

# ACORN International Investment Report

Adani Group and Dharavi: Corporate Expansion,  
Political Connections, and Community Displacement in Mumbai



## Introduction

For over two decades, ACORN International has proudly worked with affiliated organizers around the world to build community power in the face of growing inequality and concentration of wealth. The “re-development” plans for Dharavi, a community of thousands of people in the heart of Mumbai in India, exemplifies that challenge. A community that has inspired millions with its innovation is threatened with mass eviction and unemployment, while one of the world’s richest men, Gautam Adani, stands to expand his multi-billion empire. This paper outlines the issues at stake, the ways in which the struggle facing the people of Dharavi touches the livelihood and savings of people all over the world, and most importantly, the action you can take to build community power – in Dharavi and your own community.



## What is The Adani Group? Who is Gautam Adani?

Adani Group is the 2nd largest conglomerate in India, with a wide-range of enterprises encompassing transport and utility infrastructure, energy generation and large-scale infrastructure.<sup>1</sup> The Group also includes what one report described as “a maze of Adani private companies and family trusts”<sup>2</sup>. In 2023, Adani’s publicly traded equities had a collective market value of about INR 17.8 trillion (U.S. \$218 billion).<sup>3</sup>



1 Adani Group webpage [www.adani.com](http://www.adani.com)

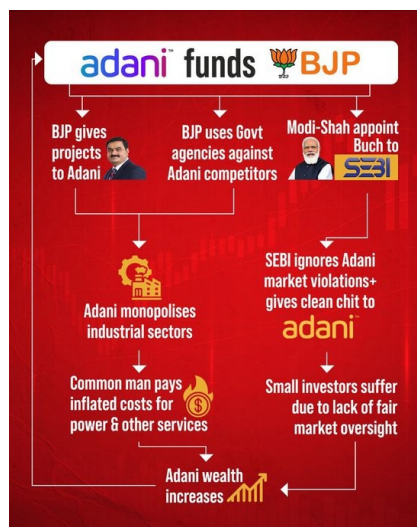
2 Hindenburg Research “Adani Group: How the World’s 3rd Richest Man Is Pulling The Largest Con In Corporate History” January 24, 2023 <https://hindenburgresearch.com/adani/>

3 Hindenburg Research “Adani Group”

The man behind the Group is its Chairman and Founder Gautam Adani, a man who regularly tops rankings as one of the world's richest men. In September 2022, the Bloomberg Billionaires Index ranked Adani as the second-richest person on the planet, second only to Elon Musk.<sup>4</sup>

Gautam Adani originally hailed from the Gujarat region of India, moving to Mumbai in 1978. He started work in the diamond trade and moved into importing and exporting taking advantage of economic liberalisation of India's import and export policies.<sup>5</sup> By 2001, the Adani Group had developed and was operating one of India's first private ports in Mundra in a government-sponsored "Special Economic Zone"<sup>6</sup>. Soon Adani expanded into coal trading, becoming one of India's largest coal importers by 2006<sup>7</sup>, and acquiring coal mining assets in India and Australia. In 2006, Adani expanded into power generation becoming India's largest private power producer by 2014.<sup>8</sup> Today, Adani has expanded into everything from infrastructure, to property development to green energy.

## Political connections and controversy



Throughout Adani's dramatic expansion, observers point to its founder's close relationship to Indian Prime Minister Narendra Modi and his party the BJP. Modi and Adani forged a relationship in the 1990s, long before Modi became Prime Minister.<sup>9</sup> Adani has been a supporter of Modi since he was an upcoming politician in Gujarat province. When Modi was first elected Prime Minister in 2014, he flew to New Delhi in a private jet branded with the Adani logo.<sup>10</sup> It's been a prosperous friendship. Stock in Adani's conglomerate nearly doubled the year after Mr. Modi was elected, and expanded eight-

<sup>4</sup> Washington Post. "How political will often favors a coal billionaire and his dirty fossil fuel" December 9, 2022 <https://wapo.st/42qXp9h>

<sup>5</sup> Economic Times "Gautam Adani: Another Gujarati who made it big" December 8, 2007 <https://economictimes.indiatimes.com/news/company/corporate-trends/gautam-adani-another-gujarati-who-made-it-big/articleshow/2605913.cms>

<sup>6</sup> Business Standard "Mundra Port@25: Trailblazing entrepreneurship" November 21, 2023 [https://www.business-standard.com/opinion/columns/mundra-port-25-trailblazing-entrepreneurship-123112101274\\_1.html](https://www.business-standard.com/opinion/columns/mundra-port-25-trailblazing-entrepreneurship-123112101274_1.html)

<sup>7</sup> Financial Times. "The mystery of the Adani coal imports that quietly doubled in value" October 12, 2023 <https://www.ft.com/content/7aadb3d7-4a03-44ba-a01e-8ddd8bce29ed>

<sup>8</sup> The Economic Times. "The Rise and Rise of Gautam Adani" September 5, 2023 <https://economictimes.indiatimes.com/biz-entrepreneurship/the-rise-and-rise-of-gautam-adani/2006/slideshow/22311259.cms>

<sup>9</sup> Washington Post. "How political will often favors a coal billionaire and his dirty fossil fuel"

<sup>10</sup> Time. "The 100 Most Influential People of 2022: Gautam Adani" May 23, 2022. <https://time.com/collection/100-most-influential-people-2022/6177767/gautam-adani/>

fold when Modi was re-elected in 2019<sup>11</sup>. As the New York Times describes it, “The Adani Group [has become] a logistics arm of the government, building up ports, highways, bridges and solar farms at speeds never before seen.”

Those close political connections have raised serious questions and controversy. India's Auditor General found that between 2006 and 2009, when Narendra Modi was Chief Minister of Gujarat, the state-owned Gujarat State Petroleum Corporation bought natural gas from the open market and sold it to Adani Energy at less than market value.<sup>12</sup> The land for the Mundra port was sold to Adani by Modi's state government at a nominal price and then granted “special economic zone” status, with lowered taxes.<sup>13</sup> As Prime Minister, Modi's removed officials who opposed supplying discounted coal to Adani and other companies.<sup>14</sup> In Jharkhand, the BJP-led state government exempted Adani from legal requirements when building generating facilities in Godda, saving Adani an estimated \$1 billion USD<sup>15</sup>. When airports in India were privatized, the initial criteria prevented Adani from bidding on the contracts. However, the rules were changed and Adani was granted six of the six 50-year leases.<sup>16</sup>



Adani, in turn, has supported Modi for decades— assisting his election campaigns and helping shape his political image. “Everywhere that Prime Minister Narendra Modi goes, it seems, Gautam Adani is sure to go,” remarked the Hindustan Times in 2015.<sup>17</sup>

Narendra Modi's first state visit to Bangladesh in 2015  
[Siddharaj Solanki/Hindustan Times via Getty Images]

## “The Largest Con in Corporate History”?

<sup>11</sup> The New York Times. “India's Economy and Upcoming Elections” April 1, 2024.  
<https://www.nytimes.com/2024/04/01/business/india-economy-election.html?smid=url-share>  
Image from reddit.com

<sup>12</sup> The Economic Times. “Gautam Adani: Meet the Man Who Built a 47,000 Crore Infrastructure Empire” September 5, 2013. <https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/gautam-adani-meet-the-man-who-built-rs-47000-crore-infrastructure-empire/articleshow/22304960.cms>

<sup>13</sup> Washington Post. December 9, 2022

<sup>14</sup> Washington Post. December 9, 2022

<sup>15</sup> Washington Post. December 9, 2022

<sup>16</sup> CNBC TV18. “Adani Winning Bids for Six Airports: Former Head of Privatisation Panel Explains Key Policy Changes” January 21, 2025. <https://www.cnbc18.com/aviation/adani-winning-bids-for-six-airports-former-head-of-privatisation-panel-explains-key-policy-changes-15898141.htm>

<sup>17</sup> The Economist. “Why Adani Group's Troubles Will Reverberate Across India” February 9, 2023.  
<https://www.economist.com/briefing/2023/02/09/why-adani-groups-troubles-will-reverberate-across-india>

Over the last two years, questions about Adani's corporate governance, business practices and soundness as an investment have grown too loud to ignore.

In November of 2024, a five-count criminal indictment was unsealed in federal court in Brooklyn, New York charging Gautam Adani and several associates with conspiracies to commit securities and wire fraud and substantive securities fraud. The indictment alleges that between 2020 and 2024, Adani and his associates conspired to pay over \$250 million in bribes to Indian government officials to secure solar energy supply contracts with the Indian government, expected to generate over \$2 billion in profits over 20 years. Adani himself is alleged to have met with Indian officials to advance the scheme, and the indictment details in-person and electronic meetings where the bribery efforts were discussed and planned in meticulous tracking - with documents summarizing bribe payments, and even PowerPoint presentations on options for concealing the bribes. Deputy Assistant Attorney General Lisa Miller described the allegations as "schemes to pay over **\$250 million in bribes to Indian government officials, to lie to investors and banks** to raise billions of dollars, and to obstruct justice."

<sup>18</sup>

The indictment is hardly the first-time concerns have been raised about Adani's business. In 2023, the Financial Times reported that the Adani Group used offshore intermediaries in Taiwan, Dubai and Singapore to import \$5 billion-worth of coal at prices that were at times more than double the market price, inflating fuel costs and leading millions of Indian consumers and businesses to overpay for electricity.<sup>19</sup>

In a 2023 report, Hindenburg Research described Adani as "The Largest Con in Corporate History" and accused the Adani Group of extensive stock manipulation, accounting fraud, and misuse of tax havens. Hindenburg described what they believed to have found as "the most egregious example of corporate fraud in history. We have uncovered evidence of brazen accounting fraud, stock manipulation and money laundering at Adani, taking place over the course of decades. Adani has pulled off this gargantuan feat with the help of enablers in government and a cottage industry of international companies that facilitate these activities."<sup>20</sup>

Many investors are looking closely at the way Adani operates. The British Columbia Investment Management Corporation has used their proxy votes to raise concerns about "problematic compensation issues" and "insiders on

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<sup>18</sup> United States Attorney's Office Press Release. "Billionaire Chairman of Conglomerate and Seven Other Senior Business Executives Indicted in Connection With Scheme to Pay Hundreds of Millions of Dollars in Bribes and Conceal Bribery Scheme From U.S. Investors" November 20, 2024 <https://www.justice.gov/usao-edny/pr/billionaire-chairman-conglomerate-and-seven-other-senior-business-executives-indicted>

<sup>19</sup> Financial Times. October 12, 2023

<sup>20</sup> Hindenburg Research. January 24, 2023

the board”<sup>21</sup> Other investment funds have divested entirely from Adani, noting concerns about weak corporate governance and ethics guidelines.

The Government Pension Fund of Norway announced in early 2023 that they had sold all interests in Adani companies<sup>22</sup>. In their “Responsible Investment 2023 Report”, they noted: “Adani, a multinational conglomerate, is a concrete example of our external managers’ approach to avoiding companies with **weak corporate governance**. Early in 2023, Adani plummeted in value due to fraud allegations. Prior to these allegations and despite Adani’s significant weight in the benchmark, our external managers took the active decision to **avoid investing in the Adani franchises**. Their decision was based on investment and research processes that incorporate ESG [Environmental, social, and governance] information. This decision helped us avoid being significantly invested in the Adani conglomerate once the allegations became public.”<sup>23</sup>

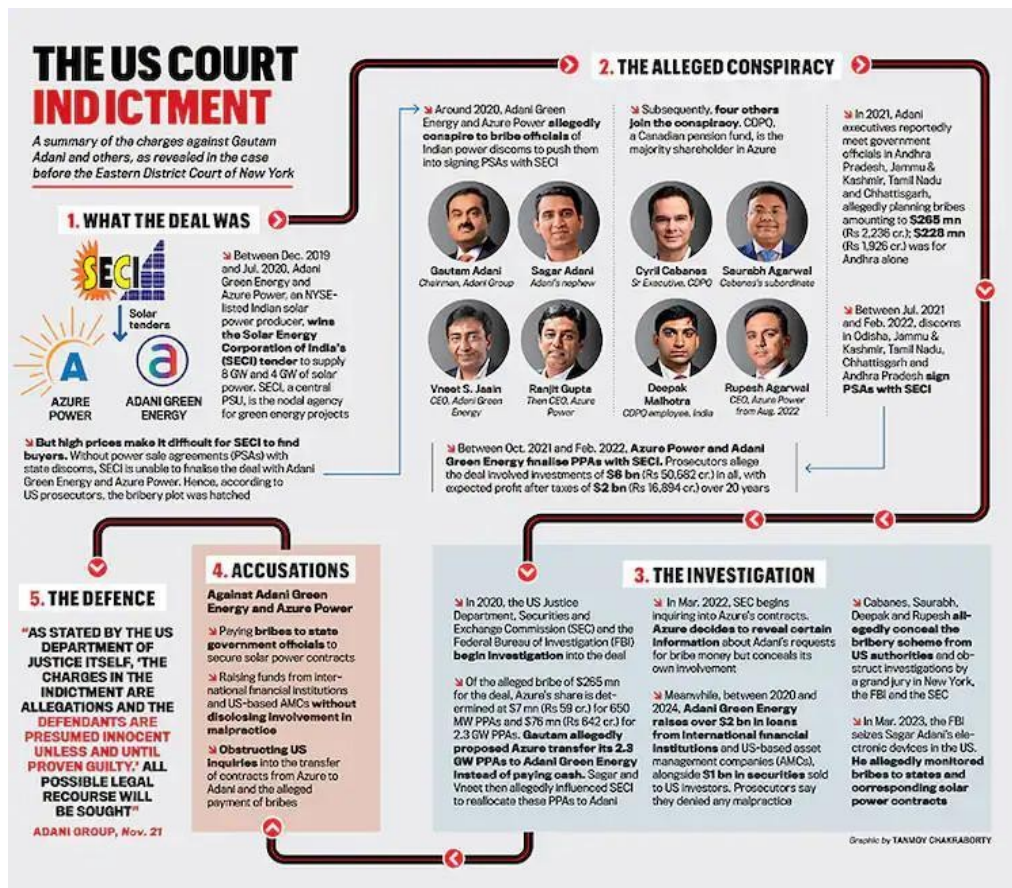


Image source: <https://www.indiatoday.in/india-today-insight/story/why-its-a-rocky-road-ahead-for-adani-group-2644837-2024-12-04>

21 British Columbia Investment Management Corporation (BCI). Proxy Voting Record July 1 – September 30, 2022. <https://www.bci.ca/wp-content/uploads/2023/01/01-06-PVReport-Q3-2022.pdf>

22 Reuters. “Norway Wealth Fund Has Sold Its Stakes in Adani Companies” February 9, 2023. <https://www.reuters.com/business/norway-wealth-fund-has-sold-its-stakes-adani-companies-2023-02-09/>

23 Norwegian Government Pension Fund Global. “Responsible Investment 2023” February 7, 2024 [https://www.nbim.no/contentassets/1a797e49fdd742e2a3282e243ed3170c/gpfg\\_responsible-investment-2023.pdf](https://www.nbim.no/contentassets/1a797e49fdd742e2a3282e243ed3170c/gpfg_responsible-investment-2023.pdf)

Governments are reviewing their business with Adani as well. Following the US indictment, Kenya's government cancelled a \$736-million public-private partnership deal that an Adani Group firm signed with the energy ministry to construct power and cancelled a procurement process expected to reward Adani with a 30-year lease for a key Kenyan airport.<sup>24</sup> Bangladesh has called for re-negotiation of a power purchase deal with Adani Group amid concerns about the contract.<sup>25</sup>

## **The struggles facing residents of Dharavi**

ACORN's affiliates have worked in Dharavi, in the heart of Mumbai, for almost twenty years – organizing informal workers, operating community centres and youth programs.

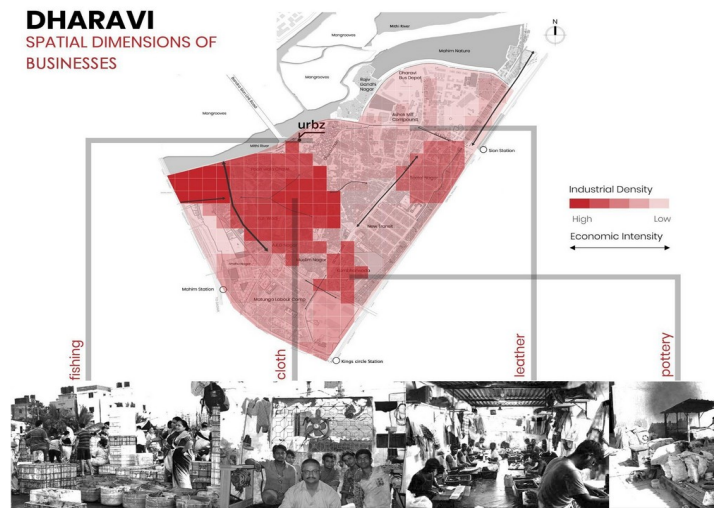
Dharavi is one of the most densely populated residential areas in the world. Based in the heart of Mumbai, the geographical area is just over 2.39 sq. km in size but supports a population of about 300,000 to a million people. For over a century, when internal migration started forcing people to move rural areas to Mumbai, new economically challenged residents found a home in Dharavi.

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<sup>24</sup> Reuters. "Kenya drops over \$2.5 billion of Adani deals after US indictment" November 21, 2024. <https://www.reuters.com/markets/deals/kenya-cancels-proposed-deals-with-adani-group-2024-11-21/>

<sup>25</sup> Reuters. "Bangladesh Wants to Renegotiate Adani Power Deal Unless Court Cancels" December 1, 2024. <https://www.reuters.com/business/energy/bangladesh-wants-renegotiate-adani-power-deal-unless-court-cancels-2024-12-01/>

It is sometimes derided as “the world’s largest slum” but others see a vibrant thriving and inspiring community: “within this bustling labyrinthine settlement lies the rich history of the diverse communities that call this place home.... despite its cramped quarters and challenging living conditions, the residents have managed to build a thriving micro-economy”<sup>26</sup> King Charles of Britain once described Dharavi as a model community that other countries could learn from. In his book “Harmony” he wrote, “The real lesson I took from Dharavi was about the vast asset we can call community capital... We have a great deal to learn about how complex systems can self-organise to create a harmonious whole.”<sup>27</sup>



Given the location of Dharavi in the center of Mumbai’s residential and commercial districts, the community has always faced developmental pressure. However, development is now coming in a way that threatens millions of people with forced eviction, loss of jobs and destruction of their community.

In November 2022, the real estate unit of Adani Enterprises was awarded the right to redevelop the Dharavi neighborhood. A re-development corporation named Navbharat Mega Developers Pvt Ltd (NMDPL) has been established as a special purpose vehicle between the Government of Maharashtra and the Adani Group, but it is the Adani Group which holds an 80% controlling stake.<sup>28</sup>

While Adani insists re-development plans will be sustainable and meet the needs of current Dharavi residents, local elected officials and residents’ groups simply do not believe them.<sup>29</sup> The current Adani plan would force out all residents who are unable to prove that they have lived in Dharavi for 10

<sup>26</sup> Times of India, “Mumbai’s Dharavi: What’s life like in Asia’s largest slum?” October 9, 2023 <https://timesofindia.indiatimes.com/travel/destinations/mumbais-dharavi-whats-life-like-in-asias-largest-slum/articleshow/104286016.cms>

<sup>27</sup> Dawn, “Prince Charles hails Indian slum as model for Western life” October 9, 2010 <https://www.dawn.com/news/923822/prince-charles-hails-indian-slum-as-model-for-western-life>

<sup>28</sup> National Herald “Adani-backed Dharavi Redevelopment Project changes name to Navbharat Mega Developers” December 29, 2024 <https://www.nationalheraldindia.com/business/adani-backed-dharavi-redevelopment-project-changes-name-to-navbharat-mega-developers>

years or more without redevelopment assistance or a right-to-return. Experts predict that thousands of people are at risk of being displaced. They are calling the plan “a disaster”<sup>30</sup> and some Indian leaders are calling it, “the biggest loot in modern India.”<sup>31</sup>

If you have a pension, or a government is investing on your behalf, now is the time to start asking questions of your fund managers. As one of the leading conglomerates in the growing Indian economy, Adani is attracting investment from around the world. Many municipal and government workers in the Canadian provinces of Ontario and Quebec learned that the managers behind their retirement savings were investing with Adani when the U.S. criminal indictment against Adani and Adani employees was unsealed late in 2024. Three former executives from Quebec's largest pension fund, Caisse de dépôt et placement du Québec were indicted along with Adani. The Caisse and the Ontario Municipal Employees Retirement System saw hundreds of millions of dollars of value from investment portfolios wiped out in the subsequent crash of stock.<sup>32</sup>

ACORN, and the residents of Dharavi, believe there is a better way to weld development with community interests in housing and livelihood. Why is Adani evicting people from Dharavi rather than incorporating a way to weld development with community interests in housing and livelihood?



<sup>29</sup> Financial Times. “Gautam Adani takes on plan to redevelop Mumbai’s biggest slum” November 19, 2024 <https://www.ft.com/content/9bafa390-bf42-4689-ab20-2566f732acef>

<sup>30</sup> CBC News. “Redevelopment in the slum from Slumdog Millionaire has residents worried they'll be forced out” March 17, 2023 <https://www.cbc.ca/news/world/dharavi-slum-redevelopment-1.6780704>

<sup>31</sup> Times of India, “Congress on Dharavi project contract to Adani Group” December 17, 2023 [http://timesofindia.indiatimes.com/articleshow/106065969.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/106065969.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

<sup>32</sup> The Globe and Mail. “Indian Billionaire Gautam Adani, Former Caisse Execs Facing Charges in Corruption Probe” November 21, 2024 <https://www.theglobeandmail.com/business/article-indian-billionaire-gautam-adani-former-caisse-execs-facing-charges-in/>





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