

Adani hails 'clean chit' after fraud probe

Indian regulator clears group of allegations made by short seller Hindenburg

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India's capital markets regulator has cleared the Adani Group of fraud allegations against the powerful infrastructure conglomerate that were included in a high-profile report by a US short seller more than two years ago.

Gautam Adani's eponymous and influential group, which is embedded in India's infrastructure drive, said two rulings announced yesterday by the

Securities and Exchange Board of India (Sebi) were a "resounding victory" and a "major relief".

The group said in a statement that the Sebi notices gave it a "clean chit" after now-defunct Hindenburg Research first published damaging market manipulation allegations against it in January 2023. The allegations at one point wiped as much as \$150bn off the conglomerate's combined market value.

Sebi concluded that fraud accusations by Hindenburg concerning related-party transactions by Adani were "not established". The short seller had said that funds were improperly channelled into multiple Adani companies.

The regulator said there had been "no

violation" by the Adani Group, which has extensive operations across ports, coal, media and airports.

Sebi last year accused Hindenburg of indulging in "unfair trade practices" and said its report had "deliberately sensationalised and distorted certain facts".

Hindenburg said then that the regulator's allegations were "an attempt to silence and intimidate those who expose corruption and fraud perpetrated by the most powerful individuals in India".

In a post on social media platform X yesterday, Gautam Adani, who is Asia's second-richest man, hailed the regulator's "exhaustive investigation", saying it "reaffirmed what we have always

maintained, that the Hindenburg claims were baseless".

He added: "Those who spread false narratives owe the nation an apology."

The Hindenburg report was at the time a significant threat to Adani and forced the group to halt some of its expansion plans.

Sebi last year sent notices to seven listed Adani companies, including its flagship ports business, alleging potential regulatory violations over disclosure rules on some related-party transactions. The regulator did not say yesterday if its rulings were its final word on Hindenburg-related investigations.

The short seller accused the Adani Group of extensive wrongdoing includ-

ing tax fraud and of having "virtually non-existent financial controls", allegations the conglomerate strongly denied.

Sebi did not respond to a request for comment.

Gautam Adani still faces criminal charges in the US where the justice department and Securities and Exchange Commission alleged in November last year that he and seven others engaged in a solar power project bribery scheme in India. The billionaire has repeatedly denied the charges.

Hindenburg founder Nathan Anderson announced in January that he was closing the firm, saying his work at it had been "rather intense, and at times, all-encompassing".