

Markets

Adani Stocks Drop as Hindenburg Row With India Regulator Worsens

- All but two of 10 Adani Group stocks decline in Mumbai
- Buch denies Hindenburg's allegations of conflicts of interest



WATCH: The chief of the Securities and Exchange Board of India has hit back at allegations of having conflicts of interest with the Adani Group. Avril Hong explains the latest. *Source: Bloomberg*

By [Ashutosh Joshi](#) and [Abhishek Vishnoi](#)

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Adani Group's stocks fell after Hindenburg Research accused India's chief market regulator of having conflicts of interest that prevented a thorough probe into fraud allegations against the conglomerate.



Shares of [Adani Enterprises Ltd.](#), the group's flagship, fell 1.1%, paring losses of as much as 5.5% on Monday. Adani Energy Solutions Ltd. slid 3.7%, as all but two of the conglomerate's 10 stocks ended lower. The benchmark NSE Nifty 50 Index closed little changed.

In a report published Saturday, Hindenburg said Madhabi Puri Buch – the chairperson of the [Securities and Exchange Board of India](#) – and her husband, Dhaval Buch, invested in offshore entities that were allegedly part of a fund structure in which Vinod Adani – the brother of billionaire Gautam Adani – also had investments. Buch denied wrongdoing.

Read more: [Hindenburg Accusation of Adani Conflict Denied by Sebi Chief](#)

“Short-term volatility is inevitable as investors grapple with the veracity of these claims,” said Sonam Srivastava, founder and fund Manager at Wright Research. “If substantiated, the allegations could erode investor trust, deter foreign capital, and necessitate stringent regulatory overhauls.”

The investments by the couple were made in 2015, two years before Buch joined Sebi, Hindenburg said, citing whistleblower information and other documents Bloomberg wasn’t able to verify. The fund structure is managed by India Infoline, a financial services and wealth management firm. Buch was appointed a full-time member of Sebi in 2017. In 2022, she was named chair.

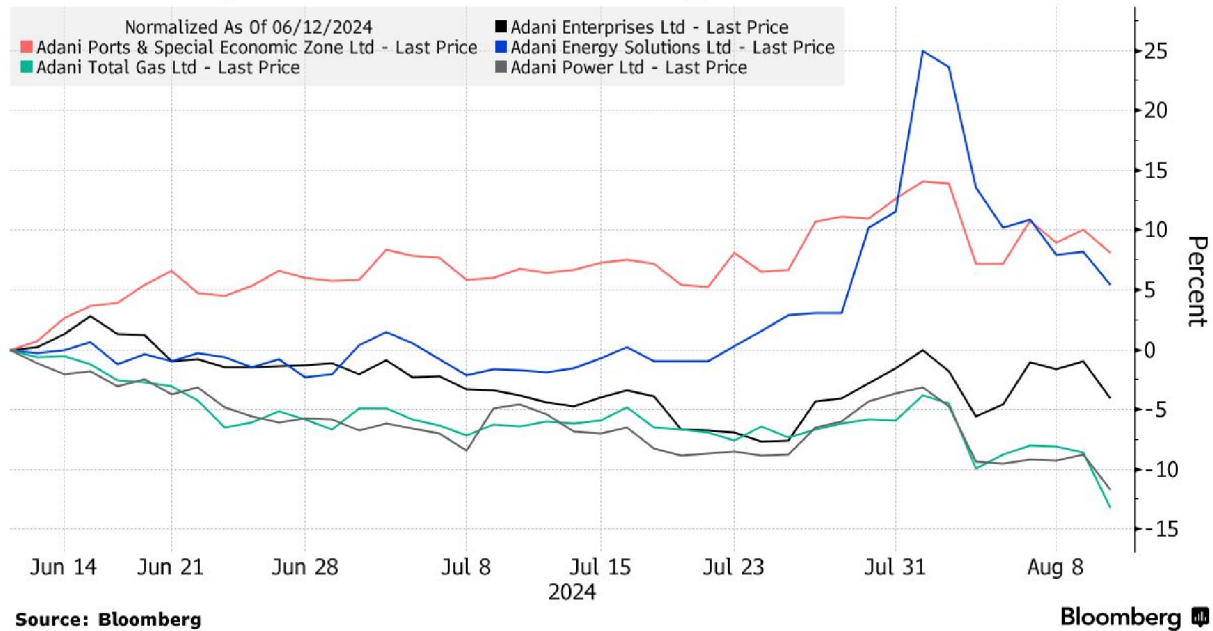
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The face-off between Hindenburg and Sebi has escalated weeks after the US firm was queried by the Indian regulator about its report against Adani in early 2023, which erased more than \$150 billion in combined market value at one point. The revelation also led India’s top court to order a Sebi probe on possible violations and any suspicious trading activity. Sebi has yet to make a case against the Adani Group.

Read: [Modi Opponents Want Sebi Chief Ouster Amid Hindenburg Claim](#)
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Adani Group Stocks Turn Volatile Again



The latest accusations come as the conglomerate embarks on a fundraising drive. Earlier this month, Adani Energy raised $\square\square$ \$1 billion selling shares to institutions, and the group’s flagship is considering raising around 100 billion rupees (\$1.2 billion) to 120 billion rupees.

In 2023, Adani Enterprises scrapped its \$2.4 billion share sale amid the stock meltdown following the release of Hindenburg’s report that accused the group of corporate malfeasance.

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“There has been much chatter and discourse over the weekend, but I don’t believe that there will be much impact given that this is an ongoing story and the element of surprise is relatively muted,” said Arun Chulani, co-founder at First Water Capital.

(Closes shares.)

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