

Mundra: a model of efficiency



NK KURUP

Mundra, India's largest port, lies on the northern shore of the Gulf of Kutch, in Gujarat. The all-weather port has 23 berths and handles all kinds of cargo, including coal, fertiliser, foodgrain, crude, petroleum products and containers. It is well-connected with cargo-originating locations in the north, particularly the inland container depots.

Faster execution of projects is seen as a key strength of the port, which created 100 mt capacity in barely 15 years. Mundra's integrated model – linking the port with a special economic zone (SEZ) that houses several manufacturing units – has helped it get additional cargo.

Business from the promoter group's companies has also driven the port's growth. The Adani group, the largest coal importer in the country, owns mines, power plants and ships, and also operates other ports in India and Australia. Some analysts estimate that captive and group cargo constitutes 20-25 per cent of Mundra's volume.

But the higher prices at the port sometimes push customers away. "Earlier we used to export from Mundra, but we stop-

ped when they hiked charges. Currently, our export from Mundra is very limited," says Raghunathan S, head of shipping at Tata Motors International.

Controversies aplenty

Their success aside, however, the Adani Group remains the focus of a controversy over allegations that it received favours from the BJP government in Gujarat, led by Narendra Modi, the party's prime ministerial candidate. One of the allegations was that the company received land at throwaway rates from the State Government. The company has rejected these charges.

Until a year ago, the Adanis were repeatedly denied security clearances to bid for projects at Major Ports. The reasons for such denials are not made public.

There were also reports of violations of environmental norms by the Adanis. Last year, the Environment Ministry slapped a fine of ₹200 crore on the company for damaging mangroves. In January this year, the Gujarat High Court ordered it to shut 12 units in the SEZ adjacent to the port, but the group later got a stay order from the Supreme Court.