

# In 2023, Adani raised \$8-10 billion by selling stakes to consolidate holding in Group companies

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Billionaire Gautam Adani has raised \$8-10 billion by selling stakes in group companies in 2023, and subsequently spent \$6-7 billion to consolidate holding in the firms.

The sale transactions span a period from March 2 to mid-August while the acquisitions were undertaken from August to November, according to trade details and exchange filings provided to *businessline* by Prime Database.

The stake sale was mostly in four companies — Adani Enterprises, Adani Green Energy, Adani Ports and Special Economic Zone, and Adani Energy Solutions.

The Adani Group did not respond to an email seeking

comment on the transactions.

At the time of the Hindenburg Research allegations of price manipulation and corporate governance violations against the Adanis in January, the Group had over \$26 billion in debt; promoters had also raised loans by pledging shares. It looked dangerously overleveraged with over \$2.2 billion worth of bonds coming up for repayment in 2024.

## LOANS REPAID

A substantial portion of the funds raised through stake sales in the early part of the year was used to pay up share-backed loans. During the year, the Group repaid loans worth \$4 billion of which \$1.8 billion was share-backed financing and \$2.2 billion in non-convertible debentures. The Group also prepaid some of

## RIGHT SIGNALS

- Proceeds of stake sales used to pay down debt
- In 2023, the Group repaid debt worth \$4 billion
- Also repaid \$1.8 billion of share-backed loans
- Majority stake sales were to investors GQG Partners, Abu Dhabi sovereign fund
- Stake sales mostly in Adani Enterprises, Adani Green, Adani Ports and SEZ, and Adani Energy Solutions



the smaller debts that matured during the year, allaying concerns about liquidity and cash flows.

The majority of the stake sales were through block deals to Adani-friendly investment firms such as GQG Partners and Abu Dhabi Investment Authority.

Gautam Adani has been careful to keep his stake in key group companies above a certain level. While reducing debt by selling small stakes in key companies, chiefly to restore investor confidence, was imperative in the early part of the year, he has been quick to take advantage of the fall in share

prices to also consolidate his stake.

For instance, in flagship and incubator Adani Enterprises, the promoter stake fell to 67.65 per cent in the June quarter but that was quickly raised to 72.61 per cent by September-end.

In Adani Ports, the stake fell to around 61 per cent in the March quarter from over 65 per cent at December-end. Market purchases during June to September again raised the stake to over 65 per cent.

Company insiders insisted that raising stake was not about consolidating control but an indicator of the value that promoters see in the various businesses and to send out a strong signal that they were committed to the operations and prospects of the Group.