interview after taking over as the CEO in December 2015, Karan spoke on various aspects of the ports and logistics business of the Ahmedabad-based conglomerate. Excerpts:

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INTERVIEW

It's been two-and-half years since you took over as CEO of APSEZ. How is it going?

We were focussed on coal 3-4 years ago. But over time, we have shifted focus to containers. Coal has been significant, but containers have been the growth drivers. When you consider the last three investments we've made at Katupalli, Kamarajar and Vizhinjam, they have been on the basis of containers. Five years from now, containers will form the most significant component of our business. To mitigate risks, we are also focussing a lot on gas now. With global awareness about

climate change and pollution, India and the world will rely on gas for clean energy. I'm certain that LNG and LPG will be the future. Although India is committed to international agreements, our country lacks the right infrastructure at the moment. So, at

APSEZ, we are creating an enabling infrastructure in anticipation of this future growth driver.

What are the specific initiatives in that direction?

We are taking a position on LPG and LNG terminals both at Mundra and Dhamra ports. Our LPG terminal in Mundra will be ready by December and once commissioned, it will be the largest terminal in the country. Phase-I will be 1.8 MT which can be expanded to 3.2 MT. It will be the largest not only in terms of capacity, but also in terms of tank size. Historically, LPG terminals have been of 16,000 cubic metres. We are the first to come out with 24,000 cubic metres. So, our terminals can accommodate large vessels.

Very Large Gas Carriers (VLGCs) can unload completely instead of discharging partially.

For the ports business, gas will be our focus. Our second focus will be on inland logistics. Our goal is to leverage the strategic advantage of our ten ports along the entire coastline of India to create a vast network of inland logistics in the country. The idea is to give an end to end logistics solution to customers using our ports. Right now, we are predominantly focussed on North India to Mundra. Now that we have increased our footprint in ports over the last four years, we want to increase that in logistics also.

So, we will be operating in ports, rail, private freight terminals and then the last mile delivery. Moreover, we will stitch all these with the right technology so that everything is seamless both operationally and commercially.

Are there any targets on these plans?

We have very ambitious targets to go from three Inland

Container Depots (ICDs) to almost 20 Private Freight Terminals (PFTs) in the next four years. At the same time, we want to go from 22 trains to almost 100 trains, and from 200,000 sq. meters of warehousing to almost 5 million sq. metres.

What is the progress at Vizhinjam?

I must say it's a tough project. We will be ready with the terminal - berths, equipment et al. But the biggest challenge we are facing now is rock supply. The state government has been very supportive. They have taken measures in the last six months to ease up rock supply and to open and auction new mines. But because of cyclone Oki, the project suffered some damages and losses. So, it has been delayed by about a year. But we are confident of pulling through. This is another project that we are very bullish about.

Sustainability has become a strong pillar of your overall port development? How did that come about?

Growth with sustainability is our mantra. We believe that if a site has to grow, you have to take the stakeholders along with you, whether they are fishermen, local villagers or farmers. And you can't take them along by simply compensating them.

You have to make the effort to spend time, energy and resources in training them, improving their livelihood, creating infrastructure which is relevant and actually enhances their livelihood and enriches their future generations.

I'm talking about establishing schools, hospitals, medical systems just for them. Or, creating water treatment plants, electrifying villages. Sometimes, they already have all of that, as in the case of Dhamra. So, you create better fishing harbours where they can dry their fishes. You build

cold warehouses so they can export fish out of there. Whenever we look at any new project, we actually identify the local requirement.

We focus on three aspects - training, rural infrastructure and infrastructure that enables communities to improve their livelihood. Apart from these, we are focussing a lot on the ecology.

Today, APSEZ is the country's largest afforestation mangrove company. We have done more afforestation of mangroves than any other company in India. After we came to Mundra, the mangrove cover has increased by 250 hectares. We are also taking conscious steps to reduce our carbon footprint. A big part of that is clean energy. So, we have converted almost 6.5 MW out of 35 MW into renewable energy and by 2025,

our target is to convert all electricity consumed at all our ports into renewable energy. That way, we will neutralise our carbon footprint.

We are also working on a zero-waste management policy for all the waste that is generated by the ports,

whether it is human waste, industrial waste, or waste from handling. For ex-

ample, in the case of waste water, we aim to treat it and reuse it for horticulture or on an industrial scale. In the case of plastics, we are looking into how we can convert that to manure. Our strategy to introduce the zero-waste initiative and renewable energy, and to create a bio-diversity ecosystem at each of our ports will enable our local stakeholders to flourish. Our goal is to operate successfully by respecting the ecology around us. For us, sustainability is part of our culture and not just a project.



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