

STATEMENT BY THE ADANI GROUP

Dear Ms. Mary Ann Jolley,

This is in reference with your query on the Documentary for Al Jazeera's 101 East program. We would like to mention that most of your queries are on issues that have come up years ago, these issues have already been reported by a few publications in the past and are very old as of now. A lot of these issues have already been sorted and are a matter of the past.

We do not understand the intent to raise these queries again and try to tarnish the image of the Adani Group which is certainly not expected by a publication of such international repute as Al Jazeera.

The Adani Group is one of India's leading business house with a core vision of nation building. The group has created a portfolio of businesses aligned with the national priorities of infrastructure development, food security, energy security and clean energy. Each of our businesses is integrated to the core of the country, touching millions of lives and generating direct and indirect employment for thousands of families.

The Adani Group ventured into Australia in 2010 with a vision to not only build Australia's largest thermal coal mine but also improve the lives of the people in Regional Queensland, Australia. The benefits of this project will extend locally, regionally and across Queensland providing much needed job opportunities and generating billions of dollars in state mining taxes and royalties during the project life cycle. This will assist much needed public funding to help deliver schools, hospitals, roads and other services and stimulating activity throughout the economy.

Being a group that stands for liberal opinion, please find attached our response and facts on the matter. Request you to carry the response in its entirety in case you decide to go ahead with the documentary and also use the response in the correct context. Attribute it to Spokesperson – Adani Group.

Q1. Four independent investigations commissioned by government departments and the judiciary in the past decade into Adani's operations in Mundra have found the company has by-passed and breached government regulations – what is the company's response to these findings?

A1. At the outset, no description is given to the alleged independent investigations commissioned by government departments and the judiciary. It has been the constant and continuous approach of various vested interest people, in some form or the other, by creating façade of dispute, to request for the appointment of some committee or the other by showing distrust on the previous committee till the time APSEZ succumbs to the pressure of such persons. These people are making false allegations for getting ill-gotten money and this fact is not denied before the Courts of law. Various committees were appointed by the court. The committee did not find any violation. The court also accepted the report of the committee.

As we recollect, the following committees were appointed by the Central Government (Ministry of Environment and Forests – “**MoEF**”). The outcome of the reports submitted by the said committees is also given in brief.

a) The Gujarat High Court appointed a committee in August, 2008 to inspect various Creeks and prepare a report regarding the alleged blockage of the said creeks. The Committee found no creeks were blocked. The Gujarat High Court dismissed the application stating that there is no reason to disbelieve the averments and statements made before the Court in the affidavits filed on behalf of the authorities, in absence of any contrary material.

b) In July, 2011, MoEF constituted a committee to undertake physical verification of the site given for compensatory afforestation. The said committee in its report filed before Gujarat High Court, has, inter alia, observed the area was found well demarcated with pillars. Location of this site tallies with the description shown in the Collector’s order of September, 2007. Thus, it is clear that the compensatory afforestation area is actually available and demarcated on the ground.

c) The Gujarat High Court in September, 2011 constituted a committee for visit the site and report whether any mangrove has been cut by Adani Ports. On perusal of the field inspection report, it was evident that there is no cutting of mangroves by Adani Ports. The Court after perusing the said report, permitted Adani Ports to continue with its port development activities at Mundra.

d) MoEF formed committee in 2012 headed by Ms. Sunita Narain which submitted its report to MoEF in April, 2013 and MoEF issued a show cause notice in September, 2013. This has been disposed of by MoEF in September, 2015 and the final order has not been challenged in accordance with law. The Gujarat High Court dismissed the public interest litigation in April, 2015 concerning this issue and the Supreme Court of India also did not entertain appeal against the order of Gujarat High Court.

Q2. They found evidence that Adani had breached regulations by destroying mangroves and sand dunes and blocking creeks in the area surrounding the company’s operations in Mundra – what is the company’s response to this?

A2. No committee has till date conclusively proved beyond any pale of doubt that Adani Group has carried out construction without approvals. In fact, mangrove trees are used as fodder for camels and are also used for household requirements by the locals. Petitions challenging destruction of mangrove and disturbance to sand dunes have been dismissed by the Hon'ble Gujarat High Court. There has been no blockage of creeks. The Sunita Narain committee had also observed that no major creek mouth has been blocked.

As per the book titled as 'Mangroves and Environment' of Dr. H. S. Singh relied upon by Dr Claude Alvares Committee, there was mangrove in 1894 ha of land. This has now increased to an area of about 2847 ha as per Dr Claude Alvares Committee. Besides, Adani Group had planted more than 2800 ha of mangrove along the coast of Gujarat. This is probably the highest plantation of mangrove by any Corporate in India.

Q3. The lighthouse near South Port is unusually surrounded by land - a long way from the port and sea. The April 2013 Report of the Committee for Inspection of M/s Adani Port and SEZ Ltd, Mundra, Gujarat, found that mangroves had been destroyed and creeks had been blocked in the area surrounding the lighthouse – what is the company's response to this?

A3. There is nothing unusual in the lighthouse surrounded by land. In Mundra, the same is near the South Port. It is under the control and supervision of the Directorate General of Lighthouses. Therefore, it is incorrect to allege that merely because the lighthouse near South Port is surrounded by land, mangrove had been destroyed and creeks had been blocked in the area surrounding the lighthouse. In fact, the Sunita Narain committee had not proved existence of mangrove in the area surrounding the lighthouse. As far as the allegation of blockage of creeks is concerned, the Sunita Narain committee itself has observed that no major creek mouth has been blocked. It is false that that Adani Group has destroyed mangrove and blocked creeks in Mundra region or near the lighthouse near South Port.

Q4. The same report found the power plant failed to seal the seawater intake canal and storage pond and to monitor the groundwater for salinity and pollution – what's the company's response to this? The local community believes these failures have led to salinization of the groundwater and the destruction of agricultural land – what is the company's response to this claim?

A4. The Seawater Intake Channel and Storage Reservoir have been constructed as per the approvals obtained from the concerned statutory authorities. The company has been monitoring ground water quality in villages surrounding the power plant and submitting the monitoring reports to the statutory authorities on regular basis. The company has constructed the intake channel and storage reservoir as per the conditions of approvals and denies that it has failed in complying to the conditions of these approvals.

Q5. The same report as well as the 2016 report by Dr Claude Alvares found the company dumped fly ash, not disposing of it properly as is required under environmental regulations – what is the company’s response to this?

A5. This is factually incorrect. The report of Dr Claude Alvares of 2016 was not supposed to deal with the fly ash and has in fact, not dealt with it. Even the terms of reference which were referred to Dr Claude Alvares do not contain the word fly ash or handling of it. Therefore, this question is framed without any application of mind and verifying the factual background. It amounts to nothing else, but defamation in law.

Q6. A former power plant employee alleges the company rarely operates its Flue Gas Desulphurisation system breaching regulations, which require the system to be operated full time – what is the company’s response to this?

He also alleged the company uses only part of its Electro Static Precipitator and releases the remaining fly ash through the chimneystack at night – what is the company’s response to this? We would appreciate it if the company would supply emissions data regarding SO₂ and fly ash that it has submitted to the Gujarat Pollution Patrol Board and the Ministry of Environment and Forestry in the past 18 months.

A6. The Flue Gas Desulphurization Systems are part of the Flue Gas Systems for three units, which is mandated by the statutory approvals. The FGDs are always operational along with the units.

Each unit is provided with Electrostatic Precipitator (ESP). The ESPs are always operational along with the units. The company denies the allegation that ESPs are not operated at night. Each unit is provided with online Continuous Emission Monitoring System (CEMS). The CEMS are online connected with the servers of State Pollution Control Board and Central Pollution Control Board. The company is in compliance with the emission norms. The fly ash utilization data is also submitted to Central Electricity Authority, which publishes the data in public domain. Both the issues are transparently reported to the concerned authorities.

Q7. The former power plant employee alleges a fatal incident at the power plant in April 2016 was a result of company negligence because painters should not have been doing maintenance on the boiler at the time of start up – what is the company’s response to this?

A7. The incident was inquired through (i) In-house Inquiry Committee having members renowned in the industry, (ii) By the Independent Power Plant senior Experts and (iii) Original Equipment Manufacturers. All the inquiries concluded that it was a sudden equipment failure and accidental in nature.

The accident was not due to operational negligence.

Furthermore, the concerned statutory authorities of the government have also concluded the same in their report.

Q8. It's alleged that up to 20 men may have died as a result of the April 2016 incident – what is the company's response to this and could the company confirm the exact number killed?

A8. The unfortunate accident mentioned in the query caused 8 fatalities.

Q9. Naran Gadhvi from Kheti Vikas Seva Trust alleges he's been assaulted four times since 2014 by Adani security guards – what is the company's response to this?

A9. There is not a single incident of any assault by Adani Group on any individual, much less on Mr. Naran Gadhvi. Adani Group does not believe in any such activities. As per the provisions of the SEZ Act, 2005 and rules, no person can enter the notified SEZ area without authorisation. Mr. Naran Gadhvi has time and again tried to trespass in our property without any authority and did unauthorised photography / videography of the area. When requested not to do it, Mr. Naran Gadhvi and his supporters took law in their hand and manhandled our staff. Adani Group lodged complaints in accordance with law against Mr. Naran Gadhvi. Such an action of Adani Group of making complaint as per law cannot be equated with assault on Mr. Naran Gadhvi.

To sum up, it is stated that story cannot be built on hearsay and on the basis of inputs given by persons having vested interest to harass Adani Group for political or business gains or for extraneous considerations. There has to be factual background to support the contents which are proved beyond any doubt and attained finality, after judicial scrutiny. None of the questions raised above have been proved conclusively against Adani Group. Some of them have attained finality in favour of Adani Group and some are pending before the Courts of law and as such, sub-judice and there cannot be pre-trial or medial trial to defame the Adani Group, before the Courts decide the matters.

Q10. What is the company's response to the findings of the Karnataka Lokayukta that Adani paid bribes to customs officials, police and parliamentarians, to assist with the illegal export of iron ore?

A10. With regard to finding of Karnataka Lokayukta for allegation of "Illegal gratification to public officials", Karnataka Lokayukta formed Special Investigation Team. Adani Enterprises Limited submitted all the data to SIT as required. However after the detailed investigation, SIT found that no case is made out against AEL & others. Accordingly, closer report was filed and the same was accepted by the court.

To summarise, our activities at Belerkeri Port have been conducted within the framework of Law. The Adani Group is absolute and religiously Law abiding organization and respect Law of the land."

Q11. Adani is reportedly under investigation for the overvaluation of power plant equipment and the cost of Indonesian imported coal – what is the company's response to the overvaluation allegations?

A11. “With regards to overvaluation of power plant equipment, Adani Power Maharashtra [APML] and Adani Power Rajasthan Ltd. [APRL], were importing equipments required for setting up of power project in the state of Maharashtra and Rajasthan, from Eletrogen Infra FZE, UAE [EIF]. Directorate of Revenue Intelligence (DRI) issued Show Cause Notice [SCN] proposing to re-determine the value of the imported goods along with imposition of fine and penalties alleging overvaluation of goods imported for the said power project.

Additional Director General, DRI, Mumbai i.e. the same authority who issued the Show Cause Notice in May 2015, after dealing with in detail all the allegations, in August 2017 set aside all the said allegations against APML & APRL. The Authority held that all the imports were genuine and arms-length being undertaken during the normal course of international business and within the framework of law. Thus, the SCN against us has been dropped by DRI.

As regards, investigation in import of Indonesian Coal, the DRI started investigation in 2014. The company has already provided all the necessary details / documents as asked for by the investigating agency.

To our understanding, the investigation is at the infant stage and the imports of coal by us is with the framework of applicable laws.”

Q12. The Wangan and Jagalingou people allege Adani Australia paid Aboriginal people to recruit others to attend a meeting in April 2016 where an Indigenous Land Use Agreement was signed – what is the company’s response to this?

A12. Adani notes that more than 340 adult members of the Wangan & Jagalingou People, from all Wangan & Jagalingou families, attended the Indigenous Land Use Agreement authorisation meeting in April 2016.

The large turn-out was the result of extensive promotion of the meeting, which included seven newspaper advertisements, radio advertisements, a mail out to all Wangan & Jagalingou People on Queensland South Native Title Services’ mailing list and the Wangan & Jagalingou native title applicant’s (the appointed family representatives’) promotion of attendance by their family members.

All registration and attendance arrangements were managed by Queensland South Native Title Services and Wangan & Jagalingou’s nominated service providers. QSNTS “certified” the authorisation process in accordance with its statutory function.

Adani had no role in registration and attendance arrangements other than providing financial assistance for Wangan & Jagalingou People’s and the native title applicant’s use of public transport and private vehicle travel, bus hire, accommodation and meals. Assistance was provided in accordance with Australian Tax Office standards and rates in an arm’s length and transparent manner, consistently with how all other major project ILUA authorisation processes are funded throughout Australia. No meeting, attendance or “recruitment” fees were paid.

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