

Hindenburg Research Report say about Adani?

Hindenburg Research, a well-known short seller in the United States, disclosed short positions in the Adani Group on Wednesday, accusing the conglomerate of the improperly broad use of companies based in offshore tax havens and raising concerns about excessive debt levels.

What the Hindenburg report says

The firm published a research paper titled '[Adani Group: How the World's Third Richest Man Is Pulling the Biggest Scam in Corporate History](#)' and revealed the findings of its two-year investigation presenting evidence that the Adani group, valued at Rs 17.8 trillion, it has engaged in a brazen scheme of stock manipulation and accounting fraud for decades.

According to the report, Gautam Adani, the founder and chairman of the Adani Group, has a net worth of about \$120 billion, which has increased by more than \$100 billion in the past three years, mainly as a result of the growth in the price of actions in the group top seven publicly traded companies, which have risen by an average of 819 per cent during that time.

Hindenburg says it identified 38 alleged Mauritius-based shell companies “controlled by” Vinod Adani, Gautam Adani’s older brother, along with several other similar companies based in Cyprus, the United Arab Emirates, Singapore and various Caribbean islands.

The alleged scheme involved the use of offshore shell entities to generate artificial turnover. Rajesh was arrested at least twice over separate allegations of forgery and tax fraud. He was subsequently promoted to serve as Managing Director of Adani Group. (11/x)

<https://t.co/Rf1uJqIKoZ>

Stock manipulation and money laundering

The report alleges that the shell companies are used for “stock manipulation” and “money laundering”, using the private companies of the Adani Group on the books of publicly traded companies “to maintain the appearance of solvency and health financial”.

The report also criticizes “investors, journalists, citizens, and even politicians,” saying they held back on “big blatant fraud [taking place] in broad daylight” for fear of retaliation. As of Wednesday morning Later, the Hindenburg report received little coverage in the Indian

media outside of syndicated reports from business news agencies such as Reuters or Bloomberg.

Hindenburg Research said the Adani Group companies are intricately and clearly linked and dependent on one another. None of the listed entities is isolated from the performance, or failure, of the other companies in the group. “We believe that it could take a single severe liquidity event in a single entity to trigger a negative cascade of events in other entities in the group that could affect the entire Adani Group.”

Adani companies under liquidity risk

Four of Adani’s publicly traded companies are near the delisting threshold due to high insider ownership, according to a report published by Hindenburg Research, an investment research firm that focuses on sales in short activists.

The report also said that five companies in the group (all but Adani Ports and Adani Wilmar) have current ratios below 1.0, suggesting increased near-term liquidity risk. Furthermore, Adani Wilmar, a new company with current insider ownership of 87.94%, must reduce its insider holdings to 75% by early 2025 to meet these requirements – a significant feat requiring the offloading of 12.94% of its current insider equity.

Listed companies in India are subject to regulations requiring all promoter holdings to be disclosed. The rules also require publicly traded companies to have at least 25 per cent of the free float held by non-promoters to mitigate manipulation and insider trading.

Adani Enterprises, Adani Transmission, Adani Power and Adani Total Gas report that more than 72 per cent of their shares are held by insiders. In addition, Adani Wilmar, a new company with a current 87.94 per cent insider ownership, must reduce its insider holdings to 75 per cent.

The report says that for many Adani-listed companies, a large portion of their “public” shareholders are funds based in the opaque jurisdiction of Mauritius. “Importantly, the funds identified in this section, which we believe should be classified as ‘promoting’ (internal) entities, hold enough shares of Adani-listed companies to put four of them well above the 75% threshold, which causes delisting.

An offshore network

While many of the allegations made by Hindenburg against Adani had already surfaced, including overvaluations and concentrated holdings of Mauritian-based investors in his companies, some details collected from across the Mauritian registry have been made public for the first time, according to Brian Freitas an Auckland-based analyst who publishes independent research on the Smartkarma website.

Hindenburg said he had taken a short position in Adani's companies through US-traded bonds and non-Indian-traded derivatives. **Here is a quick summary of some of the main accusations made by him:**

- 1. 38 Mauritian shell entities controlled by Adani's brother Vinod Adani or his close associates were identified, as well as entities controlled by him in other tax havens.
- 2. The fictitious offshore network appears to be used for profit manipulation.
- 3. Adani Group has previously been the focus of four major government investigations related to fraud allegations.
- 4. Adani Enterprises and Adani Total Gas appear to be audited by a small company, with no current website, only four partners and 11 employees and have only audited one other publicly traded company.
- 5. The auditor "hardly seems capable of complex audit work" when Adani Enterprises alone has 156 subsidiaries and many more joint ventures.

Bull Run Slowdown

Adani's companies trade at a price-earnings ratio many times that of similar companies both in India and around the world, including companies in the Reliance empire of rival tycoon Mukesh Ambani, [Adani's predecessor as the world's richest man from Asia](#). There are some signs that the bull run is slowing, with most shares in the Adani group starting the year lower even before the Hindenburg report.

Investors and analysts have also raised concerns about the high debt levels seen in the empire's listed units. The gross debt of six Adani companies ([Adani Enterprises](#), [Adani Green Energy](#), [Adani Ports](#), [Adani Power](#), [Adani Total Gas](#) and [Adani Transmission](#)) stood at Rs 1.88 trillion (\$23 billion) at the end of March 2022.

“Even if you ignore our research findings and take Adani Group’s financials at face value, it’s seven key publicly traded companies are down 85% purely fundamentally due to sky-high valuations,” Hindenburg said in the report.

Adani rejects Hindenburg report

Adani Group CFO Jugeshinder Singh has rejected the Hindenburg report, stating that it is “a malicious combination of targeted misinformation and rancid, baseless and discredited accusations that have been proven and rejected by Indian courts.”

The statement adds that Hindenburg never contacted the company and criticizes the timing of the report’s release, saying it “clearly betrays a brazen and bad faith intent to undermine the reputation of the Adani Group with the primary aim of damaging the next public offering of the company.

Adani Stock Plunge

Shares of the Adani group of companies fell sharply during the morning trading session on Wednesday. Shares of seven Adani group stocks lost ₹55,000 crore in market capitalization (m-cap) shortly after the report came to light.

Hindenburg’s broadside comes at a critical time for Adani. The tycoon is seeking to raise his international profile and is aggressively branching out into new businesses, including cement and media, in his Indian power base, where he is seen enjoying a close relationship with Prime Minister Narendra Modi. The expansion plans of the Adani empire are closely aligned with the government’s development and economic goals.

Hindenburg Research Adani Report

- Today we reveal the findings of our 2-year investigation, presenting evidence that the INR 17.8 trillion (U.S. \$218 billion) Indian conglomerate Adani Group has engaged in a brazen stock manipulation and accounting fraud scheme over the course of decades.
- Gautam Adani, Founder and Chairman of the Adani Group, has amassed a net worth of roughly \$120 billion, adding over \$100 billion in the past 3 years largely through stock price appreciation in the group's 7 key listed companies, which have spiked an average of 819% in that period.
- Our research involved speaking with dozens of individuals, including former senior executives of the Adani Group, reviewing thousands of documents, and conducting diligence site visits in almost half a dozen countries.
- Even if you ignore the findings of our investigation and take the financials of Adani Group at face value, its 7 key listed companies have 85% downside purely on a fundamental basis owing to sky-high valuations.
- Key listed Adani companies have also taken on substantial debt, including pledging shares of their inflated stock for loans, putting the entire group on precarious financial footing. 5 of 7 key listed companies have reported 'current ratios' below 1, indicating near-term liquidity pressure.
- The group's very top ranks and 8 of 22 key leaders are Adani family members, a dynamic that places control of the group's financials and key decisions in the hands of a few. A former executive described the Adani Group as "a family business."
- The Adani Group has previously been the focus of 4 major government fraud investigations which have alleged money laundering, theft of taxpayer funds and corruption, totaling an estimated U.S. \$17 billion. Adani family members allegedly cooperated to create offshore shell entities in tax-haven jurisdictions like Mauritius, the UAE, and Caribbean Islands, generating forged import/export documentation in an apparent effort to generate fake or illegitimate turnover and to siphon money from the listed companies.
- Gautam Adani's younger brother, Rajesh Adani, was accused by the Directorate of Revenue Intelligence (DRI) of playing a central role in a diamond trading import/export scheme around 2004-2005. The alleged scheme involved the use of offshore shell entities to generate artificial turnover. Rajesh was arrested at least twice over

separate allegations of forgery and tax fraud. He was subsequently promoted to serve as Managing Director of Adani Group.

- Gautam Adani's brother-in-law, Samir Vora, was accused by the DRI of being a ringleader of the same diamond trading scam and of repeatedly making false statements to regulators. He was subsequently promoted to Executive Director of the critical Adani Australia division.
- Gautam Adani's elder brother, Vinod Adani, has been described by media as "an elusive figure". He has regularly been found at the center of the government's investigations into Adani for his alleged role in managing a network of offshore entities used to facilitate fraud.
- Our research, which included downloading and cataloguing the entire Mauritius corporate registry, has uncovered that Vinod Adani, through several close associates, manages a vast labyrinth of offshore shell entities.
- We have identified 38 Mauritius shell entities controlled by Vinod Adani or close associates. We have identified entities that are also surreptitiously controlled by Vinod Adani in Cyprus, the UAE, Singapore, and several Caribbean Islands.
- Many of the Vinod Adani-associated entities have no obvious signs of operations, including no reported employees, no independent addresses or phone numbers and no meaningful online presence. Despite this, they have collectively moved billions of dollars into Indian Adani publicly listed and private entities, often without required disclosure of the related party nature of the deals.
- We have also uncovered rudimentary efforts seemingly designed to mask the nature of some of the shell entities. For example, 13 websites were created for Vinod Adani-associated entities; many were suspiciously formed on the same days, featuring only stock photos, naming no actual employees and listing the same set of nonsensical services, such as "consumption abroad" and "commercial presence".
- The Vinod-Adani shells seem to serve several functions, including (1) stock parking / stock manipulation (2) and laundering money through Adani's private companies onto the listed companies' balance sheets in order to maintain the appearance of financial health and solvency.
- Publicly listed companies in India are subject to rules that require all promoter holdings (known as insider holdings in the U.S.) to be disclosed. Rules also require that listed companies have at least 25% of the float held by non-promoters in order to mitigate manipulation and insider trading. 4 of Adani's listed companies are on the brink of the delisting threshold due to high promoter ownership.

- Our research indicates that offshore shells and funds tied to the Adani Group comprise many of the largest “public” (i.e., non-promoter) holders of Adani stock, an issue that would subject the Adani companies to delisting, were Indian securities regulator SEBI’s rules enforced.
- Many of the supposed “public” funds exhibit flagrant irregularities such as being (1) Mauritius or offshore-based entities, often shells (2) with beneficial ownership concealed via nominee directors (3) and with little to no diversification, holding portfolios almost exclusively consisting of shares in Adani listed companies.
- Right to Information (RTI) requests we filed with SEBI confirm that the offshore funds are the subjects of an ongoing investigation, more than a year-and-a-half after concerns were initially raised by media and members of parliament.
- A former trader for Elara, an offshore fund with almost \$3 billion in concentrated holdings of Adani shares, including a fund that is ~99% concentrated in shares of Adani, told us that it is obvious that Adani controls the shares. He explained that the funds are intentionally structured to conceal their ultimate beneficial ownership.
- Leaked emails show that the CEO of Elara worked on deals with Dharmesh Doshi, a fugitive accountant who worked closely on stock manipulation deals with Ketan Parekh, an infamous Indian market manipulator. The emails indicate that the CEO of Elara worked with Doshi on stock deals *after* he evaded arrest and was widely known as a fugitive.
- Another firm called Monterosa Investment Holdings controls 5 supposedly independent funds that collectively hold over INR 360 billion (U.S. \$4.5 billion) in shares of listed Adani companies, according to Legal Entity Identifier (LEI) data and Indian exchange data.
- Monterosa’s Chairman and CEO served as director in 3 companies alongside a fugitive diamond merchant who allegedly stole U.S. \$1 billion before fleeing India. Vinod Adani’s daughter married the fugitive diamond merchant’s son.
- A once-related party entity of Adani invested heavily in one of the Monterosa funds that allocated to Adani Enterprises and Adani Power, according to corporate records, drawing a clear line between the Adani Group and the suspect offshore funds.
- Another Cyprus-based entity called New Leaina Investments until June-September 2021 owned over U.S. \$420 million in Adani Green Energy shares, comprising ~95% of its portfolio. Parliamentary records show it was (and may still be) a shareholder of other Adani listed entities.

- New Leaina is operated by incorporation services firm Amicorp, which has worked extensively to aid Adani in developing its offshore entity network. Amicorp formed at least 7 Adani promoter entities, at least 17 offshore shells and entities associated with Vinod Adani, and at least 3 Mauritius-based offshore shareholders of Adani stock.
- Amicorp played a key role in the 1MDB international fraud scandal that resulted in U.S. \$4.5 billion being siphoned from Malaysian taxpayers. Amicorp established 'investment funds' for the key perpetrators that were "simply a way to wash a client's money through what looked like a mutual fund", according to the book *Billion Dollar Whale*, which reported on the scandal.
- 'Delivery volume' is a unique daily data point that reports institutional investment flows. Our analysis found that offshore suspected stock parking entities accounted for up to 30%-47% of yearly 'delivery volume' in several Adani listed companies, a flagrant irregularity indicating that Adani stocks have likely been subject to 'wash trading' or other forms of manipulative trading via the suspect offshore entities.
- Evidence of stock manipulation in Adani listed companies shouldn't come as a surprise. SEBI has investigated and prosecuted more than 70 entities and individuals over the years, including Adani promoters, for pumping Adani Enterprises' stock.
- A 2007 SEBI ruling stated that "the charges leveled against promoters of Adani that they aided and abetted Ketan Parekh entities in manipulating the scrip of Adani stand proved". Ketan Parekh is perhaps India's most notorious stock market manipulator. Adani Group entities originally received bans for their roles, but those were later reduced to fines, a show of government leniency toward the Group that has become a decades-long pattern.
- Per the 2007 investigation, 14 Adani private entities transferred shares to entities controlled by Parekh, who then engaged in blatant market manipulation. Adani Group responded to SEBI by arguing that it had dealt with Ketan Parekh to finance the start of its operations at Mundra port, seemingly suggesting that share sales via stock manipulation somehow constitutes a legitimate form of financing.
- As part of our investigation, we interviewed an individual who was banned from trading on Indian markets for stock manipulation via Mauritius-based funds. He told us that he knew Ketan Parekh personally, and that little has changed, explaining "all the previous clients are still loyal to Ketan and are still working with Ketan".
- In addition to using offshore capital to park stock, we found numerous examples of offshore shells sending money through onshore private Adani companies onto listed public Adani companies.

- The funds then seem to be used to engineer Adani's accounting (whether by bolstering its reported profit or cash flows), cushioning its capital balances in order to make listed entities appear more creditworthy, or simply moved back out to other parts of the Adani empire where capital is needed.
- We also identified numerous undisclosed related party transactions by both listed and private companies, seemingly an open and repeated violation of Indian disclosure laws.
- In one instance, a Vinod Adani-controlled Mauritius entity with no signs of substantive operations lent INR 11.71 billion (U.S. ~\$253 million at that time) to a private Adani entity which did not disclose it as being a related party loan. The private entity subsequently lent funds to listed entities, including INR 9.84 billion (U.S. \$138 million at more recent substantially lower exchange rates) to Adani Enterprises.
- Another Vinod Adani-controlled Mauritius entity called Emerging Market Investment DMCC lists no employees on LinkedIn, has no substantive online presence, has announced no clients or deals, and is based out of an apartment in the UAE. It lent U.S. \$1 billion to an Adani Power subsidiary.
- This offshore shell network also seems to be used for earnings manipulation. For example, we detail a series of transactions where assets were transferred from a subsidiary of listed Adani Enterprises to a private Singaporean entity controlled by Vinod Adani, without disclosure of the related party nature of these deals. Once on the books of the private entity, the assets were almost immediately impaired, likely helping the public entity avoid a material write-down and negative impact to net income.
- Adani Group's obvious accounting irregularities and sketchy dealings seem to be enabled by virtually non-existent financial controls. Listed Adani companies have seen sustained turnover in the Chief Financial Officer role. For example, Adani Enterprises has had 5 chief financial officers over the course of 8 years, a key red flag indicating potential accounting issues.
- The independent auditor for Adani Enterprises and Adani Total Gas is a tiny firm called Shah Dhandharia. Shah Dhandharia seems to have no current website. Historical archives of its website show that it had only 4 partners and 11 employees. Records show it pays INR 32,000 (U.S. \$435 in 2021) in monthly office rent. The only other listed entity we found that it audits has a market capitalization of about INR 640 million (U.S. \$7.8 million).
- Shah Dhandharia hardly seems capable of complex audit work. Adani Enterprises alone has 156 subsidiaries and many more joint ventures and affiliates, for example.

Further, Adani's 7 key listed entities collectively have 578 subsidiaries and have engaged in a total of 6,025 separate related-party transactions in fiscal year 2022 alone, per BSE disclosures.

- The audit partners at Shah Dhandharia who respectively signed off on Adani Enterprises and Adani Total Gas' annual audits were as young as 24 and 23 years old when they began approving the audits. They were essentially fresh out of school, hardly in a position to scrutinize and hold to account the financials of some of the largest companies in the country, run by one of its most powerful individuals.
- Gautam Adani has claimed in an interview to "have a very open mind towards criticism...Every criticism gives me an opportunity to improve myself." Despite these claims, Adani has repeatedly sought to have critical journalists or commentators jailed or silenced through litigation, using his immense power to pressure the government and regulators to pursue those who question him.
- We believe the Adani Group has been able to operate a large, flagrant fraud in broad daylight in large part because investors, journalists, citizens and even politicians have been afraid to speak out for fear of reprisal.
- We have included 88 questions in the conclusion of our report. If Gautam Adani truly embraces transparency, as he claims, they should be easy questions to answer. We look forward to Adani's response.

Initial Disclosure: After extensive research, we have taken a short position in Adani Group Companies through U.S.-traded bonds and non-Indian-traded derivative instruments. This report relates solely to the valuation of securities traded outside of India. This report does not constitute a recommendation on securities. This report represents our opinion and investigative commentary, and we encourage every reader to do their own due diligence. Please see our full disclaimer at the bottom of the report

Introduction

India is home to many of the world's most brilliant entrepreneurs, engineers, and technologists and is emerging as a global superpower. However, the country's economy has been held back by the broken state of its capital markets.

Criticism of India's elite businessmen and politicians has increasingly resulted in journalists being imprisoned or outright **murdered**. Stock market analysts **have been arrested** for writing

negatively about companies. Amidst this climate of stifled expression, corporate fraud has largely gone unchecked.

In this report, we highlight what we believe to be one of, if not 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.

These issues of corruption permeate multiple layers of government. According to numerous sources we spoke with, Indian securities regulator SEBI seems more inclined to protect the perpetrators than punish them.

We view sunlight as the best remedy, and hope this report helps illuminate these issues. Further to that goal, we hope Adani addresses the 88 questions we have included in the conclusion to this report.

Background On Adani Group, One Of India's Largest Conglomerates With a Collective Market Capitalization Of INR 17.8 Trillion (U.S. \$218 Billion)

Adani Group is the 2nd largest conglomerate in India, run by its Chairman and Founder Gautam Adani, who is [currently](#) the 3rd richest man on earth, previously having reached the [#2 spot](#).

The group has 7 key publicly listed equities (9 in total) with a collective market value of about INR 17.8 trillion (U.S. \$218 billion).[\[1\]](#) It also includes a maze of Adani private companies and family trusts. Through their holdings in the group, Gautam Adani and his family have amassed a paper fortune of [over](#) U.S. \$120 billion, with over \$100 billion of that coming in the past 3 years, largely through the meteoric appreciation of its stock prices.

The conglomerate is involved in a wide array of businesses, largely focused on key infrastructure projects such as development of ports, mines, airports, data centers, power generation and power transmission.

The 7 key Adani listed companies have seen their stock prices mysteriously surge over the past 3 years – with most increasing multifold – ranking them individually among the largest companies in India. Both Adani Enterprises and Adani Ports feature in India's Nifty 50 index and 6 of the companies are included in the MSCI India Index.[\[2\]](#)

(Source: Bloomberg)

**Adani Wilmar performance is since February 2022 IPO

The 7 Listed Companies Of Adani Group Are 85%+ Overvalued Even If You Ignore Our Investigation And Take The Companies' Financials At Face Value

Even before examining the evidence put forward in this report and based solely on financials taken directly from its companies, the Adani Group appears to be highly overvalued.

Infrastructure firms are generally relatively sleepy, low growth, low multiple enterprises, yet valuation metrics of the Adani listed companies are comparable to the frothiest of high-growth tech companies.

(Source: FactSet & Hindenburg analysis)

On a blended basis, compared to industry peers, we see 85%+ downside purely on fundamentals.

Adani Group Companies' Use Of Extreme Leverage Spells Danger For Creditors. In The Past, Members Of The Adani Group Have Breached Financial Covenants And Obligations, According To Regulatory Filings

“Any Group With Such A Meteoric Ride Based On Borrowings, Acquisitions, And An Elevated Stock Price Deserves Scrutiny.” – Former Senior Reserve Bank of India (RBI) Official

From a solvency perspective, multiple listed entities in the group are highly leveraged relative to industry averages: Four of 7 of these entities have negative free cash flow, indicating that the situation is worsening.

A company's 'current ratio' is a measure of liquid assets less near-term liabilities. Five companies in the group (all but Adani Ports and Adani Wilmar) have current ratios below 1.0, suggesting a heightened short-term liquidity risk.

(Source: FactSet)

In terms of unrestricted cash, Adani Ports is the only listed entity with significant reserves at INR 86 billion (U.S. \$1.05 billion), according to its FY 2022 Annual Report. [Pg. 515] It is also the only listed entity which seems capable of consistently generating substantial positive cash flow: approximately INR 52 billion (U.S. \$640 million) as of 31 March 2022. [Pg. 141]

Concerns about the Adani Group's leverage have been expressed by CreditSights, a fixed income research firm owned by prestigious financial services firm Fitch Group. A blistering [report](#) about Adani Group published in August 2022 had called the group "deeply over-leveraged" and suggested it could "unravel Adani's vast business empire". The [report](#) was "toned down" in September 2022 after CreditSights met with the company.

In its latest report, CreditSights refused to [change its investment recommendations](#), and maintained that "several of the Group companies maintain elevated leverage, owing to aggressive expansion plans, that are largely debt-funded and that have pressurized their credit metrics and cash flow", [per local media](#).

We contacted a former senior official with India's central bank, the Reserve Bank of India (RBI), to hear his view on the Adani Group's debt mountain and possible knock-on effects for the public banking sector. His comments were guarded, saying:

"Any group with such a meteoric ride based on borrowings, acquisitions, and an elevated stock price deserves scrutiny. That said, he [Gautam Adani] also has an amazing ability to buy assets on the cheap. That may mitigate credit risk, but worth examining why."

An Adani Green Energy [Offering Circular](#), dated September 2021, stated that members of the Adani Group "have from time to time breached, and may in the future breach, certain covenants and obligations under existing financing arrangements." [\[Pg. 69\]](#)

As a result of these breaches, lenders could declare an event of default, accelerate repayments or trigger cross defaults on other arrangements. The company provided no assurances that it would have "sufficient resources to repay these borrowings" if this were to happen. [\[Pg. 69, 70\]](#)

As detailed below, the Adani Group companies are intricately and distinctly linked and dependent upon one another. None of the listed entities are isolated from the performance, or failure, of the other group companies.

We believe it could take only one serious liquidity event at a single entity to trigger a negative cascade of events at other group entities which could affect the entire Adani Group.

A Portion Of Promoter Equity In Adani Group Listed Entities Is Pledged For Loans, Effectively Leveraging The Group To The Hilt

Beyond debt held by individual Adani Group entities, the companies' promoter group (i.e., Adani insiders) have pledged portions of their equity as collateral for loans.

Equity share pledges are an inherently unstable source of lending collateral because if share prices drop, the lender can make a collateral call. If no additional collateral is available, the lender could require a forced liquidation of shares (often perpetuating a self-fulfilling cycle as stock prices move lower and selling continues).

Below is a breakdown of the publicly disclosed equity share pledges by promoter group entities for each of its listed companies: [\[3\]](#)

(Source: BSE pledge data as at Dec-end 2022 [[1,2,3,4,5,6,7,8,9](#)])

Beyond explicit leverage, we strongly suspect there may be additional, hidden leverage within the Adani empire in the form of pledges on the undisclosed shareholdings described in Part 1.

A Family Affair: The Adani Group Is Largely Controlled By Family Members, Creating A Ripe Environment For Unilateral And Opaque Financing Decisions

The [Chairman and Founder](#) of the Adani Group is Gautam Adani, a former [school drop-out](#) turned diamond and plastics [trader](#). He is also chairman of 6 out of Adani's 7 publicly listed entities bearing the Adani name.[\[4\]](#)

The CreditSights August 2022 report referenced above also warned of the problems of concentrating power in the hands of Gautam Adani, saying:

“It also comes with high key-man risk, as the senior management capability in the group companies in his absence may prove to be inadequate.” [\[5\]](#) [\[Pg. 10\]](#)

The Adani Group has been managed by family since its formation. Beyond Gautam Adani, the Adani Group's 22-person [leadership team](#) features at least 8 members of the Adani family.

From early in our investigation, it became apparent that it would be a major challenge getting first-hand insight into the sprawling business empire from former employees.

We contacted dozens of former senior executives and former directors or past members of the Group's audit committees. Some expressed loyalty or admiration for their former bosses. Others seemed acutely aware of the Adani leadership's relentless retaliation against its critics via criminal legal proceedings. [\[See Part 7\]](#) Some, however, did agree to talk on condition of strict anonymity.

Despite its formidable expansion in recent years, former senior executives told us that the Adani Group remains very much a family affair. One former executive said:

“It's a family business, you know, it has been developed as a family business. It's the first-generation business... In the Adani Group, Gautam Adani, his brother, his sons, I think they play a very, very, you know, hands-on role in day-to-day business. Because frankly, the culture has not changed since the time it was a small business. Since the time they had just got into Mundra port.”

Other former senior executives echoed that assessment. One explained that “as far as any key decision-making, I would say it all flows back to Gautam Adani. All key decisions are

made by Gautam Adani himself”.

Another said Gautam Adani retained maximum permissible shareholdings because “he felt he had built up the business and it was his and the family’s”.

The Adani Group Has Repeatedly Faced Allegations Of Corruption, Money Laundering And Theft Of Taxpayer Funds, Totaling An Estimated U.S. \$17 Billion

Investigations Have Either Been Stalled Or Stonewalled By Various Arms Of The Indian Government

Members of the Adani family have also played a significant role in alleged illegal activities taking place within the group.

Import-export scams – involving [diamonds](#), [iron ore](#), [coal](#) and [power equipment](#) — were some of the early building blocks of the Adani business empire, according to multiple investigations by the Finance Ministry’s [anti-smuggling unit](#) and other national and state-level investigative authorities.

The Adani Group has been the focus of multiple government investigations alleging corruption, money laundering, theft of taxpayer funds and siphoning from listed companies, estimated to total at least U.S. \$17 billion.[\[6\]](#) [\[1, 2, 3\]](#)

We thoroughly detail these investigations, in Part 5 below.

In virtually all these cases, despite what appears to be extensive evidence of wrongdoing, including documents, witnesses, and bank records, relevant investigations were eventually stonewalled or delayed by various other arms of the Indian government.

Gautam Adani’s Brother Helped Plan A Diamond Trading Scheme Between 2004 to 2006, As Alleged By Directorate Of Revenue Intelligence (DRI) Investigative Records

He Had Separately Been Arrested On Allegations Of Customs Tax Evasion, Forging Documents And Illegal Imports

He Currently Serves As Managing Director Of A “Vital” Part of the Adani Group

Gautam Adani's [younger brother](#), [Rajesh Adani](#), then managing director of Adani Exports (later renamed Adani Enterprises), was one of several family members accused by investigators of playing a central planning and consultation role in a diamond trading import/export scheme around 2004-2005.

Per DRI investigators and witness statements:

“...all the policy decisions regarding imports/exports of gold/diamonds in respect of AEL (Adani Exports Ltd) and other companies was being taken by Shri Samir Vora in consultation with **Shri Rajesh Adani**, Managing Director, AEL.” [[Pg. 6](#)]

Rajesh Adani has been [arrested twice](#), in 1999 and 2010, for matters unrelated to the diamond trading accusations, according to media reports. The 1999 arrest was over allegations of customs tax evasion, forging import documentation and illegal coal imports, according to one [media report](#).

The 2010 arrest was linked to a separate allegation of customs tax evasion and undervaluation of imported goods, this time related to naphtha and petroleum products, according to another [media report](#).

Typically, when an executive is alleged to have spearheaded a scheme to defraud the government and is arrested multiple times over allegations of other types of fraud, that executive is terminated. In some countries, they end up in jail.

At Adani Group, they apparently get promoted. Rajesh Adani [currently serves](#) as Adani Group's managing director, described as a “vital” part of the Adani Group, adept at “developing its business relationships”.

Gautam Adani's Brother-In-Law, Samir Vora, Was Allegedly A Ringleader Of The Same Diamond Trading Scam And Was Accused Of Repeatedly

Making False Statements To Regulators, Per The Same DRI Fraud Investigation

He Was Subsequently Promoted To Executive Director Of Adani Australia

Another Adani family member accused of being a ringleader of a diamond trading scam was Samir Vora, according to DRI investigation records. [Pg. 4] Samir Vora is identified in the investigation as the brother-in-law of Adani Group Chairman Gautam Adani.[7]

One of the witnesses in the case, an Adani company senior vice president, told investigators that Samir Vora oversaw the pricing and import-export of diamonds and precious metals between various front companies.

(Source: DRI investigative records [Pg. 7])

When questioned about the use of front companies to engage in a circular trading scheme to defraud the government of export credits, a key witness said:

“Samir Vora looked after entire business of exports/imports of gold & diamonds for all the above said (front) companies”. [Pg. 7]

Samir Vora was alleged to have made multiple inaccurate statements to regulators during the investigation.

(Source: DRI investigative records [Pg. 124])

(Source: DRI investigative records [[Pg. 124](#)])

Typically, when an executive is alleged to have spearheaded a scheme to defraud the government and then provides false testimony about it, that executive is terminated. In some countries they might even end up in jail.

Once again, at the Adani Group, they apparently get promoted.

Samir Vora was named Executive Director of Adani Australia from April 2017, according to his [LinkedIn profile](#). In that role he oversees the company's key Carmichael Mine and Rail Projects.

Gautam Adani's Elder Brother, Vinod, Was A Group Executive Also Implicated In The Diamond And Power Equipment Scams

While Adani Now Denies Vinod's Involvement In The Group Outside Of Being A Shareholder, In Reality He Operates A Vast Empire Of Shell Companies That Funnel Assets Through Adani Group Companies

Vinod Adani (also known as [Vinod Shantilal Shah](#) in certain company documents) held [various](#) official executive roles early in the history of the Adani Group until at least 2011. [\[8\]](#) [\[9\]](#) A [pre-IPO prospectus for Adani Power](#) from 2009 detailed that Vinod was director of at least 6 Adani Group companies, a shareholder of Adani Enterprises and part of the

promoter group of Adani Power. [Pgs. [175](#), [190](#), [194](#), [204](#), [206](#), [216](#), [223](#), [224](#)] He does not appear to hold any current formal positions.

Despite his early formal roles, the Adani Group has at times denied Vinod Adani's involvement. As part of the 2014 DRI investigation regarding an INR 39.74 billion (~U.S. \$800 million) power generation over-invoicing scandal [See Part 5], which covered the period 2009-2014, Adani submitted that Vinod Adani was "not at all having any involvement in any Adani Group of companies," except as a shareholder. [[Pg. 109](#)]

Like younger brother Rajesh, Vinod also allegedly played a key role in the INR 6.8 billion (U.S. \$151 million) diamond trading scandal. [See Part 5]

Indian media describes Vinod as an elusive and enigmatic figure with a vague role in the Adani empire.

([Vinod Adani](#), elder brother of Group Chairman Gautam Adani)

Per media outlet [The Morning Context](#):

"For years, Vinod Adani has been an elusive figure...Not much is known about him other than a few advertorials"

During our investigation, a confidante of Gautam Adani and former director of one of the Adani Group entities told us Vinod Adani "continues to be in [the] Middle East. He takes cares of Adani Group's interest in Dubai."

That corroborates a November 2022 [biography](#) of Gautam Adani that states Vinod Adani “does not hold any formal position with the group,” but “**remains actively involved with the group**, especially when negotiating international finance and connections.”

In the course of our research, we downloaded and catalogued the full Mauritius corporate registry database and were able to document how Vinod Adani, along with other close associates, have set up dozens of entities in Mauritius that have little to no genuine corporate presence.

We also found other entities in Cyprus, the UAE, Singapore and the Caribbean associated with Vinod Adani, comprising a vast empire of shells. Many of these entities later appear in suspect transactions, often funneling assets into or out of the Adani Group companies. [See Part 3]

Part 1: Stock Parking – Offshore Funds And Shells Tied To The Adani Group Surreptitiously Own Stock In Adani Listed Companies, Seemingly In Blatant Violation Of SEBI Exchange Rules

Indian Securities Regulator SEBI’s Rules Require A Minimum Public Shareholding of 25% To Limit Insider Trading, Stock Manipulation, And Undisclosed Margin Lending

Publicly listed companies in India are subject to rules that require all promoter holdings (more commonly known internationally as insider holdings) to be disclosed.

These disclosures are required in order to satisfy Indian [rules](#) that publicly listed companies have a float of [at least 25%](#) that is not controlled by promoters (insiders). The minimum public float rules are intended to ensure a minimum level of liquidity, to reduce insider trading and [market manipulation](#), and to minimize volatility.

Promoter shareholding disclosures also allow investors to determine whether insiders have pledged their shares, an important gauge of the financial strength and/or potential solvency risk of insider entities and individuals.

Indian market observers have long been [aware](#) that Indian promoters may use entities based in Mauritius and other offshore jurisdictions to evade these disclosure requirements

and manipulate the share prices of their listed companies.

Suspicious over the shareholding patterns in Adani listed companies held by a number of offshore funds has previously attracted questions from the media and Indian politicians, but deep dives into their shareholders have yet to be carried out.

“We Want To Know Whose Money It Is. If It Is Adani’s Money, Then Minority Shareholders Are Being Screwed”: Indian Opposition Politician And Former Investment Banker In July 2021

In June 2021, [Adani Enterprises](#) stock fell as much as 25%, with other group companies falling 4%-8% on the day, amid media controversy over who the ultimate beneficial owners of a handful of offshore funds heavily invested in Adani stock were, and reports that those trading accounts had been frozen.

In outspoken [comments to the media](#) at that time, opposition lawmaker [Mahua Moitra](#), herself a former investment banker, said:

“We want to know whose money is it. If it is Adani’s money, then minority shareholders are being screwed.”

Below is a simplified overview of the alleged scheme, which appears to involve money being routed out of companies controlled by the Adani Group, through multiple tax havens and then invested back into listed stocks of the Adani Group.

(Source: Diagram of suspected scheme reproduced from public [post](#) by Indian Politician Mahua Moitra)

Such a scheme could have critical implications for any investor in Adani listed companies. If the Adani Group secretly controls significant amounts of publicly traded stock without disclosure, the resultant share price of Adani listed companies could be easily manipulated to meet the immediate needs of the Adani Group (i.e., to give the appearance of liquidity, to help raise money, etc.)

Background: 4 of Adani's Listed Companies Are On The Brink Of India's Delisting Threshold Due To High Reported Promoter Ownership

Currently, 4 Adani listed companies are on the brink of India's delisting threshold due to high disclosed promoter (insider) ownership. Adani Enterprises, Adani Transmission, Adani Power, and Adani Total Gas all report 72%+ of their shares held by insiders. Furthermore,

Adani Wilmar, a new company with current insider ownership of 87.94%, must reduce its insider holdings to 75% by early 2025 to meet these requirements – a significant feat requiring the offloading of 12.94% of its current insider equity.

1. Adani Transmission (74.19%)
2. Adani Enterprises (72.63%)
3. Adani Power (74.97%)
4. Adani Total Gas (74.80%)
5. Adani Wilmar (87.94%)

(Source: BSE Shareholding Patterns [1](#), [2](#), [3](#), [4](#), [5](#)) [\[10\]](#) [\[11\]](#)

For many Adani listed companies, a large portion of their “public” shareholders are funds based in the opaque jurisdiction of Mauritius. **Importantly, funds identified in this section, which we believe should be classified as “promoter” (insider) entities, hold enough shares of Adani listed companies to put four of them well over the 75% threshold, triggering delisting.**

*Disclosures as per Trendlyne, BSE : [1](#), [2](#), [3](#), [4](#), [5](#), **No other holding visible in listed equities

Note that shareholding lists in India only specifically name foreign funds (FPIs) if they hold more than 1% of equity. We believe it likely that smaller stockholders below this threshold are also be used as vehicles to conceal promoter/insider ownership.

The total stockholding of all offshore foreign funds (FPIs), including smaller funds (below 1%) and large funds (above 1%), in Adani listed companies is, per the latest disclosures: Adani Transmission (19.32%), Adani Enterprises (15.39%), Adani Power (12.88%), Adani Total Gas (17.25%), Adani Green (15.14%), Adani Ports (13.76%), and Adani Wilmar (1.57%).

Our estimates, which only analyze the pattern of larger named funds, likely significantly understates the scale of the issue. This suspicion is reinforced when examining 2021 [parliamentary disclosure](#) of all the Adani shareholders and their beneficial owners which showed many suspect Mauritius-based funds with holdings below the 1% threshold that were not normally visible to the investing public.

Adani's Key "Public" Investors Are Secretive And Exhibit Behavior Inconsistent With Normal Investment Funds

These Funds, That We Believe Should Be Classified As "Promoter" Entities, Hold Enough Shares Of Adani Listed Companies To Put Them Over The 75% Threshold, Triggering Delisting

Major holders of large public equities generally share basic characteristics:

- They are typically well-known investment funds with websites that share essential details such as key employees and contact information.
- They share basic information, like their history and source of funds.
- They usually raise capital from other investors and have marketing documents sharing key details about their organizations.
- They generally have numerous investments as part of a balanced, diversified portfolio or flagship strategy.

Yet many key named Adani "public" investment funds fit none of these basic criteria:

- They are Mauritius or offshore-based entities, often shells, with beneficial ownership concealed via nominee directors.

- Despite controlling billions in capital, we generally found no meaningful web presence or employees on LinkedIn, no fund marketing materials, and no signs that named fund principals publicly exist.
- We found no news articles about many of the named investment funds (aside from media questions and confusion over why the entities are so opaque and own so many Adani shares).
- They have little to no diversification and simply hold shares in Adani listed companies for long periods. They seem price insensitive – holding the shares despite extreme volatility that would see most investment managers trim or otherwise manage their stakes.

Stock Regulator SEBI Is Investigating Foreign Fund Ties to Adani, According To Recent Right-To-Information Petitions We Have Obtained – But, Thus Far, Nothing Has Actually Happened

In July 2021, media [reported](#) that Indian securities regulator SEBI was examining some of these issues.

Adani previously denied any wrongdoing regarding such allegations, [saying](#) it has “always been fully compliant with applicable SEBI regulations.”

Hindenburg confirmed in September 2022 that SEBI is still investigating Adani’s suspicious Mauritius owners, but thus far has taken no action:

1. The Adani Power Complaint by opposition lawmaker [Mahua Moitra](#) “is under examination and has not reached a logical conclusion.”

2. The investigation into the Adani Group Foreign funds mentioned in the Indian Parliament is also “under examination and has not reached a logical conclusion.”

Although SEBI’s investigation “has not reached a logical conclusion,” ours has.

Stock Parking Entity #1: Monterosa Investment Holdings

5 Supposedly Independent Funds Collectively Holding Over INR 360 Billion (U.S. \$4.5 Billion) In Shares of Adani Companies, According to *Bloomberg Ownership Data*

A group of 5 supposedly independent investment funds have an incredibly suspicious pattern of holdings. All 5 entities were formed out of Mauritius by the same incorporator, based out of the same address, and with multiple overlapping nominee directors:

1. APMS Investment Fund [1,2,3]
2. Albula Investment Fund [1]
3. Cresta Fund Limited [1]
4. LTS Investment Fund Limited [1,2]
5. Lotus Global Investment Fund [1,2]

All 5 funds are controlled by Monterosa Investment Holdings (“Monterosa”), per [Legal Entity Identifier](#) (LEI) data.[12]

Collectively, these funds own a massive INR 360 billion (U.S. \$4.5 billion) in Adani listed companies. When drilling down into the individual funds’ assets, as per holdings data, we see:

(*Holdings data as per Trendlyne disclosures: [1](#) [2](#) [3](#))

The funds collectively hold 1.69% of Adani Enterprises, 5.09% of Adani Transmission, 2.72% of Adani Total Gas and 1.29% of Adani Power. [[1](#), [2](#), [3](#), [4](#)]

The concentration of such large holdings in such a small group of related Adani listed companies is wildly inconsistent with normal investor behavior.

“Monterosa Is Very Close To The Government And SEBI Officials...The Whole System Is Very Much Working Hand In Glove. SEBI Knows About It” – Former Trader Banned For Mauritius-Based Stock Manipulation

[Monterosa Group](#), like many of the Mauritius shareholders, has gained a reputation in specialist circles as a front for the [Adani Group](#).

Hindenburg spoke with a broker, who has been banned from Indian markets for manipulating Indian stocks using Mauritius-based funds, about Monterosa.

Our source stressed that Mauritius-based funds were a vehicle to “cut the trails” and conceal the identity of an investor bringing cash from overseas into the Indian market.

He alleged – based on his own track-record of dealing with regulators and being investigated by them – that SEBI is aware that conglomerates like the Adani Group are using Mauritius funds to flout laws on maximum stock ownership, and that SEBI participates in the schemes due to bribes.

“I won’t say they [SEBI] put a blind eye. They know about it. They personally make their money [from bribes] and then they would like to ignore it. A blind eye

is where you're definitely not touching and not disturbing it at all. So it's not the blind eye. The whole system is very much working hand in glove. People know about it. SEBI knows about it."

He also said he had personal knowledge of the Monterosa-operated funds:

"Monterosa's fund has always been used as a platform... as a chainer platform to reach into India. And Monterosa is very close to the government officials and SEBI officials... So, those people are well versed with Indian systems now."

Monterosa's Chairman And CEO Served As Director In 3 Companies Alongside A Fugitive Diamond Merchant Who Allegedly Stole U.S. \$1 Billion Before Fleeing India

Vinod Adani's Daughter Married The Fugitive Diamond Merchant's Son

Alastair Guggenbühl-Even, Monterosa's Chairman and CEO, has significant past connections with a notorious Indian fugitive diamond merchant, Jatin Rajnikant Mehta ("Mehta").

Monterosa's Chairman and CEO [resides](#) in Switzerland and has promoted his strong ties to India, having been a "pioneer investor in the Indian sub-continent" since the 1990s, [according to his CV](#).

He has served as director of Monterosa entities in India as far back as 2002.[\[14\]](#) He has also previously [served as a director](#) on at least three separate Indian companies [alongside Mehta](#), according to online company directories.[\[15\]](#)

Mehta stands [accused](#) of illegally siphoning U.S. \$1 billion from various Indian banks through standby letters of credit, then fleeing the country to a tax haven with no extradition treaty, per media reports. ([1,2,3,4](#))

According to local media, Mehta's son [married](#) Vinod Adani's daughter Krupa, indicating a close familial tie.

(Suraj – son of Jatin Mehta, and Krupa, daughter of Vinod Adani. Source: [Eternal Mewar](#) – a website celebrating the Mewar dynasty in the state of Rajasthan)

An Adani Group Related Party Entity Has Used Monterosa To Invest In Adani Companies, Drawing A Clear Line Between The Adani Group And The Suspect Offshore Funds

In 2002, Adani Exports (later renamed Adani Enterprises) [disclosed](#) that an entity Gudami International (“Gudami”) was a related party, likely because it shared a director and key common shareholder with Adani Global. [[Pg. 132](#), [Pg. 153](#)] [[16](#)]

That Gudami director/shareholder is a man named Chang Chung-Ling, who has been described in a DRI criminal investigation as a director of multiple Adani entities. [[Pg. 179](#)] Chang Chung-Ling continues to have close links and connections to Adani Group (as we detail in part 2).[\[17\]](#)

Gudami’s [annual reports](#) show that it invested \$17 million in Lotus Global Investments, a Monterosa entity, over a 2-year period. Per Gudami’s [2007 Annual Report](#):

(Gudami FY 2007 Annual report [[Pg. 14](#)])

Lotus Global's holding in Adani Enterprises increased significantly during the period, up to [4.51%](#) at the end of December 2008. Lotus also went on to become a large shareholder in Adani Power by March 2011, disclosing a [1.64% stake](#).

Early in our investigation, we reached out to executives and former Monterosa staff to learn more about the shareholding pattern in Adani stock. We received an unsolicited message from a Zurich-based PR agency hired by Monterosa:

“I am the PR agent in Switzerland for the Monterosa Group. We learned that you are contacting former employees to gather information on the Group.”

Despite his offer to answer our questions “directly” he responded a week later in general terms:

“Thank you for your questions. Monterosa only provides services to institutional investors. In line with and in constant compliance with all regulatory requirements in various jurisdictions, Monterosa does not disclose information to private investors.”

Prior to publication, we contacted two senior Monterosa executives in Switzerland and Mauritius asking to clarify their funds' significant, narrowly-focused investment in Adani listed companies. So far they have not responded.

Stock Parking Entity #2: Elara Capital Plc

Elara Capital Plc Operates Various Mauritius-Based Funds. One Fund Almost Exclusively Invests In Adani, Holding Nearly U.S. \$3 Billion in Shares Representing ~99% Of Its Holdings

London-based [Elara Capital Plc](#) (“Elara”) operates the Mauritius-based India Opportunities Fund and Vespera. [[Pg. 39](#)]

As of December 2022, the India Opportunities Fund had a total market value of about INR 246.36 billion (U.S. \$3.04 billion) – of which INR 243.35 billion (U.S. \$3.01 billion), or 98.78%, was invested in 3 Adani stocks, per [Trendlyne data](#). Elara funds hold 3.62% of the equity of [Adani Transmission](#), 1.62% of [Adani Total Gas](#) and 1.6% of [Adani Enterprises](#), per the most recent data.

Previously, Vespera Fund, another fund managed by Elara, held significant stakes in Adani stocks, including a 1.04% stake in Adani Enterprises at the [end of June 2022](#), representing over 93.9% of its [assets](#) at the time. Vespera's shareholding has since dipped below the 1% equity reporting threshold, thus the extent of its shareholding in Adani stocks is currently unknown.

It is unclear exactly when Elara first began acquiring Adani stock, but the Elara India Opportunities Fund first disclosed holding over 1% in Adani Enterprises in June 2012, per [BSE](#) records.

“It’s Staring In Your Face...But Does Somebody Have The Courage Or The Balls To Really Put It Out There?”— Former Elara Employees Told Us Adani and Promoters “Definitely” Have Money In These Funds

Banking secrecy in Mauritius, like many opaque offshore jurisdictions, makes it difficult to establish the ultimate beneficial owners of funds, but the answer seems to be an open secret among those employees of the Adani stock parking entities who were willing to talk to us on a strictly confidential basis.

We asked a former Elara trader whether they thought outsiders would ever be able to acquire hard, documentary evidence that Adani family members and group promoters owned Elara (and another stock parking entity that we discussed above, Monterosa Investment Holdings). They were adamant:

“Never ever. That’s the whole beauty of the structure...”

They described transactions routed through offshore funds in Mauritius as a “Chinese Wall” intended to conceal the identity of the beneficial owners. They said that the Indian regulatory authority SEBI knew the reality but had other priorities:

“The regulator knows everything, actually, to be very frank...They [SEBI] knows each and every dirt in the bag but the point is that: Who wants to clean it? That’s the main point. It’s like nobody wants to make their hand messy...”

The former trader said it was obvious Elara's India Opportunities and Vespera funds belonged to the Adani Group, citing the ownership concentration:

“The answer to your question lies on, like, a fund, for example Elara India [Opportunities Fund], what [are] its concentrated holding[s]? So what are its top ten value [of] holdings? So you would come to know who controls this fund, which conglomerate controls this fund. It’s very simple.”

As explained above, around 99% of Elara India Opportunities is comprised of Adani stock, and previously in June 2022, 93.9% of Vespera was invested in Adani Enterprises:

“The picture is right there, you know. It’s like staring in your face. It is just [that] somebody needs an audacity to kind of put it down on a piece of paper and you know just get it out. Because it’s right out there. You can see that, okay, but does somebody have the courage or the balls to really put it out there?”

A second former Elara employee, who agreed to talk on condition we did not reveal their identity, explained how these vehicles help skirt SEBI regulations on public float and could facilitate market manipulation. They described the structure as being somewhat akin to a [P-note](#), or a “participatory note” that allows groups to invest in India without registering with SEBI:

“It is not a fund. No, it’s not a fund. It’s not a pooled investment vehicle. This is what I’m saying. It’s a P-note structure masquerading as a fund.”

“It [the fund] is a set of separately managed accounts. So you can today walk up to Elara and tell them that I want to start a product. They will do your KYC. And [you tell them] I want to start an account, and you start an account, and you can fund the account to a million pounds or whatever you want, and tell them ‘I want to buy a million shares of this particular thing’ or you know, ‘buy me a million pounds worth of that’. It could be anything. It can be DCS or Adani or anything you want. And they will buy exactly what you tell them to buy and that will become part of the Elara India Opportunities Fund.”

The second former Elara employee further stated:

“That’s precisely the advantage of, you know, these kind of vehicles. So that you have the illusion of float but there is no float. There is no float, and the price can be really anything, right. I mean, you can take the price up to whatever you want it. And after a while, you don’t even have to do that. There are guys in the market who will do it for you.”

They also expressed a strong belief that the Elara India Opportunities fund was owned by the Adani promoter group:

“I think this is definitely held by the Adani Group...Because no one else would want to buy [it]. I mean, as any investor why would you invest with Adani Group? Because you know that the stock is inflated, you know that they cannot be trusted.”

“And then, you know, looking at the business, I mean it’s a house of cards, it’s all fueled on debt. And, you know, if the Modi government goes out of power, maybe the whole thing will come crashing down. And I think that this is really how brazen this is happening. It’s like, almost like the Russia of the late 90s, that’s what’s happening.”

Elara’s CEO Has A Track Record of Deals With Dharmesh Doshi, A Notorious Indian Fugitive

Leaked Emails Show Elara’s CEO Dealt With Doshi Even After He Fled India

In 1999-2001, a [chartered accountant](#) named Dharmesh Doshi was accused by Indian authorities of running a widescale stock manipulation scam along with Ketan Parekh, who was convicted for his role in the same scheme. [[Sebi Order Section 3.2.1](#)]

The Ketan Parekh scandal is one of the largest stock market scandals in Indian history, as well known in the country as the Bernie Madoff scandal is in the U.S.

The scam involved rigging Indian markets and pumping several stocks, including those of Adani Exports (later renamed Adani Enterprises) , according to investigations by [SEBI](#) and an [Indian parliamentary inquiry](#). [See Part 2] Adani Group promoters were also sanctioned for their role in aiding and abetting the scam.

Doshi fled India, evading a 2002 attempt to [arrest him](#).

But the CEO of Elara Capital, [Raj Bhatt](#), was making deals with Doshi as late as 2006 when he was still a widely known active fugitive.[[18](#)] [[19](#)] According to emails from a suspected [leaked](#) trove of data, Bhatt worked with Doshi on deals involving Indian stocks.[[20](#)]

The email also connected Bhatt to Jermyn Capital, an entity used by Doshi and his partner Ketan Parekh in their Indian market crime spree.

We phoned Mihir Kapadia, one of the Jermyn Capital directors named on that email, at his London home. He served on the board between 2000-2008, [simultaneously with Doshi](#) according to UK corporate records. Sources told us Kapadia has close family ties to Parekh, a detail Kapadia declined to confirm.

We asked if he recalled Doshi or Jermyn Capital dealing with Raj Bhatt or Elara Capital. He replied vaguely:

“I can’t recall. But I mean it might have been.”

When we asked why he had been in business with a known fugitive and why had Doshi dealt with a London-based fund, Kapadia responded:

“I don’t have any comment on that. I don’t know where you got that information. But I don’t have any comment.”

We talked via phone to Achal Ghai, the investment fund manager named in the apparently leaked email. He confirmed he had dealt with Mihir Kapadia and appeared to confirm the veracity of the email:

“I remember Mihir Kapadia, now that you mention the name. I remember him, again I have not spoken to him maybe or dealt with him for the last 15 years? I don’t know how long. But, yeah, at the time he was in London, if I remember clearly, and we’d looked at a few deals with him at the time for different clients. But that’s been a long time.”

“They [Mihir Kapadia and Elara] must have done some investments, co-investments, and looked at Moschip because I remember a semi-conductor deal since you mention [it] to me. It was a long time ago.”

We forwarded him a copy of the email, to which he responded:

“It appears it was a cold call from them ref(erencing) Mihir reg(arding) Moschip GDR. We did not proceed or do anything with them ever.”

We phoned and emailed Elara CEO Raj Bhatt, asking him to clarify the shareholding pattern of Adani stock in Elara-managed funds. At time of publication we have received no response.

Stock Parking Entity #3: New Leaina Investments

Cyprus-Based New Leaina Investments Owned Over U.S. \$420 Million In Adani Green Energy, Comprising ~95% Of Its Portfolio

New Leaina Investments (“New Leaina”) is a Cyprus-based investment manager whose [website](#) vaguely describes its investment approach as “considerably broad.” Despite the “broad” approach, as of June 2021 approximately 95% of New Leaina’s holdings consisted of a \$420 million, [1.01% stake](#) in Adani Green Energy, according to Bloomberg.[\[21\]](#)

Parliamentary [records](#) show New Leaina was also (and may still be) a shareholder in 4 other Adani companies.[\[22\]](#)

As with the other stock parking entities, this pattern of ownership is inconsistent with third-party investment and indicates instead an attempt to shield Adani Group ownership from public view.

New Leaina Is Managed By Amicorp Group, A Corporate Services Firm With Extensive Ties to Adani’s Web Of Offshore Entities

New Leaina seems to be managed by [Amicorp](#) Group (“Amicorp”), a corporate services firm with an extensive history with Adani, including supplying directors and managerial services to Adani’s vast web of promoter entities and offshore shells.[\[23\]](#)

New Leaina’s website names no actual investment managers, just two [board members](#) that respectively work at [Amicorp](#) and an [accounting firm](#).[\[24\]](#) A search of *LinkedIn* records similarly returned no investment staff. Its address is a P.O. Box shared by Amicorp.[\[25\]](#) Its phone number also matches that of Amicorp.

The three ultimate beneficial owners of New Leaina were disclosed in July 2021 by India’s [Finance Ministry](#) after questions emerged about the ownership patterns of Adani’s public companies. All three are likely Amicorp employees.[\[26\]](#) Furthermore, all 3 current shareholders of New Leaina have key ties to Amicorp. [\[Pg. 3\]](#)

We called the [Cyprus phone number](#) listed on the New Leaina website. A receptionist answered saying that it was the Amicorp Cyprus headquarters, a fact also confirmed by [Marios Tofaros](#), listed as a [director of New Leaina](#) and also an Amicorp director according to his LinkedIn profile.

Tofaros declined to confirm specifically whether Amicorp controlled New Leaina, telling us instead to “find this information online”.

When we asked outright if New Leaina was helping the Adani Group to stock park, he responded:

“You’re just saying that and as you said yourself this is like a suspicion or your suspicion. I wouldn’t want to comment any of that, nor [do] I confirm any of the statements you are making.”

We then phoned accountant [Michalis Ashiotis](#), who is listed as the [second director](#) of New Leaina in Cyprus. He told us that “I’m not an active director as such” and told us to phone Amicorp to find out details of New Leaina.

Finally, we called Andetta Group, headquartered in the Caribbean tax haven of Curacao – a company listed as the main underlying shareholder in New Leaina. [\[Pg.3\]](#)

At the [Andetta phone number listed](#) on the group’s website, a female receptionist answered

“Amicorp, good afternoon. How can I help you?”.

When we asked if Andetta was part of Amicorp, she said matter-of-factly “Yes, yes, yes, sir”.

Amicorp Played A Key Role in The \$4.5 Billion 1MDB Fraud Scandal, Creating Money Laundering Entities Masquerading As Mutual Funds, According To Reporting On The Scandal

Adani Group has a deep relationship with Amicorp, an incorporation and business services company that it has used for at least 7 of its promoter entities, 17 other current or dissolved shells associated with Vinod Adani and at least 3 opaque Mauritius funds with holdings of Adani stocks. [\[27\]](#) [\[28\]](#)

Note that Amicorp is not just an incorporator – it is also a worldwide facilitator of the movement of funds with its own [bank](#) and investment vehicles which can serve as a wall between markets and ultimate beneficial owners.

Amicorp entities played a key role in a massive international scandal, the [\\$4.5 billion 1MDB fraud](#), according to [U.S. legal case files](#) and documents compiled by the [Malaysian anti-corruption commission](#). One of those entities, Cistenique, was until recently a [shareholder](#) of New Leaina.[\[29\]](#)

In the book “Billion Dollar Whale”, an exposé of the 1MDB scandal based on court records and additional investigation, the authors describe how Amicorp developed expertise in finding ways to “**wash a client’s money**”, “**disguise money flows**” and “**discretely move money around**”. [\[Pgs. 141-142\]](#) [\[1, 2\]](#)

The book also specifically described how Amicorp helped launder money for the key perpetrators of the scheme by setting up sham mutual funds. Per the book, the structure

“was simply a way to wash a client’s money through what looked like a mutual fund.” [Pg. 181]

Stock Parking Entity #4: Opal Investment Private Ltd.

Adani Power’s Largest “Independent” Public Investor Is An Opaque Mauritius-Based Entity Called Opal Investment Private Ltd; Which Owns 4.69% Of The Company (~19% Of The Reported Public Float)

As of December 2022, Adani Power [reported](#) that 4.69% of its shares outstanding, or around 19% of the supposed “public” shareholdings are held by an entity called Opal Investment Private Ltd. (“Opal”).

Opal shares many of the same suspicious characteristics of other offshore Mauritius “public” investors with key stakes in Adani:

- Opal is a Mauritius shell entity. Its beneficial ownership is concealed via nominee directors, per the [Mauritius corporate registry](#).
- We found no news articles about the investment firm (aside from media questions and confusion over why the entity is so opaque and owns so much Adani Power).
- We found no website, and no [employees on LinkedIn](#). We found no marketing materials for the investment fund. No signs that any of its principals have presented at any investment conferences.
- Opal’s investment portfolio has zero diversification. It consists solely of Adani Power shares, per FactSet.

We also found evidence demonstrating a link between Opal and the Adani Group.

Opal Was Formed On The Exact Same Day, In The Exact Same Jurisdiction, By The Same Registered Agent As Another Entity Formed and Controlled by Vinod Adani

Opal was incorporated in Mauritius by a small corporate services company called [Trustlink International](#), per [Mauritius corporate records](#).^[30] Trustlink’s CEO openly touts his close relationship to Adani Group on his own [LinkedIn profile](#) even claiming he “sits on the board of ... the Adani Group.”

Trustlink incorporated Opal in Mauritius on October 4, 2005, per Mauritius corporate records.

On the exact same day, Trustlink incorporated another entity in Mauritius called Krunal Trade & Investment Pvt Ltd. (“Krunal”). Krunal is one of Vinod Adani’s shadow companies described in Appendix 1.

In addition to his work creating shell companies for Vinod Adani, Trustlink's CEO Giandeo Reemul appears as an early [director of Adani Global Ltd.](#), one of Adani's Mauritius-based holding companies. Reemul was also named in Indian Directorate of Revenue intelligence (DRI) investigative [records](#), having formed a key offshore entity in an Adani over invoicing scandal. [\[Pg. 13\]](#)

In short, Opal, a supposedly "independent" investment entity that owns nothing but shares of Adani Power, was created on the same day in the same jurisdiction as another suspicious entity formed by Vinod Adani, using the same small incorporation firm that openly touts its close relationship with Adani and which has been alleged to have previously facilitated fraudulent practices involving use of shell companies for Adani.

Suspected Stock Parking Entities Accounted For As Much As 30%-47% Of 'Delivery Volume' In Adani Stocks, Reinforcing Concerns Of

Circuitous Trading & Market Manipulation

“That Would Be Alarming...Being 40% Delivery...Is Too Much. More Like Cornering The Stock”—Institutional Trader Of Indian Stocks

The stock parking entities bought and sold stock in the market, sometimes in a synchronized manner, according to exchange data and disclosures in the annual reports of Adani listed companies.[\[31\]](#)

We analyzed these disclosures as a percentage of delivery volumes – a unique, daily data point provided by Indian exchanges that captures large institutional flows and excludes day-trading activity.[\[32\]](#) The data point captures trading among Foreign Portfolio Investors (FPIs), such as the suspect Mauritius entities, which are not allowed to day trade in the cash market in India.

Using the top ten shareholder disclosures by Adani listed companies, which display granular detail on purchase and sale activities of these shareholders, we analyzed the activity of the stock parking entities – Monterosa, Elara, and New Leaina[\[33\]](#) – and also constructed a wider dataset which included four other Mauritius shareholders with portfolios having suspiciously concentrated holdings in Adani stocks. These suspicious offshore entities are EM Resurgent Fund, Asia Investment Corporation, Emerging India Focus, and Capital Trade and Investment.

The trading patterns suggest that the stock parking entities and the suspicious offshore entities may have artificially inflated the volume and/or price of some Adani listed companies.

Suspicious Trading Pattern #1: Adani Transmission—Up To 47% Of Delivery Volume Was Through Stock Parking Entities And Suspicious Offshore Entities

The stock parking entities accounted for 30%, 2%, and 8% of the delivered volume in Adani Transmission for each of 2018, 2019, and 2020. [\[34\]](#)

Including Emerging India Focus, EM Resurgent Fund, and Asia Investment Corporation raises the volume to 44%, 47%, and 9% for 2018, 2019, and 2020.

Suspicious Trading Pattern #2: Adani Enterprises—Up To 33% Of Delivery Volume Was Through Stock Parking Entities And Suspicious Offshore Entities

The stock parking entities accounted for 22%, 19%, and 3% of the delivered volume in Adani Enterprises for each of 2018, 2019, and 2020.

Including EM Resurgent Fund, and Asia Investment Corporation raises the volume to 33% and 26% for 2018 and 2019.

Suspicious Trading Pattern #3: Adani Power—Up To 33% Of Delivery Volume Was Through Stock Parking Entities And Suspicious Offshore Entities

The stock parking entities accounted for 10%, 12%, and 8% of the delivered volume in Adani Enterprises for each of 2018, 2019, and 2020.

Including Emerging India Focus, EM Resurgent Fund, Asia Investment Corporation, and Capital Trade and Investment raises the volume to 17%, 33%, and 11% for 2018, 2019, and 2020.

In Q2 2019, Several of The Suspected Stock Parking Entities Purchased Just Enough Stock In Adani Green Energy To Avoid Violation of Minimum

Public Shareholding Rules, Which Could Have Resulted In Delisting

As mentioned earlier, Indian [regulations](#) require listed companies to maintain a non-promoter public float of at least 25%. In 2019, Adani Green Energy was in danger of delisting because public shareholders only accounted for 13.5% of the float.

To avoid losing critical access to the public markets, Adani Green Energy completed two offerings in in May and June 2019 through “[offer for sale](#)”. [1, 2] These offerings ultimately resulted in the sale of 11.58% of the company, barely reaching the 25% threshold.

(Source: Adani Green Energy FY 2020 Annual report [[Pg. 40](#)])

Our research, however, shows that Adani Green Energy simply sold many of those shares to the stock parking entities and the suspicious offshore entities.

A Brokerage Firm Previously Convicted Of Market Rigging In India Was Chosen By Adani To Bookrun Both Of The Adani Green Energy Share Sales Totaling INR 7.8 Billion (U.S. \$110 Million in 2019)

Adani Had Been A Small Stakeholder In The Brokerage Firm Since 2016

Despite the critical importance of the offerings to Adani Green Energy, it chose a small brokerage firm called [Monarch Network Capital](#) to handle both tranches of its offer for sale. Given the combined size of the two offerings – totaling INR 7.8 billion (U.S. \$110 million in 2019), and given the importance of maintaining SEBI compliance, one would have expected the Adani Group to have chosen experienced, credible bookrunners to manage the deal. [1, 2]

Instead, Adani Green Energy chose an entity it could likely influence, if not control outright. Adani Properties Private Limited has been a shareholder in Monarch since 2016 with a small investment valued at INR 432,620 (U.S. \$5,289), according to annual reports. [[Pg.](#)

119] (Note that Albula, a suspected Monterosa stock parking fund, had significant shareholdings – 9.75% – in Monarch in 2009, according to [ownership records](#)).

A year prior to the offerings, Gautam Adani’s brother-in-law, Rakesh Shah, went into business with Monarch when they [purchased an airline together](#) in 2018.

Monarch also has a history of market manipulation. In 2011, SEBI [suspended Monarch](#), then [known as](#) Networth Stock Broking, for a month because:

“...four member brokers, including the appellant, and their clients traded in the scrip of the company in a circular manner intra day for forty days during the investigation period.” [Pg.2] [35]

A Breakdown Of The Suspected Adani Stock Parking Entities’ Participation In The Offerings

There are no specific publicly available records showing the purchasers in the offerings. But analysis of the holdings of the stock parking entities and suspicious offshore entities shows a substantial increase in their holdings of Adani Green Energy stock from the period before the offerings to the period after the offerings.

Before:

March 30, 2019 – Adani Green Shareholders % Holding

Elara India Opportunities Fund Limited	2.99%
Cresta Fund Ltd	1.62%
Albula Investment Fund Limited	1.41%
Asia Investment Corporation (Mauritius) Ltd	1.08%

(Source: [BSE Shareholding](#))

After the second offering concluded, there was a dramatic increase in the holdings of previous shareholders and a flood of new offshore holders, some of which we have described previously:

June 13, 2019– Adani Green Shareholders % Holding

Elara India Opportunities Fund Limited	3.91%
Albula Investment Fund Limited	2.43%

Asia Investment Corporation (Mauritius) Ltd	2.32%
Cresta Fund Ltd	2.30%
APMS Investment Fund Ltd	2.26%
Vespera Fund Limited	1.69%
LTS Investment Fund	1.54%
Marshal Global Capital Fund Ltd	1.36%
Polus Global fund	1.09%

(Source: [BSE Shareholding](#))

These suspect funds increased their stakes in Adani Green by between 6.85%-11.8% during the offering period.[36] It would be virtually impossible for this ownership increase to occur unless they purchased shares in the offerings.[37]

The proper classification of even one of these holdings as an insider holding likely would have resulted in Adani Green Energy losing its listing and being unable to access the capital markets.

Part 2: The Adani Group Has A Track Record Of Engaging In Alleged Stock Rigging With India's Most Notorious Market Fraudsters

As we noted regarding the Mauritius-based funds, highly concentrated ownership and low effective free trading 'float' create fertile ground for stock rigging. As we combed through the [archived files](#) of more than 60 regulatory investigations, it became clear that the Adani Group has seen its stock price artificially pumped at various times in the last 20 years as a result of well-coordinated stock rigging scams – a fact that appears to have been largely overlooked by the Indian media and financial analysts.

SEBI has investigated more than 90 entities or individuals, and sanctioned or reached financial settlements with at least 70 of those, including Adani promoters, for pumping Adani Enterprises stock – at some points in excess of 100%, according to SEBI documentation available online. The alleged manipulation occurred between 1999 and 2005.

Adani Group promoter entities initially received bans for their role in market manipulation, but those were later reduced to negotiated settlement payments. Other regulatory issues

have slowed or been stonewalled for decades.

Stock Manipulation Case #1:

1999-2001 The Ketan Parekh Adani Stock Rigging Scam

“The Charges Leveled Against Promoters Of Adani That They Aided And Abetted Ketan Parekh Entities In Manipulating The Scrip Of Adani Stand Proved” – 2007 SEBI Ruling

Stock broker Ketan Parekh was banned from markets for 14 years for rigging the price of at least 10 stocks, including Adani Exports (later [renamed Adani Enterprises](#)), from 1999-2001. [Pg. 148, 149]

The “[2001 Ketan Parekh Scam](#)” was deemed so serious that it was the focus of a [detailed parliamentary inquiry](#) in 2002, and became known as one of the most notorious Indian stock market scams in history.

SEBI orders alleged that in less than six weeks spanning November and December 1999, Adani Exports stock rose from INR 495 to 1,300, a 162% gain. It fell back, but again between May and July 2000 it rose from INR 570 to 1,111, a 95% gain. [Pg. 2]

SEBI rulings described Ketan Parekh’s role as “the mastermind of all the misdeeds [and he] needs to be imposed with the heaviest possible penalty/punishment.” [Pg. 142]

Seven Adani private companies and promoter entities were also banned from “buying, selling or otherwise dealing in securities” for two years for their role in the scheme, according to a SEBI ruling from May 2007 that noted:

“Promoters of Adani Group aided and abetted KP [Ketan Parekh] entities in manipulating the market. Therefore, it was alleged that promoters of Adani Group had violated Regulation 4 (a), (b), (c), and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations.” [Pg. 4] [Pg. 46]

The regulator said it had “proved” that Adani Group and its promoters “were party” to, and had “aided and abetted”, Parekh:

“All the aforesaid findings show that **the Adani group was party to the design and activities of [Ketan Parekh] and his entities**. A cumulative view of the

aforesaid findings, therefore, persuades me to conclude that the charges leveled against promoters of Adani that they aided and abetted [Ketan Parekh] entities in manipulating the scrip of Adani stand proved and therefore, it would be in the interest of justice to take appropriate preventive actions against Adani group/noticeses that would not only deter them but also the potential violators from indulging in similar activities in future”. [Pg. 45, 46]

Stock Manipulation Case #1 (Cont'd):

Investigators Showed That 14 Adani Private Companies Transferred Shares To Entities Controlled By Parekh, Which Then Engaged In Blatant Stock Manipulation Of An Adani Listed Entity

Adani Group Entities Initially Received Bans For Their Role, But Those Were Later Reduced To Small Fines

Investigators revealed that 14 Adani private companies had organized transfers of shares and funds to 11 entities controlled by or associated with Ketan Parekh. The documented transfers showed movement of more than INR 3.4 billion (U.S. \$75 million) between February and August 2000 alone. [Pg. 3] [Pg. 32] [Pg. 39]

A judge of the Securities Appellate Tribunal upheld earlier rulings that Parekh had carried out synchronized and circular trades and created fake demand and fake volume for a series of stocks, including those of publicly listed Adani Exports (later renamed Adani Enterprises). [Pgs. 2-3, 31-32]

“Entering into such synchronized trades is a misuse of the stock exchange mechanism and tampers with the free, fair and transparent price discovery system of the stock exchange. Such practices...distort and interfere in the price discovery mechanism of the stock exchange and leads to the creation of a false market.” [Pg. 51]

In its defense, Adani Group told SEBI it had simply been dealing with Ketan Parekh to finance the start of operations at Mundra port, in its home state of Gujarat. [Pg. 5, 6]

SEBI roundly dismissed Adani Group’s argument:

“In the very nature of things, a stock market is not meant for financing transactions. If one needs money, the shares could be sold in the market which provides liquidity but you can’t raise short term finances through the circuitous methods as resorted to by Ketan Parekh.” [Pgs. 140-141]

After negotiations and an agreed settlement, the bans were later reduced to fines in a SEBI decision in April 2008. [Pg. 2] One of the Adani Group entities paid a settlement of INR 1.05 million (U.S. \$26,000). Six more settled for INR 750,000 (U.S. \$19,000) each, according to the SEBI document [Pgs. 2,3]

Stock Manipulation Case #2:

December 2003 – SEBI Alleged That 34 Brokers, Sub-Brokers And Clients Conspired To Carry Out “Synchronized Reversal Trading/Fictitious Trading In The Shares of AEL”, Causing A 128% Spike In Shares Of AEL In Less Than One Month

Starting in June 2009, SEBI began issuing [prosecution notices](#) (so-called Adjudication Orders,) after an investigation showed how over a month-long period in late 2003, at least 34 brokerages, brokers and individual traders, included in 21 separate investigations, “had indulged in fictitious synchronized reversal of trades, which in turn had created the artificial volumes and contributed to the price rise in the scrip of Adani”. [Pg. 2]

The alleged practices were in violation of SEBI regulations known as the Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Markets. [Pg. 2]

A later SEBI order laid out the network of those directly involved:

According to the allegations, Adani Exports (later renamed Adani Enterprises) stock suspiciously rose as much as 128% during 19 trading days in late 2003.[38]

It took SEBI almost 6 years to prosecute the cases. [Pg. 1] Per one of the SEBI orders at the time:

“The sub-broker by participating in the trading in this manner involved in the execution of synchronized/reversal transactions created artificial liquidity in the scrip and played a role in the manipulation of the trading.” [Pg. 15]

Sanctions ranged from light fines up to two-year bans from trading or accessing Indian securities markets. [Pg. 18] [Pg. 22]

Note that there was no specific mention in the orders relating to this November-December 2003 time period that Adani promoters or principals had been involved.

Stock Manipulation Case #3:

July 2004- Sept. 2005 – SEBI Investigated A Scheme By 30 Entities And Individuals To Manipulate Shares Of Adani Exports (Renamed Adani Enterprises), Resulting In Numerous Fines And Sanctions

“Certain Entities...Transacted In The Shares of AEL (Adani Exports Ltd) In A Fraudulent Manner...Leading to Spurt In the Price” –SEBI Order

Later, SEBI investigated a scheme allegedly perpetrated by 30 brokerages, brokers and individuals to pump Adani Exports (renamed Adani Enterprises) stock in two periods between July 2004 and September 2005.

Per a SEBI [order](#) on the issue:

“The Investigations revealed that certain entities...transacted in the shares of AEL [Adani Exports Ltd] in a fraudulent manner that led to creation of artificial volume and a false market. Their trading distorted market equilibrium leading to spurt in the price which did not have any correlation with the performance of the company.” [Pg. 2]

In the first period of the alleged scheme (July 2004-Jan. 2005), Adani Enterprises stock spiked 57% (from INR 481 to INR 756). During a second period (Aug 2005-Sept. 2005), AEL rose over 15%. [Pg. 1]

Some entities and individuals were fined while others agreed to settle the charges. [Pg. 11, Pg. 2]

Note that none of the Adani entities or promoters were implicated by SEBI relating to this July 2004 to September 2005 time period.

Ketan Parekh, Associates And Relatives Shifted Operations To London. Traders Say They May Still Be Rigging Stocks

“All The Previous Clients Are Still Loyal To Ketan And Are Still Working With Ketan”– Rogue Indian Trader Who Knows Ketan Parekh Personally

As Indian authorities launched protracted investigations, resulting in formal charges, fines and bans, Ketan Parekh and some of his closest associates in the 2001 scam shifted part of their operations to London, according to media reports and our review of UK corporate filings.

Multiple sources told us they believe some of India’s most notorious market manipulators may still be working with the Adani Group.

A review of the [LinkedIn](#) profile for Ketan Parekh’s daughter shows she worked at Elara Capital – the London-based brokerage which almost exclusively holds Adani Group stock in its Mauritius-based fund, as detailed earlier.

India’s Intelligence Bureau alleged that Ketan Parekh defied a 14-year market ban handed down to him in 2003 and [remained active in Indian markets](#) until at least 2010, pumping stocks through “little-known investment entities, market operators and a string of loyal brokers”, according to an investigation cited by the Economic Times.

A lawyer for India’s Central Bureau for Investigation (CBI) was quoted in another [media report](#), as opposing one of several travel permits to London, saying:

“They [Parekh’s frequent trips to London] are being used to manage millions of ill-gotten wealth stashed in a bank there”.

Ketan Parekh has been arrested multiple times since the 2001 market crash he helped spark but each time has made bail, including in [2001](#), [2008](#), [2014](#) and [2018](#).

In February 2022, prominent Indian investigative journalist Sucheta Dalal hinted at a new alliance between the Adani Group and known market manipulators like Ketan Parekh and his associates, in a [Tweet](#):

The above-referenced broker, who was banned from trading on Indian markets for stock manipulation via Mauritius-based funds, said he knew Ketan Parekh personally, adding:

“Ketan Parekh never stopped working in India. His brother-in-law lives here. He [Ketan Parekh] has a full set up in London, he has a full set up in Singapore, he has a very good link in Switzerland. He has absolutely full trust, actually, in

Mumbai and he is doing what he was doing, still continues in the same fashion and his business has continued. SEBI knows about it. All the politicians know about it, even people and corporations go to him for their businesses and he's playing his role."

It is well-documented that the Adani Group was one of Parekh's high-profile clients. We pressed our source on whether he believed that relationship was current:

"Yes. None of them have broken relationships with him...Ketan Parekh is a market maker, was a market maker and still is a market maker... All the previous clients are still loyal to Ketan and are still working with Ketan."

The London Hub – Market Riggers From the Notorious 1999-2001 Scam Continued Doing Business With Vinod Adani And A Former Adani Company Executive

After Ketan Parekh and related brokers were sanctioned for their role in market rigging between 1999-2001, one may have expected Adani Group promoters to distance themselves.

What we found, through a review of corporate records and media reports, is that the relationship seems to have simply continued while masked through different offshore entities.

In 2007, an [Economic Times article](#) focused on transactions between Jermyn Capital (a brokerage linked to market riggers) and various offshore entities in 2007.

The article describes a transaction which involved a brokerage, at the time controlled by a Ketan Parekh associate, buying shares in a pharmaceutical company for a BVI company called Jineshwar Holdings. The article did not mention this, but Vinod Adani served as [shareholder and director](#) of Jineshwar Holdings, per ICIJ.[\[39\]](#) That Vinod Adani company received a payment of U.S. \$1 million as part of the transaction, according to the [Economic Times](#).

Following the scandal, the same Ketan Parekh-associated brokerage firm was renamed Orbit Investment Securities, [per UK corporate records](#). It is now controlled by an individual named Jayechund 'Jaye' Jingree, who previously served as a director of Adani Global Ltd, based in Mauritius, according to [BSE records](#). [\[40\]](#)

Part 3: Adani Group's Corporate Maze—How The Group Surreptitiously Funnels Money In And Out Of Its Empire Through Related-Party Transactions And Offshore Entities

Aside from using offshore capital to park stock, the Adani Group also seems to have a system for laundering the money onshore directly onto the Adani listed companies' balance sheets.

Through our multi-year research into the Adani Group and its corporate structure, we've uncovered a pattern whereby capital is moved from offshore entities to private Indian companies within the Adani empire, often through undisclosed related party transactions in apparent violation of the law, then transferred from there to listed companies.

At that point, the capital can be used to engineer Adani's accounting, whether by bolstering its reported profit or cash flows, or cushioning its capital balances in order to make listed entities appear more solvent or creditworthy. If needed elsewhere, it can be siphoned back out again through a similar maze of related party deals.

Essentially, it seems capital is simply moved where needed, a perpetual juggling act propping up the empire through both stock parking and direct capital infusions.

Adani's Key 7 Publicly Listed Entities Have 578 Subsidiaries And Engaged In 6,025 Disclosed Related-Party Transactions In FY 2022 Alone

“Use of complicated group structures and complex related-party transactions increase the concern on siphoning of funds, money laundering, round tripping etc, while such structures and transactions happen at a cross-country level, the lack of free information flow hinders monitoring and enforcement as well”

– [Former SEBI Chairman](#), Ajay Tyagi, speaking about issues affecting the Indian stock market.

Investors generally prefer clean and simple corporate structures to avoid the conflicts of interest and accounting discrepancies that can lurk in sprawling, convoluted structures.

The Adani Group has chosen sprawling, convoluted structures for most of its listed companies.

Adani's key 7 listed companies have a total of 578 subsidiaries, some of which are incorporated in notoriously opaque jurisdictions including Mauritius, Panama and the UAE, according to the annual reports of the conglomerate. The key 7 listed entities collectively engaged in a staggering total of 6,025 separate related-party transactions in fiscal year 2022 alone, per BSE disclosures.[\[41\]](#) Many Adani private entities are structured through offshore private trusts, with similarly complicated structures.

Amidst this vast maze of related-party dealings, we've shined the spotlight on several questionable transactions, some of which were not disclosed as related-party transactions, to highlight undisclosed issues lurking in the structure.

Suspicious Money In – Adani Group Has Funded Some Of Its Listed Companies With Massive Amounts Of Money From Shell Entities

Vinod Adani, Gautam's Brother, Runs An Intricate Network Of Offshore Entities That Extensively Deals With Adani Group

He Has A History Of Fraud Allegations From Regulators Involving His Dealings With Adani Companies

As briefly mentioned earlier, Indian media describes Vinod Adani as a shadowy figure with a nebulous role in the Adani empire.

([Vinod Adani](#), elder brother of Group Chairman Gautam Adani)

Vinod and offshore entities he controls have played a central role in Adani Group company scandals, including an INR 6.8 billion (U.S. \$151 million) diamond trading scandal and an INR 39.74 billion (U.S. \$800 million at the time) power generation over-invoicing scandal.

The government investigations into those scandals alleged that Vinod Adani's offshore entities were involved in sham transactions and inappropriately received payments from listed companies of the Adani Group for which there was little or zero public disclosure at the time.[\[42\]](#) [See Part 5]

Vinod Adani Currently Runs A Massive Network Of Offshore Shell Entities That Regularly And Surreptitiously Transact With Adani

Our Research Indicates That Vinod Adani, Along With Close Associates, Has Set Up At Least 38 Mauritius Shell Entities

Vinod Adani held [various](#) official executive roles early in the history of the Adani Group until at least 2011. A November 2022 [biography](#) of Gautam Adani described Vinod Adani, saying he “does not hold any formal position with the group,” but **“remains actively involved with the group, especially when negotiating international finance and connections.”**

A confidante of Gautam Adani and a former director of one of the Adani Group entities corroborated this, telling us Vinod Adani “continues to be in [the] Middle East. He takes cares of Adani Group's interest in Dubai.”

Our research, which included downloading and cataloging the full Mauritius corporate registry database, evidences how Vinod Adani, along with other close associates, have set up dozens of entities in Mauritius that have little to no genuine corporate presence.

We found other entities in Cyprus, the UAE, Singapore and the Caribbean associated with Vinod Adani, comprising a vast empire of shells. Many of these entities later appear in suspect transactions, often funneling assets into or out of the Adani Group companies. We have also identified an instance where a private entity seems to have been used to help listed Adani Enterprises avoid reporting losses, bolstering the appearance of its reported earnings.

See Appendix [1] for the full list of entities we identified and key individuals connected to these entities.

Websites Were Built For At Least 13 Vinod Adani-Associated Entities In An Apparent Attempt to Conceal That They Are Shells

Many Of The Websites Were Set Up On The Same Day Using The Same Templates And Exact Same Vague Business Descriptions

At some point, Vinod Adani seems to have become aware that setting up dozens of shell entities in offshore tax havens with no signs of genuine business comes across as suspicious.

In an apparent effort to counter this, websites were set up for 13 of Vinod Adani's shell entities. All share strange commonalities:

- Many of the domains for the supposedly independent businesses were registered on the exact same day. For example, we identified 5 that were registered on May 4th 2017. [1,2,3,4,5] Another 5 were registered on June 1st, 2016. [1,2,3,4,5].
- Each website is nearly a carbon copy template of the others, with pages for "home" "about" "services" "gallery" (filled with stock photos) and "contact".
- Each "contact" page lists the address and phone number of the entity's registered agent rather than an actual named business.
- The websites almost never name any actual people associated with the company. There are no details on teams or associated people. The exception is that several explicitly identify Vinod Adani or Subir Mitra (the head of Adani's private family investment office) as being associated with the entity. [1,2,3,4]

Here are the shell entities for which we have identified functionally identical websites:

1	Entity Name	Jurisdiction	Website	Domain Registered
2	Concord Trade & Investment Pvt Ltd	Mauritius	http://concordtinvest.com/	2017.05.04
3	Krunal Trade & Investment	Mauritius	http://krunaltrade.com/	2017.05.04
4	Resource Asia Trade &	Mauritius	http://resourcetinvest.com/	2017.05.04

	Investment Atlantis Trade & Investment Pvt Ltd	Mauritius	http://www.atlantistinvest.com/	2017.05.04
5	Vakoder Investments Limited	Cyprus	http://www.vakoder.com/	2017.05.04
6	Kommerce Trade & Services DMCC	UAE	http://www.kommercettrade.com/	2016.06.09
7	Worldwide Emerging Market Holding	Mauritius	http://wwemh.com	2016.06.01
8	Afro Asia Trade and Investment	Mauritius	http://www.afroati.com/	2016.06.01
9	Emerging Market Investment DMCC	UAE	http://www.emidmcc.com/	2016.06.01
10	RVG Exim DMCC	UAE	http://www.rvgexim.com/	2016.06.01
11	Universal Trade and Investments Ltd.[43]	Mauritius	http://untrin.com/	2016.06.01
12	Adani Global Investment DMCC	UAE	http://adaniglobalinvestment.com/	2015.12.17

6 Of Vinod Adani's Shell Websites List The Exact Same Set Of Nonsensical Services Such As "Consumption Abroad" And "Commercial Presence"

Among their other bizarre commonalities, the “services” listed for Vinod’s shell entity websites are often identical and nonsensically vague, such as “consumption abroad” and “commercial presence”.

Vinod’s Labyrinthian Network of Shells Appears To Serve Several Functions, Including Shuffling Losses Into Private Entities To Boost Reported Earnings, And Surreptitiously Moving Money To Prop Up Entities In The Group

This dynamic is best illustrated through several examples.

Money In, Transaction #1: Krunal Trade & Investment, One Of Vinod Adani’s Mauritius Entities, Lent INR 11.71 Billion (U.S. ~\$253 Million At The Time) To An Adani Private Entity, Without Disclosure That It Was A Related Party Loan

The Adani Private Entity Lent INR 9.84 Billion (U.S. ~\$138 Million At More Recent Substantially Lower Exchange Rates) To Adani Enterprises, An Adani Listed Company

In many instances, once money flows into Adani-controlled entities, it then flows to *other* Adani Group private and listed entities. Sometimes, offshore money controlled by Adani family members travels through multiple entities before reaching publicly listed companies.

One example is Krunal Trade & Investment (“Krunal”). Mauritius corporate records show that the directors of Krunal are (1) Vinod Adani, the brother of Gautam Adani and (2) Subir Mitra, the [CEO](#) of the Adani private family investment office.[\[44\]](#)

Krunal has no physical address or phone number listed other than its corporate registrar. We found no employees on *LinkedIn* nor any web mention of the entity's operations except its own vague website. Krunal's [website](#) provides nonsensical explanations for its supposed business activities, such as “offers services such as sale and delivery of an intangible product, between a producer and consumer.”

Despite the lack of signs of genuine operations, between financial years 2009 and 2010, Krunal lent INR 11.71 billion (US ~\$253 million) to an Adani private entity focused on real estate named Sunbourne Developers Pvt. Ltd. (“Sunbourne”), per Sunbourne's financial records. [\[Pg. 24\]\[45\]](#)

Despite the related party nature of the loan, Krunal is simply described as being “[a limited Company incorporated in Mauritius](#)” in Sunbourne's filings, with no apparent disclosure of it being a related party. [\[Pg. 25\]\[46\]](#)

After previously being funded by Krunal, in 2020 Sunbourne lent INR 9.84 billion (U.S. \$138 million) to Adani Enterprises, an Adani listed entity, in a disclosed related party transaction. [\[Pg. 195\]\[47\]](#)

The net result is that Vinod Adani's funds, with no discernible business behind them, wound their way through an actual operating Adani private entity to show up on the balance sheet of publicly-listed Adani Enterprises.

We have no way to know how Krunal had a quarter of a billion U.S. dollars to lend (Krunal doesn't advertise lending services on its website). The entire transaction bears red flags of money laundering.

Money In, Transaction #2: Emerging Market Investment DMCC, A Mauritius Entity With No Obvious Signs of Operations Lent U.S. ~\$1 Billion To An Adani Power Subsidiary, As Of March 2022

One of the suspicious Vinod companies we identified was referenced in Adani Power's **disclosed** related-party transactions. Emerging Market Investment DMCC is a UAE-based entity that engages in "Investment in Commercial Enterprises." According to Adani Power's disclosures to the Bombay Stock Exchange, Emerging Market Investment DMCC loaned INR ~79 billion (U.S. \$1 billion) to Mahan Energen, a subsidiary of Adani Power. [[Line 372](#)]

Emerging Market Investment DMCC lists no employees on *LinkedIn*; doesn't show up through online searches other than its corporate registration; has announced no clients and no deals; and has a luxury residential apartment in the UAE as its official contact address. It appears to be nothing more than a shell.

This raises the question: How did Emerging Market Investment DMCC amass \$1 billion in capital to lend to Adani Power? The utter lack of evidence of any real operations, the recent founding, and the complete control by the Adani family are red flags for money laundering. [[48](#)] Emerging Market Investment DMCC provides a terse explanation on its [website](#) where it admits it exists to "invest only...the funds of our promoter, Mr. Vinod S. Adani."

Money In, Transaction #3: A Cypriot Entity Controlled By Vinod Adani Had An Investment of U.S. ~\$85 Million in An Adani Private Entity, With No Disclosure of the Related Party Nature

The Money Appears To Then Have Then Been Directed To Listed Adani Enterprises, Along With Other Private Adani Entities

Another entity in the Adani Group private real estate empire, Adani Estates Private Limited ("Adani Estates"), received a U.S. ~\$85 million investment from an offshore Vinod Adani entity, Vakoder Investments. [[49](#)]

(Adani Estates Private Limited Disclosures Source: [Pg. 2](#))

Vakoder Investments was formed in Cyprus in April 2012. Cypriot corporate [records](#) list its directors as Vinod Adani and Subir Mitra, head of the Adani private family investment office. Despite the familial connection, we found no disclosure that Vakoder's Investment involved a related party.

Adani Estates reported 10 types of related-party transactions in its 2021 annual report and previously had receivables from Adani Enterprises, per its 2020 report, indicating that it directed value to or otherwise transacted with Adani Enterprises. [\[Pg. 142\]](#) [\[Pg. 135\]](#)

Money In, Transaction #4: In 2013-2015, A Private Vinod Adani Singaporean Company Appeared To Shuffle Material Losses Off The Books Of Listed Adani Enterprises, Allowing Adani Enterprises To Report Higher Net Income

In 2013-2015, Carmichael Rail and Port Singapore Holdings Pte. Ltd, a Singaporean entity controlled solely by Vinod Adani, [\[Pg. 2\]](#) engaged in a series of 3 transactions that may have resulted in Adani Enterprises avoiding recognition of large asset impairment charges. The impairments likely would have negatively impacted listed Adani Enterprises' net income.

The 3 transactions involve a related coal mine, railway, and port in Australia. None of the transactions were specifically disclosed in the Adani Enterprises annual reports. We uncovered them only by reviewing financials for the private Singaporean Carmichael Rail entity.

1. **AUD \$147 million for unspecified “Work-In-Progress” assets:** From April 2013 through March 2015, private Carmichael Rail bought two tranches of “work-in-progress” assets from Adani Mining Pty Ltd. (“Adani Mining”), an Adani Enterprises subsidiary.[\[50\]](#) [\[Pg. 133\]](#) We found neither a detailed description of the actual assets nor any indication of how the large purchase was financed. These sales to a related party were *not* detailed in Adani Enterprises’ 2013-14 or 2014-15 annual reports. [\[1, 2, 3\]](#)

(Source: Carmichael Rail and Port Singapore Holdings 2015 Annual Report [\[Pg. 24\]](#))

2. **AUD \$155 million for “Right to Use the Rail Facilities”:** In October 2014, Adani Mining, through another subsidiary, assigned an intangible “right to use the rail facilities” asset to Carmichael Rail in exchange for a note. It is unclear how Carmichael Rail financed this acquisition – Adani Mining accepted payment in the form of a note that it agreed not to enforce in the near term. Again, the transaction was not disclosed in Adani Enterprises’ annual report. [\[Pg. 172\]](#)

3. **AUD \$100 million to pay debt:** During the same fiscal year, another Adani Enterprises [subsidiary](#), Adani Global Pte., then provided Carmichael Rail an additional AUD \$100 million credit line “to pay its debts.” Once again, Adani Enterprises failed to provide any disclosure that we could find of this loan to its investors.

Following these deals, Carmichael Rail reported consistent losses from 2015-2018, driven by (a) asset impairments from the assets acquired from public Adani Enterprises subsidiaries and (b) interest payments on loans to Adani Enterprises.

For example, in 2015, Carmichael Rail wrote down the value of its newly acquired assets by AUD \$23 million almost immediately.

Had the publicly listed Adani Enterprises been required to accept just that single write-down, it would have resulted in an INR ~1.2 billion impairment, which would have directly impacted its reported consolidated profit after minority interests of INR ~19 billion for that year. [[Pg. 36](#)]

We calculate Carmichael Rail’s losses for that period totaled AUD \$50.5 million, representing an estimated ~5% of Adani Enterprises’ reported profits during the period.[\[51\]](#)

In short, Carmichael Rail: (1) acquired assets from publicly listed Adani Enterprises (without disclosure by the listed entity) (2) with loans funded by Adani Enterprises (without disclosure by the listed entity), then (3) almost immediately wrote down the value of the assets in the same year, enabling Adani Enterprises to potentially avoid a significant loss.

Money In, Transactions #5 Through #7: Three Entities With Virtually No Signs Of Operations And Undisclosed Links To Adani Collectively Lent INR 74 Billion (U.S. \$996 Million) To Private Adani Infra (India) In 2021

Private Adani Infra (India) Then Lent INR 47 Billion (U.S. \$632 Million) To Adani Enterprises and A Subsidiary of Adani Power In the Same Year

In 2021, Adani Infra (India), an Adani private entity, [loaned](#) an aggregate U.S. \$632 million to:

1. Adani Enterprises in the amount of INR 17.2 billion (U.S. \$231 million) and
2. Adani Power Mundra in the amount of INR 29.8 billion (U.S. \$401.5 million). [[Pgs. 176, 179](#)]

Adani Infra (India) records showed that during the same year, it received INR 74 billion (U.S. \$996 million) from three entities: (1) Rehvar Infrastructure Pvt. Ltd. (“Rehvar Infrastructure”), (2) Gardenia Trade and Investment, and (3) Milestone Tradelinks.[52]

(Source: Adani Infra (India) Disclosures [Pg. 2])

Our investigation shows that none of the 3 entities appear to have business operations consistent with the ability to provide huge chunks of capital to the Adani Group.

As we also show, each entity has clear ties to Adani, but none of the transactions were disclosed as being with related parties in the Adani Infra (India) [financial statements](#). The 3 entities were also not disclosed as the ultimate source of funds in the Adani Enterprises or Adani Power Mundra financial statements.

Money In, Transaction #5 – Rehvar Infrastructure, A “Silver Bar” Merchant With No Website, Zero Employees And Almost No Signs Of Operations, Run By A Current And A Former Adani Director Lent INR 15 Billion (U.S. \$202 Million) To Adani Infra (India)

We Found No Disclosure Of The Loan Being A Related Party Transaction

Rehvar Infrastructure’s main line of business is ‘silver bars,’ according to its annual report. [Pg. 2] The company has no fixed assets and generated losses in financial year 2021. It has

no website, no employees listed on *LinkedIn*, and no obvious online sign of operations aside from its corporate filings. Its 2021 annual reports disclosed that it had zero employees:

(Source: Rehvar Infrastructure Private Limited March 2021 accounts [[Pg. 1](#)])

Despite the lack of operations, Rehvar Infrastructure somehow managed to lend INR 15 billion (U.S. \$202 million) to Adani Infra (India).

Rehvar Infrastructure's [shareholding list](#) reports just 2 shareholders, both of whom are closely connected to the Adani Group:

1. Laxmiprasad Chaudhary (50% shareholder), who has been a director in a private company of the Adani Group since late 2013. A newly released 2022 [biography](#) on Gautam Adani described Chaudhary as a “director with Adani Group”; and
2. Yogesh Ramanlal Shah (50% shareholder), who was a former director of at least 3 Adani Group Companies.[\[53\]](#)

Money In, Transaction #5 Cont'd—Rehvar Infrastructure Is Located In An Empty Office In A Dilapidated Building

Contact Information On The Door Appears To Lead To An Assistant Manager At Adani

Up until February 2022, Indian corporate filings listed Rehvar Infrastructure's address at a residence. Recent filings show a corporate address in a building in Ahmedabad, the same

city where Adani is based.

We sent an investigator to the new address and found it located in a dilapidated building with chipped paint and moldy walls, hardly the scene we would expect from a silver merchant with INR 15 billion (U.S. \$202 million) to lend.

Our investigator visited during working hours, but a sign on the door said. "Out of Office Visit," leaving the name "Jignesh Desai" and a contact number, along with other handwritten details.

On [LinkedIn](#), Desai describes himself as an Executive at Adani Enterprises.

Per *Facebook*, Jignesh Desai was awarded an Adani Group “star performer” award in 2015.

We confirmed it is the same “Jignesh Desai” by researching the phone number given on the door. First, we used a caller ID service to confirm the phone number belongs to a Jignesh Desai, with an associated Gmail address.

(Source: TrueCaller)

We then found a [website](#) of a registered trust clearly connecting Jignesh Desai's Gmail address to an Adani Group company as an Assistant Manager.

Lastly, the international contact database *Rocket Reach* also lists Jignesh Desai as an Assistant Manager at Adani Enterprises. The jdesai1012 Gmail address seen on *Rocket Reach* uses the same convention as the jdesai1012 yahoo address listed on that service.

Money In, Transaction #5 Cont'd — At The Time Of The Transaction, Rehvar Infrastructure Was Based Out Of A Residence, Further Calling Into Question How The Supposed Silver Merchant Had So Much Cash To Lend

Prior to February 2022, Rehvar Infrastructure's corporate address was a residential home in Ahmedabad, per [Indian corporate records](#). Note that the entity lent Adani Infra (India) INR 15 billion (U.S. \$202 million) as of the year ended March 2021, during the time it was based at the residence.

We visited the address to see if there was any evidence of a bustling silver hub, but once again we found no visible sign of commercial operations.

(Source: Hindenburg Investigator. The sign translates to “Neminathnagar Co. O. H. So. Li. [Satyakam society]. Information Hawkers and Salesmen are strictly not allowed between 12 to 4 pm. -By order Neminath Nagar cooperative housing society limited”)

Money In, Transaction #6—Gardenia Trade And Investments Ltd., A Mauritius-Based Entity With No Website And No Apparent Signs of Operations, Lent INR 51.4 Billion (U.S. \$692.5 Million) to Adani Infra (India)

One Of Gardenia’s Directors Is the CEO Of the Adani Family Private Investment Office

We Found No Disclosure Of The Loan Being A Related Party Transaction

Gardenia Trade and Investments Ltd. (“Gardenia”) is a Mauritius-based entity formed in [February 2021](#). It is unclear what the entity even claims to do as it has no website, no employees on *LinkedIn*, no social media presence and no apparent web or physical presence aside from its corporate registration.

A [search](#) of its registered email address, account@gardeniati.com, provided in a statutory placement [disclosure](#), produced no specific matches. The domain name was registered on February 7, 2021, shortly after the entity’s formation.

Despite its lack of basic signs of existence, during 2021 Gardenia has been a massive investor in an Adani Group private entity – Adani Infra (India). Gardenia holds INR 51.4 billion (U.S. \$692.5 million) in Adani Infra (India) convertible debentures. [Pg. 2]

Gardenia also appears to clearly be a related party entity to the Adani Group. One of its directors is Subir Mitra, the [head](#) of the Adani family private office. Mitra is involved in many of the Adani Group shadow entities and served as the manager for Emerging Market Investment DMCC, one of Vinod Adani's UAE entities covered earlier that loaned massive sums to a subsidiary of Adani Power.

Money In, Transaction #7— Milestone Tradelinks, Another Claimed Silver And Gold Merchant, Run By A Longstanding Employee Of Adani Group And A Former Director Of Adani Companies, Lent INR 7.5 Billion (U.S. \$101 Million) To Adani Infra (India)

We Found No Disclosure Of The Loan Being A Related Party Transaction

Milestone Tradelinks is another entity claiming that its main activity is trading in silver and gold, per its annual report. [Pg. 2] It is located in the same dilapidated building complex as Rehvar Infrastructure (see above) in Ahmedabad.[54] We found no website for the entity. Nor could we find any employees on *LinkedIn*.

The registered phone number of Milestone Tradelinks, per 2022 corporate filings, is the [same](#) as [auditor](#) Dharmesh Parikh & Co, the co-auditor for Adani Green Energy, and previously an auditor of Adani Enterprises, Adani Total Gas, and Adani Transmission.

(Source: Indian Corporate Records and Dharmesh Parikh Website)

This is not a case of using the auditor as contact information however– Dharmesh Parikh & Co is *not* the auditor for Milestone Tradelinks. Its auditor, Adwani Peshavaria & Co., has been in place since financial year 2015. [Pg. 12]

Milestone Tradelinks has 6 shareholders, per its [2021 shareholding list](#). One of its key shareholders, Rajesh Mandapwala, holding 17.3% of the entity, is a longstanding employee of the Adani Group, per corporate records.[55] In a [biography](#) about Gautam Adani released in November 2022, Rajesh Mandapwala confirms he “joined the Adani Group when it was just a packaging unit 1982.”

Milestone Tradelinks previously had a 100% owned subsidiary called Aditya Corpex (until it merged with Milestone Tradelinks in financial year 2013). [Pg. 4]. At various points, Aditya Corpex was directed by several individuals with family or executive ties to the Adani Group, per records in a [Customs Tribunal](#) case. [56]

Milestone Tradelinks is obviously intricately tied to Adani Group insiders.

Money In, Transaction #8—Adani Group Companies Lent INR 6.2 Billion (U.S. \$87.4 Million) To A Company Run By Yet Another Family Friend Who Passed Most Of It Along To Adani Power

The Adi Group is a coal supplier and longstanding [client](#) of the Adani Group. Adi Group's [promoter](#) is [Utkarsh Shah](#), who has been described as 30+ year friend of Gautam Adani, per an Economic Times [article](#).

Adicorp Enterprises is a small company, with 2020 [revenues](#) of just INR 643 million (U.S. \$9 million) and total net profit of INR 6.9 million (U.S. ~\$97,000), per its 2020 financials.

Despite Adicorp Enterprises' modest financial profile, 4 Adani Group companies lent the company a total of INR 6.2 billion (U.S. \$87.4 Million) in 2020. [[Pg. 39](#)] ***We found no disclosure of these transactions in the financial statements of the Adani Group lenders***, several of which are publicly listed.

(Source: Adicorp 2020 Annual Report [[Pg. 39](#)])

The loans seem financially ill-advised. Given its net profit, it would take Adicorp Enterprises around 900 years to earn enough to pay back the loans even without interest.

In 2020, Adicorp Enterprises used its newfound capital to [loan](#) INR 6.1 billion (U.S. \$86 million) to Adani Power on an unsecured basis. The loan to Adani Power represented about 98% of the funds it received from the 4 other Adani entities. [[Pgs. 36, 39](#)]

(Source: Adicorp 2020 Annual Report [Pg. 39])

In short, it looks like Adicorp has simply been used to route funds from various Adani Group companies to publicly listed Adani Power.

After Pumping In Suspicious Funds, The Adani Group Also Has Methods Of Extracting Money From The Publicly Listed Companies Through Suspect Deals With Related Parties, Re-Routing Money Through The Empire As Needed

Money Out, Undisclosed Transaction #1 – Another Secretive Mauritius-Based Shell Entity Named Growmore Trade And Investment Netted An Overnight U.S. ~\$423 Million Gain Through A Stock Merger With Adani Power, A Massive Windfall, To The Detriment Of Public Shareholders

In 2009, Adani Power Maharashtra Ltd., an Adani Power subsidiary, [was developing](#) a 1,980 MW project in Tiroda, India. In 2010, a mysterious Mauritius entity – Growmore Trade and Investment (“Growmore”) – bought a 26% interest in Adani Power Maharashtra for a purchase price of [\\$128 million](#).

In 2011, Growmore received a very generous offer from Adani Power to purchase, via [merger](#), Growmore’s stake in Adani Power Maharashtra. The [valuation](#) of that stake grew overnight from \$128 million to around \$551 million^[57] – a U.S. \$423 million windfall. Growmore’s financials – available only through litigation records in a local court – carried the stake at \$128.3 million on March 31, 2011, ***just a day before the merger*** was declared effective by an Indian [court](#). [Pg. 108]

The purchase price was paid in shares of the parent, Adani Power, and resulted in Growmore holding 213 million shares of Adani Power, ~9% of its total equity, according to [news reports](#).

We found no specific disclosure from Adani Power in its annual reports that the Growmore deal was a related-party transaction. [1,2,3]

Adani Power also claimed that it had a [fairness opinion](#) for the merger consideration – but does not appear to have publicly shared it.

Money Out, Undisclosed Transaction #1 Cont'd – Growmore Is Another Mauritius Shell Entity Controlled By A Friend Of The Adani Family Who Shared An Address With Vinod Adani And Is Prominently Mentioned In Adani Corruption Investigations

Our review of the audited financial statements for Growmore (once again found only through local [court records](#)) identified no owners, but lists the sole director of Growmore as a man named Mr. Chang Chung-Ling.

(Source: 2011 Growmore audit, annexed in court merger filings [[Pg. 104](#)])

Chang Chung-Ling was also a [director](#), together with Vinod Adani, in an Adani private entity based in Singapore called Adani Global Limited, per Adani Enterprises' annual report.[\[58\]](#) [[Pg. 66](#)] Taiwanese media [reports](#) describe Chang Chung-Ling as a key Adani shareholder and close business partner.

(Pictured: Chang Chung-Ling (left) with and Gautam Adani (center). Source: Taiwanese [media](#).)

During and prior to his involvement with Growmore, Chang Chung-Ling played central roles in two fraud schemes involving Vinod Adani that are detailed further in Part 5.

Chang Chung-Ling's name appears in a 2014 Directorate of Revenue intelligence (DRI) report detailing a scheme alleging that the Adani Group siphoned cash from its [publicly listed companies](#). He served as a director of Electrogen Infra Holding Pvt. Ltd., an Adani private company that was part of a complex scheme to siphon funds out of Adani Enterprises and Adani Power, per DRI investigative records. The day he resigned as director, he was replaced by Vinod Adani.

(Source: DRI Investigation 2014 [Pg. 7])

Chang Chung-Ling also served as a director of Gudami International Pte Ltd., which was identified as part of a government fraud [investigation](#) into the Adani Group's alleged circular trading of gems. [Pg. 16]

Corporate records cited in that investigation show that Chang Chung-Ling shared the same residential address as Vinod Adani: 75, Meyer Road, #17-01, Hawaii Tower. The records were dated around 2005.

(Source: DRI Diamond Scam Investigation [[Pg. 16](#)])

We visited the address, called Hawaii Tower in Singapore, and photographed Vinod and Chang Chung-Ling's shared address at the entirely residential condominium complex.

(Source: Hindenburg Research on-site visit)

All of the evidence we uncovered indicates that the Growmore transaction with Adani was an undisclosed related-party transaction that siphoned off hundreds of millions of dollars from public shareholders.

Money Out, Undisclosed Transaction #2: A Major Contractor To The Adani Group Named ‘PMC Projects’ Has Generated INR 63 Billion (U.S. \$784 Million) In Revenue In The Past 12 Years

The Entity Currently Has No Website. Records Show It Was Based At Adani’s Corporate Address, Shared A Phone Number With Adani, And Has Numerous Overlapping Employees

A 2014 DRI Investigation Called It A “Dummy Firm” For Adani Group

PMC Projects is an Indian infrastructure development company that has generated INR 63.7 billion (U.S. \$784 million) in cumulative revenue since 2010, according to its annual reports. [\[59\]](#) The revenue is mostly attributable to work with the Adani Group, based on its archived website which shows no other key clients. ([1](#), [2](#), [3](#), [4](#), [5](#), [6](#), [7](#), [8](#), [9](#), [10](#), [11](#), [12](#))

The Adani Group has not specifically named PMC Projects as a related party in its public filings.

This massive flow of revenue from Adani comes despite few public signs that PMC Projects does anything separate and apart from functioning as an arm of the Adani Group. According to a 2014 DRI [investigation](#), PMC Projects was a “dummy firm” used by the Adani Group in a coal/power equipment over-invoicing [scandal](#).

[Historical captures](#) of its website show that PMC Projects formerly shared its address and phone number with an Adani company.

PMC Project’s old [website](#) claimed it worked extensively with Adani Group, touting itself as the creator “of some of the largest and complex port projects” including the Adani Dahej Port.

(Source: The Wayback Machine [archive](#))

Many PMC Projects employees seemingly exhibit confusion over whether they work for Adani Group or PMC Projects. One [assistant manager](#), for example, reports working at “PMC Projects (Adani Group).”

Another [employee](#) believed he worked for “Adani PMC Projects India,” an entity name that does not seem to exist in corporate registries.

We identified 7 *LinkedIn* profiles of employees who simultaneously claimed to work for both Adani Group and PMC Projects. Others appear to believe that PMC Projects is part of the Adani Group. ([1,2,3,4,5,6,7](#))

Money Out, Undisclosed Transaction #2 Cont'd: Newly Revealed Records Name PMC Projects' Owner

He Is Described In Media Reports As “Adani Group’s Taiwan Representative”. We Found A Picture Of Him Holding An “Adani” Sign At a Government Event, Representing The Adani Group

Once Again, We Found No Disclosure Of PMC Projects Being a Related Party Entity To Adani

When PMC Projects was originally investigated by the DRI, law enforcement officials could not determine who its ultimate owner was.[\[60\]](#) [\[Pg. 49, 74, 75\]](#) In 2021, however, after a [change](#) in India’s ownership disclosure regime, newly revealed [information](#) shows that the current sole beneficial owner of PMC Projects is Chang Chien-Ting, the son of Chang Chung-Ling – Vinod Adani’s old shared address-mate from the Growmore transaction described earlier.

Taiwanese [media](#) covered an official government event attended by PMC Projects' owner Chang Chien-Ting and described him as "Adani Group's Taiwan Representative." The article included a picture of Chien-Ting holding an Adani sign and speaking on behalf of the Adani Group at the event.

(Taiwanese [media](#) showing Chang Chien-Ting holding an Adani sign as the official Adani representative at the government-sponsored event.)

In 2018, Chinese [media](#) also referred to Chang Chien-Ting as Adani Group's Taiwan representative.

Taken together, these facts paint a blindingly obvious picture to us – PMC Projects is an Adani Group private entity used to suck money out of the Adani Group's publicly listed entities ***with no disclosure of the conflict to investors.***

Adani Group Also Has Suspicious *Disclosed* Related-Party Transactions That Involve Siphoning Money From Listed Companies

Money Out, Disclosed Transaction #1: Adani Group Companies Paid A Private Promoter Entity INR 21.1 Billion (U.S. \$260 Million) Over The Past 5 Years, Including INR 6.9 Billion (U.S. \$83 Million) In Financial Year 2022

Adani Infrastructure Management Services, an Adani private entity, generated revenue of over INR 6.9 billion (U.S. \$83 million) in FY22. Most of that revenue was recorded as 'rendering of services' and 'other transactions' to other Adani Group companies, according to its annual reports. (1,2,3,4,5)

(Source: Adani Infrastructure Management Services Limited Standalone Financials Statements FY2018-FY2022)

Adani listed companies focus on [building infrastructure](#). Given that these are the very businesses in which they claim to be experts, it seems odd to pay a privately held, promoter-controlled entity to do the same.

We [identified](#) INR 2.6 billion (U.S. \$31.9 million) extracted from Adani Group listed entities into the private entity. The 2022 annual report of Adani Infrastructure Management Services records the following revenue from subsidiaries of Adani listed companies, to name a few:

1. Adani Power Mundra: INR 1 billion (U.S. \$12.2 million).
2. Adani Power Maharashtra: INR 1 billion (U.S. \$12.2 million).
3. Raipur Energen: INR 632 million (U.S. \$7.7 million).

Furthermore, Adani Power recently received audit committee approval to lend up to INR 50 billion (U.S. \$615 million) to the entity. [[Line 2](#)]

Money Out, Disclosed Transaction #2: An Entity Owned By An Adani Private Family Trust In A Caribbean Tax Haven Charged Publicly Listed Adani Enterprises An INR 7.8 Billion (U.S. \$100 Million) Upfront Security Deposit To Use A Coal Terminal In Australia

Suspect related deals involving the Adani Group take numerous forms. In [footnote 48](#) of Adani Enterprises' 2022 annual report, it disclosed paying almost INR 7.83 billion (U.S. \$100 million) to an entity called NQXT (North Queensland Export Terminal).

NQXT is the rebranded name of Adani's Abbot Point project – a 50 metric ton per annum coal export terminal in Australia.

NQXT is ultimately controlled, through multiple layers, by a private trust of the Adani family in the British Virgin Islands (BVI), a well-known [tax haven](#), per Australian corporate records for the holding company of NQXT. [[Pg. 31](#)] [[61](#)]

Once again, it is unclear why an Adani private entity is charging the Adani Group listed company for port handling services in yet another conflicted transaction, drawing capital out of the public company.

Part 4: How Virtually Non-Existent Financial Controls Enabled Adani Group’s Obvious Accounting Irregularities And Dubious Dealings

One question that arose throughout our research was: ‘How can a conglomerate so large get away with such obvious and massive accounting irregularities without anyone stepping in?’

Our review found that the basic functions meant to act as checks and balances on Adani Group companies were lacking. These include (i) stability in the Chief Financial Officer (CFO) roles (ii) credible independent auditors and (iii) independent incorporation agents.

Key Accounting Red Flag #1: Adani Group Has Had Extensive Turnover In Its CFO Roles

Example: Adani Enterprises Has Had 5 CFOs In 8 Years

Most major enterprises aim to have stability in their top executive ranks. While Gautam Adani and his family have been continuously and heavily involved in Adani Enterprises and the Adani Group’s other listed entities, they have struggled to retain Chief Financial Officers.

For example, the top accounting executive role at Adani Enterprises has seen remarkable turnover in a short span—5 CFOs in 8 years—a key red flag suggesting accounting and internal financial control issues.

#	Date of Resignation	CFO Name	Source
1	Current CFO	Jugeshinder Singh	Pg. 32
2	April 16th 2019	Rakesh Shah	Pg. 32
3	May 1st 2018	Rajiv Nayar	Pg. 43
4	August 12th 2017	Ameet H. Desai	Pg. 43
5	May 17th 2014	Devang S. Desai	Pg. 65

In fact, all the Adani listed companies have struggled to retain CFOs, with extensive turnover across the group:

Entity	CFO Resignations	Source(s)
Adani Enterprises	5 CFOs in 8 years	Annual reports [Pgs. 32 , 43 , 65]
Adani Green Energy	3 CFOs in 5 years	Annual reports [Pgs. 146 , 33 , 35] & '22 Release
Adani Ports	3 CFOs in 5 years	Annual reports [Pgs. 262 , 50]
Adani Power	3 CFOs in 5 years	Annual reports [Pgs. 41 , 27]
Adani Total Gas	2 CFOs in 4 years	Annual reports [Pgs. 63 , 42]
Adani Transmission	2 CFOs in 2 years	Annual reports [Pg. 200]

Key Accounting Red Flag #2: The Independent Auditor For (1) Adani Enterprises And (2) Adani Total Gas Is A Tiny Firm That Reported Having Only 4 Partners And 11 Total Employees

The Audit Partners Who Signed Off On The Companies' Financials Are 28 Years Old. They Were 23 And 24 Years Old When They Started Approving Financials For The Now-U.S. \$100 Billion Combined Market Cap Companies

Most large companies hire credible, well-known external auditing firms in order to give investors confidence that their financials are being independently reviewed by a capable team.

Given the complexity of Adani Total Gas and, particularly, Adani Enterprises, with 156 subsidiaries and many more affiliates and joint ventures, one would expect a large, highly experienced team to be monitoring its labyrinthian corporate structure.[\[62\]](#)

But Adani Group has apparently shunned this approach, choosing a tiny auditor named Shah Dhandharia to oversee the audits for these two public companies.

Shah Dhandharia's [website](#) has gone offline during our investigation and now appears to have no website. Archived versions of the website as of February 2020 show that the firm was comprised of only 4 audit partners and 7 support staff.[\[63\]](#)

Of the partners featured on its [team page](#), we found that 3 were in their 20s – hardly the level of experience or seniority needed to seriously scrutinize one of the world's wealthiest

and most powerful businessmen.

(Source: Shah Dhandharia's now defunct [website](#) and private entity filing [1,2,3])

The audit partner named on Adani Total Gas's [financials](#), Shubham Rohatgi, was as young as 23 years old when he started signing off on Adani Total Gas's financial statements.

(Left: Adani Gas Financials signed by audit partner Shubham Rohatgi, 23 years old at the time. [Pg. 5] Right: Shubham Rohatgi's official PAN card (tax identity document) displaying his date of birth. [Source: [Shah Dhandharia filings](#)])

The audit partner named on Adani Enterprises' financials, Ankit Ajmera, was as young as 24 years old when he started signing off on its financial statements.

(Left: Adani Enterprises Financials signed by audit partner Ankit Ajmera, 24 years old at the time. [Pg. 11] Right: Ankit Ajmera's official government ID displaying his birthday [Source: [Shah Dhandharia filings](#)])

Shah Dhandharia operates out of a small office in Ahmedabad, paying about INR 32,000 (U.S. \$435 in 2021) in monthly rent, per Indian corporate records. [Pgs. 2, 3]

According to our searches via leading information database Prime, the only other listed company (excluding Adani companies) that Shah Dhandharia has audited was a penny stock called Globe Textiles, which has a market cap of approximately INR 640 million (U.S. \$7.8 million).

Key Accounting Red Flag #3: Audits At Adani's Other Group Companies Show A Pattern Of Financial Control Weaknesses

Adani Power Auditor: Issued A Qualified Opinion Due To A "Material Weakness" In Financial Controls

Audits for Adani's other listed entities have been performed all or in part by "Big-4" firms like Deloitte or [affiliates](#) of Ernst & Young.

Among those audits, issues have emerged. In Adani Power's FY22 report, for example, auditor SRBC, an Ernst & Young affiliate, provided a "qualified" audit opinion, reflective of the [auditor's inability](#) to give a clean, or "unqualified" opinion. [[Pg. 206](#)]

The auditor explained that a "material weakness has been identified in the Company's internal financial controls over financial reporting" in its most recent annual audit, relating to the valuation of certain assets connected to its power plant in Mundra.

Adani Power Auditor: Raised Major Concerns About 23% Of The Company's Asset Base, INR 56.75 Billion (U.S. ~\$700 Million)

The auditor noted that the Mundra power plant's net worth had been "completely eroded" due to sustained losses. Despite its dire financial straits, management valued investments and loans relating to the troubled enterprise at INR 56.75 billion (U.S. ~\$700 million). [[Pg. 131](#)]

The auditor found no basis to support the carrying value of those assets, which represented ~23% of Adani Power's [total asset base](#), and felt compelled to specifically point out the issue.

Adani Power has consistently struggled. Current liabilities, a measure of short-term obligations, exceeds current assets, posing a solvency question. [[Pg. 140](#)] By inflating the value of its assets, Adani Power could claim to be on healthier footing than its reality suggests.

Part 5: Numerous Government Investigations Indicate That A Key Source of Adani Group's Early Cash Inflows Stemmed From Misappropriation Of Taxpayer Funds, Siphoning From Listed Companies And Corruption

Import-Export Scams Seemed To Be The Early Building Blocks Of The Adani Business Empire

Despite the group's "[Growth With Goodness](#)" slogan, the Adani Group has repeatedly faced government allegations of corruption, theft of taxpayer funds and siphoning from listed companies. The allegations have included those from the anti-smuggling agency, called [the](#)

[Directorate of Revenue Intelligence \(DRI\)](#), the Central Bureau of Investigations (CBI) and a local state Ombudsman on corruption.

In several instances, investigative findings have been released, including extensive detail on secret offshore entities, forgery, corruption of government officials, accounting manipulation, and money laundering.

The investigations alleged Adani's participation in or facilitation of at least U.S. \$17 billion in fraud through various schemes.^[64] [1, 2, 3]

The alleged theft follows a pattern. It often involves use of Adani Group's infrastructure assets to illicitly bilk funds from the government or listed group companies through a variety of means including (i) over-invoicing, (ii) transporting goods illicitly, (iii) illegitimate tax rebates and (iv) misrepresentation of goods/services.

Investigative records show that once funds and assets are misappropriated, they are regularly siphoned to entities in offshore tax haven jurisdictions, often controlled by Vinod Adani, brother of Adani Group Chairman Gautam Adani.

Despite detailed investigative records, which regularly include bank statements, emails, witness testimony and invoices, virtually every government action has either been stalled, stonewalled or dismissed by other arms of the government.

Scandal #1, Money In: 'The Diamond Scandal'. The Indian Directorate Of Revenue Intelligence (DRI) Alleged Adani Enterprises Engaging In Circular Trading Of Cut And Polished Diamonds In Order To Illegally Claim Almost INR 6.8 Billion (U.S. \$151 Million At The Time) In Illegitimate Export Credits

Period Under Investigation: 2004-2006

An [investigation](#) by the Directorate of Revenue Intelligence (DRI), a government anti-smuggling agency, and the Customs agency alleged that publicly listed Adani Exports (later renamed Adani Enterprises) and other Adani-controlled companies engaged in circular trading in cut and polished diamonds (CPD), over-inflating the value of goods and massively boosting export turnover.

The investigative documents, publicly released much later in 2017, alleged that the scheme resulted in Adani Exports earning illicit tax credits:

“Adani Exports Ltd., Ahmedabad – now Adani Enterprises Limited – (hereinafter referred to as AEL) had formed a consortium with various companies and indulged in the mis-declaration of FOB value [market value] and circular trading of Cut and Polished Diamonds (hereinafter referred to as CPD) exported by them with an intent to inflate their export turnover to fraudulently avail the benefit of Target Plus scheme.” [Pg. 2]

The Target Plus scheme was a government [export credit program](#) in effect for part of the period under investigation. It rewarded entities that met a minimum export threshold by giving them valuable tax credits.

In just one of those years, 2004-2005, the report alleged that Adani Enterprises and its associated companies fraudulently claimed INR 6.8 billion in government export benefits (U.S. \$151 million at the time). [Pg. 102]

The report added:

“it was very clearly brought out that the entire transaction in the Cut and Polished Diamonds (CPD) was a well thought out, premeditated and pre-determined exercise for indulging in fraudulent import and exports of CPD with an intention to defraud the government exchequer by availing of undue export benefits.” [Pg. 28]

The investigation stated for the period 2004-2005 and 2005-2006:

“Total (CPD) exports of Adani Exports Ltd and their 5 group companies was about 3 times the total export of all the other 34 firms put together.” [Pg. 172]

Scandal #1, Money Out: The Same DRI ‘Diamond Scandal’ Investigation Showed The Involvement of Numerous Adani Family Members, Including Gautam Adani’s Brother Vinod Adani, And The Use Of Offshore Tax Havens Like Dubai, UAE And Singapore

The DRI investigations demonstrated the lengths the Adani Group was willing to go to design and set up elaborate, multi-layered, offshore structures. The pattern has been repeated throughout the Adani Group’s corporate existence.

The investigative documents included witness testimony, bank and corporate records, and even emails showing Adani company employees establishing bank accounts and directing trades for front entities with which it engaged in circular trading. [Pgs. 26, 49]

As an example of these offshore structures, customs investigators found several excel sheets containing flowcharts on the computer of an Adani company employee. These charts showed the intricate offshore network for which investigators alleged were prime vehicles in the elaborate scam:

“...there did not take place any genuine trade between AEL and its group companies with the overseas firms. The overseas firms in UAE/Singapore and Hong Kong were merely used to facilitate the to and fro movement of CPD and finances from India to Overseas and back, thereby creating trade volumes for AEL and its group companies” [Pgs. 77, 36-39]

(Source: Reproduced flowchart from DRI records [Pg. 37])

The documentation detailed the role of Vinod Adani, who at the time managed a Dubai entity called [G.A. International](#) that was a claimed buyer of gems and also received large sums of money. [Pgs. 20, 63, 71-72, 92-93]

Other Adani family members, including Gautam Adani's [younger brother Rajesh Adani](#), and brother-in-law Samir Vora were accused by investigators of playing a central planning and consultation role in the circular diamond trading scheme.

Per DRI investigators and witness statements:

“All the policy decisions regarding imports/exports of gold/diamonds in respect of AEL and other companies was being taken by Shri Samir Vora in consultation with Shri Rajesh Adani, Managing Director, AEL.” [\[Pg. 6\]](#)

When questioned about the use of front companies to engage in a circular trading scheme to defraud the government of export credits, a key witness said:

“Samir Vora looked after entire business of exports/imports of gold & diamonds for all the above said (front) companies”. [\[Pg. 7\]](#)

As referenced near the beginning of the report, Samir Vora was also accused of making multiple false statements to regulators. Both Samir Vora and Rajesh Adani were subsequently promoted to key executive roles in the Adani Group.

Scandal #1, Investigation Stonewalled: An Appeals Court Overturned The Prosecution And Ruled That The Original Diamond Trading Scheme Investigation Failed To Produce “Tangible Evidence”

The original investigation and prosecution proceedings spanned 5 ½ years and resulted in a 239-page order from the Commissioner of Customs that detailed intricate evidence and findings. [\[Pg. 1\]](#)

In its 2013 ruling, the commissioner fined Adani Enterprises INR 250 million (U.S. \$4.6 million). It also fined five other diamond trading companies, which it ruled were directly controlled and managed by Adani Group, a further INR 20 million (U.S. \$370,000) each. Rajesh Adani was fined INR 10 million (U.S. \$185,000), while Samir Vora received an INR 7.5 million (U.S. \$138,000) penalty. [\[Pgs. 220, 221, 222\]](#)

But in [August 2015](#), the Customs, Excise and Service Tax Appellate Tribunal ([CESTAT](#)), the [tribunal](#) that handles appeals against customs and tax evasion cases, completely dismissed the findings of the original investigation and exonerated all parties involved. It stated in its ruling:

“In the present case, we find that the department [of revenue investigations] has failed in discharging the burden cast upon it to produce any tangible evidence in respect of the charge of over-valuation or circular trading.” [Point 18.21]

In its final point, the tribunal concluded:

“In the circumstances we set aside the impugned order passed by the Commissioner and allow the appeals filed by all the parties and dismiss the appeals filed by the Department [of Revenue Investigations].”

The appeals tribunal declared that the transaction values were genuine, and effectively ignored the extensive evidence trail of circular trading and fraudulent intent. The multi-year investigation was effectively dead, a pattern that has emerged with numerous other investigations and charges that Adani Group has faced in India.

Scandal #2, Money In: ‘The Iron Ore Scandal’. Adani Enterprises’ Role In An Alleged INR 600 Billion (U.S. \$12 Billion) Scam Involving Illegal Exports Of Iron Ore

Period under investigation: 2006-2010

In 2011, the parliamentary ombudsman for Karnataka state issued a 466-page [report](#) detailing “the various methods used by the people involved in the mining industry to illegally lift, transport and export iron ore”. [Pg. 12]

The ombudsman’s role is to investigate corruption and maladministration in the state government.

The report alleged that Adani Enterprises played a major role in exporting undeclared volumes of often illegally mined iron ore through the port it leased at Belekeri. [Pg. 32, 55]

Belekeri port, where Adani Enterprises and another operator were accused of participating in the illegal exports, was reportedly [the “anchor point” for the scam](#), estimated to have been up to INR 600 billion (U.S. \$12 billion at the time). [1,2]

The investigation detailed how companies involved in the alleged scam stole state resources and evaded royalty payments on mined and exported volumes of iron ore:

“Any quantity (of ore) extracted and dispatched without paying royalty is illegal. The quantity of ore transported without transit permits (trip sheets, Form 31, Form 27) means non-payment of royalty and also theft of State property, hence has to be treated as illegal.” [Pg. 12]

The investigation also concluded that the systemic corruption of state officials amounted to “large scale corruption and complaints of profiteering through illegal mining with the complicity of the authorities in all levels of Government”, including the state’s [chief minister](#). [Pg. 2]

Scandal #2: The Investigative Documents Squarely Accused Adani Enterprises Of Bribing All Levels Of Government

“The Adani Enterprises has paid the bribes for getting undue favour for illegal exports.” [Pg. 55]

“The officials of Port department, Customs, Police, KSPCB, CRZ, Mines, Local politicians and others are involved in receiving the bribe money from M/s. Adani Enterprises...The criminal cases under the Prevention of Corruption Act should be filed against those who figured in the seized record of Adani Enterprises”. [Pg. 54]

Based on documentation seized during the investigation, Justice Santosh Hegde said Adani Enterprises had paid bribes on a per-ship basis ranging from INR 50,000 (~U.S. \$1,100 at 2010 exchange rates), to the port director at INR 5,500 (U.S. \$120 at the time) and to individual port staff. [Pg. 52]

Justice Hedge recommended that Adani Enterprises’ lease of the state government-owned Belekeri port be terminated and that the company be barred from any future government leases. [Pg. 55]

Scandal #2, Investigation Stonewalled: The Iron Ore Investigation Has Faced Numerous Legal Hurdles By The Government

Despite some political fall-out affecting the state chief minister and others of his cabinet immediately after the ombudsman report was leaked, there seems to have been little long-term impact, with [disgraced politicians returning](#) to the political sphere, [criminal investigations stalled](#) and no clear indication of [when or if they may resume](#).

Justice Hegde, the former Supreme Court judge who oversaw the investigation, [eventually resigned](#) in protest over the unwillingness of the government to actually do anything about the alleged mass-corruption he uncovered. The government seemingly turned its guns on the investigators instead.

In a phone conversation, Justice Hedge criticized India's slow judicial process for failing to hold Adani Group and other perpetrators to account. He seemed baffled why, despite the severity of the evidence and allegations, that the Adani Group went on to receive ever bigger government concessions:

“The cases are still pending and that is one of the problems you have with slow movement of the judiciary.”

Scandal #3, Money In: ‘Power Equipment Over-Invoicing Scandal’

In 2014, The DRI Alleged Adani Group Had Over-Invoiced Power Plant Equipment By INR 39.74 Billion (~U.S. \$800 Million At The Time), “Indulged in Trade Based Money Laundering”, Passing On Costs To Consumers And Siphoning Funds From Its Public Entities

Period of investigation: 2009-2014

A 2014 [investigation](#) by the Directorate of Revenue Intelligence (DRI) alleged that two Adani Power subsidiaries had “grossly” over-valued the import valuation of boilers, generators and turbines imported for its power plants. [[Pg. 96](#)]

In a summary of its investigation, the DRI accused the power companies (APML and APRL), related entities and Vinod Adani of siphoning off cash abroad and indulging in trade-based money laundering.

(Source: Director of Revenue Intelligence Report [[Pg. 96](#)])

The DRI investigation, which included extensive bank records, invoices, witness testimony, corporate entity records and customs records, calculated that Adani Power companies falsified invoices and more than doubled the declared value of imports of power equipment. [[Pg. 58, 67](#)]

According to the investigation, the aim of the scheme was “indulging in gross over-valuation of imported goods (zero or low duty rated) to siphon off money abroad from public listed companies.” [[Pg. 1](#)]

Although not explicitly laid out in the DRI report, a secondary motivation for inflating equipment costs would have been to obtain higher energy tariffs set under official guidelines by the Central Electricity Regulation Commission (CERC).

[CERC documents](#) made it clear that energy tariffs are calculated on a series of components that include a return on the value of investment including initial capital costs. [[Pg. 10, 15, 17, 20](#)]

Ultimately, if the Adani Group inflated costs of either coal imports or equipment costs, the end consumer could pay more for that via higher energy tariffs.

Although the imports were *shipped* directly from China to India, invoices were issued by intermediary entities in Dubai, surreptitiously controlled by Vinod Adani, brother of Adani Group Chairman Gautam Adani.

A schematic of the alleged fraud is reproduced below from the DRI investigation:

(Source: Director of Revenue Intelligence Report [[Pg. 96](#)])

The DRI called the Dubai, UAE-based entity “an intermediary dummy agent for invoice copying and value inflation.” [[65](#)] [[Pg. 32](#)]

Scandal #3, Money Out: The 2014 DRI Investigation Found That Vinod Adani’s Intermediary Entity Then Sent U.S. \$900 Million In Siphoned Funds To A Privately Controlled Adani Entity In Mauritius

In what would become a pattern, the allegedly skimmed money found its way into Vinod Adani controlled entities in Mauritius, according to the DRI investigation. Investigators estimated that U.S. ~\$808 million had been skimmed, and that U.S. ~\$900 million was subsequently directed out to tax-haven Mauritius.

Per the 111-page investigation report:

“This corroborates the modus-operandi of the siphoning off of money abroad by inflation of value of imported goods by creating an intermediary invoicing agent in the UAE. While actual value of the goods as per the invoice of actual supplier/OEM is remitted by EIF (Adani-controlled Electrogen Infra) to the said supplier, the over-valued amount is siphoned off to their own companies in Mauritius or elsewhere.” [Pg. 71]

(Source: Show Cause Notice [Pg. 71])

Scandal #3, Investigation Stonewalled: The Power Equipment Over-Invoicing Investigation Was Shelved by The Same Agency That Launched It, Overturning Its Own Evidence

“This Probe Has Been Shelved. This Has Been Done Under Pressure From The Government” – Opposition Member Of Congress

Despite the overwhelming evidence, the investigation was shelved by one of the DRI’s own senior officials three years later in an [August 2017 order](#).

The ruling overturned the organization’s own evidence assembled during the original investigation and stated that there was no proof the power equipment had been over-valued. The ruling also stated that the deal between the Adani power companies and Vinod Adani, despite being related parties, were somehow conducted at arms-length:

“Even though I find that EIF [Electrogen] and APRL [Adani Power Rajasthan] to be related entities through Shri Vinod Shantilal Adani @ Vinod Shantilal Shah I have come to the conclusion that the said relation has not affected the price and

that the same was at arms length and have accepted the transaction value. Thus I find that the allegation that the impugned goods were over-valued does not hold water.” [Pg. 278]

Proceedings against all the accused were dropped. [Pg. 279] In what amounted to an internal squabble, a different department of the DRI launched an appeal against that ruling. The appeals tribunal, CESTAT, upheld the decision to drop the charges in a ruling in July 2022. [Pg. 87]

Such rulings have led to accusations from [opposition leaders in India’s Congress](#) that the ruling party was protecting the Adani companies from prosecution. As senior congress member Jairam Ramesh said:

“Wherever Adani is investigated, this government shows an alarming alacrity to terminate the probe. The first probe conducted by the DRI gave a notice to Adani regarding the import of power equipment...This probe has now been shelved. This has been done under pressure from the government.”

Scandal #4, Money In: Adani Group’s Involvement In An Alleged INR 290 Billion (U.S. ~\$4.4 Billion) Scam To Over-Invoice Indonesian Coal Imports, Passing Costs Off To Taxpayers

Period under investigation: [2011 to 2016](#)

Another [investigation](#) by the DRI, revealed in March 2016, alleged that 40 companies, including five Adani Group entities and another 5 supplied by Adani Group were “artificially inflating [coal] value as compared to the actual value.” [Pg. 1, 4]

(General Alert Circular Source: Directorate of Revenue Intelligence [Pg. 4])

Per the report:

“The objective of the over-valuation appears to be two-fold (i) siphoning off money abroad and (ii) to avail higher power tariff compensation based on artificially inflated cost.” [Pg. 1]

Media reports indicated at least [1,300 Adani Group coal consignments](#) were being investigated by authorities.

The DRI alleged:

“The cases under examination suggest huge over-valuation to the extent of about 50% to 100%”. [Pg. 2]

The DRI also alleged that laboratory test reports were falsified in order to show the coal was of higher quality than reality. [Pg. 2]

Media [reports](#) indicated that coal imports by the suppliers under investigation may have exceeded INR 290 billion (U.S. ~\$4.43 billion at 2015-2016 exchange rates). Those figures may not have considered the value of higher electricity tariffs paid to some suppliers including the Adani Group, leading a [local commentator](#) to suggest the figure might be INR 500 billion (U.S. \$7.63 billion).

Scandal #4, Money Out: The Alleged Indonesian Coal Export Scam Involved Invoices Being Routed Through Entities In Dubai, UAE, Singapore And The British Virgin Islands

Like the allegations in the power equipment over-invoicing scandal described earlier, the DRI stated that coal was *shipped* directly from Indonesia to Indian ports, but the supplier invoices were routed through one or more intermediary agents based in other countries including Singapore, Dubai, Hong Kong and the British Virgin Islands. [Pg. 1]

Scandal #4, Investigation Stonewalled: The Indonesian Coal Import Scheme Investigation Has Faced Numerous Legal Hurdles By The Government

The investigation still appears to be ongoing but has once again been subject to multiple slowdowns. In 2019, the Bombay High Court—in response to an Adani Enterprises’ petition – [blocked DRI efforts](#) to seek corporate information from overseas jurisdictions including Singapore.

In early 2020, the [Supreme Court overturned](#) that ruling, allowing the DRI to press ahead with its investigation and issue requests for overseas cooperation, the outcome of which is still awaited.

[Media reports](#) explained that higher coal costs pushed India’s energy regulator to approve increased [payments](#) to Adani Group and other power generators, which are ultimately passed off to consumers by way of a hike in energy tariffs.

The Supreme Court then [blocked the tariff hike](#) in a 2014 ruling which was projected to net the Adani Group more than INR 185 billion (U.S. \$3.05 billion at 2013-2014 exchange rates).

In February 2022, the [Supreme Court ordered](#) the Rajasthan state power company to pay Adani Power for the higher priced imported Indonesian coal. Those payments, totaling close to INR 60 billion and backdated to 2013, according to its 2022 annual report, appear to have been mostly booked by Adani Power in March 2022. [Pg. 88]

Despite that financial victory for Adani Group, the Supreme Court ruling does not mean that the Adani Group is entirely off the hook for over-invoicing issues just yet.

In its deliberations in 2020 – during an appeal hearing in the long-running dispute between Adani Group and the Rajasthan power company – the Supreme Court stated the DRI investigation was ongoing and there was no “[ultimate conclusion](#)” about allegations of over-invoicing the Indonesian coal imports.

Scandal #4, The Over-Invoicing Practices Appear To Be Ongoing: Adani Transmission’s Subsidiary Awarded A Coal Supply Contract To An Opaque Singaporean Entity Controlled By A Former Adani Group Company Director

Despite the numerous investigations into Adani Group’s alleged import-export scams, there are signs these practices continue at the conglomerate.

In 2019, a subsidiary of publicly listed Adani Transmission sought to purchase coal, and requested quotes on coal prices from various suppliers. [[Pg. 37](#)] The winning bid was from an entity named ‘Pan Asia Coal Trading’.[\[66\]](#)

We checked the [website](#) for Pan Asia Coal Trading, hoping to learn more about how an unknown merchant company managed to undercut actual coal producer prices by 6%, considered a massive discount in the commodities sector.

We would have expected to find that Pan Asia Coal Trading had a team of seasoned coal professionals with experience trading international markets. Instead, we found a vague website that did not name a single person associated with the company.

Its [coal trading](#) section simply stated “coming soon”.

(Source: The “Coal Trading” section of Pan Asia Coal Trading’s [website](#), accessed 12/22/2022)

Singaporean corporate records list a single director and shareholder behind the entity, an individual named Chetan Kumar S/O Mulchand Ambalal Parikh.[\[67\]](#)

(Source: Singaporean corporate records)

Chetan Kumar was a former managing director of Adani-Wilmar (Singapore), according to Singaporean corporate records.

Chetan Kumar was also a former director of a subsidiary of Adani Enterprises called Libra Shipping Pte, per the 2008 annual report for Adani Enterprises and Singaporean records of the subsidiary. [Pg. 18]

If the links to Adani Group were not already apparent, in the same year as winning the coal deal in 2019, Pan Asia Coal Trading lent U.S. \$30 million to a private entity of the Adani Group, per Singaporean corporate records. [Pgs. 30-31, 34]. Vinod Adani is a director of that entity. Its ultimate parent company is based in the British Virgin Islands, controlled by an Adani private family trust. [Pgs. 3, 30].

Pan Asia then went on to lend another U.S. \$10 million to the same private entity of Adani Group in 2021. [Pgs. 2, 28, 32]

In short, it appears Adani Group has used the same pattern of routing deals through undisclosed related intermediaries in order to siphon money and/or shoulder Indian citizens with added power costs.

Part 6: Investment Banks And Professional Investors Have Steered Clear Of Adani Listed Companies

Sell Side Coverage From Major Banks And Brokers Is Virtually Non-Existent In Many Adani Stocks

Some Brokers Have Quietly Expressed Concerns About the Trading Activity In Adani Stocks

There is a vacuum of sell-side and broker research coverage for stocks like Adani Enterprises, Adani Green, Adani Transmission and Adani Green Energy. We believe this is by choice and not by limitation.[68]

As an example, one regional broker, CLSA, **dropped** coverage of Adani Transmission in May 2021, stating:

“We drop coverage, as the stock is driven by speculative interest and a lack of ‘real’ effective liquidity, keeping valuation at a stratospheric 16x premium to the sector”.

(Source: CLSA Research)

Except for Adani Ports, other listed Adani companies are severely underfollowed relative to peers of similar market capitalization.

Adani Company	# Analysts Covering, Per Bloomberg (Jan-23)	Indian Company With Similar Market Cap, Number of Analysts Covering
Adani Green Energy	1	Bajaj Finance: 33 analysts
Adani Enterprises	2	Larsen & Toubro: 44 analysts
Adani Transmission	2	HCL Technologies: 46 analysts
Adani Total Gas	1	ITC: 37 analysts
Adani Ports	22	Mahindra & Mahindra: 48 analysts
Adani Wilmar	7	Dr Reddy's: 43 Analysts
Adani Power	1	Britannia: 41 analysts

*Bloomberg Analyst Coverage (with 12 Month Recommendation and/or Target Price)

Not A Single Domestic Active Mutual Fund Manager Is Willing To Own Multiple Key Adani Stocks In Significant Size

At the end of December 2022, domestic mutual funds had over U.S. \$180 billion of equity & growth related [assets under management](#).

Yet despite Adani listed companies featuring in domestic and overseas indices, no active local fund owns Adani Green, Adani Enterprises, Adani Total Gas or Adani Transmission above 1% of equity, according to shareholding disclosures. [[1](#), [2](#), [3](#), [4](#)]

Adani Company	Domestic Mutual Fund Above 1% of equity?	Comments
Adani Transmission	No	19 mutual funds owning aggregate of 0.13% of equity
Adani Green Energy	No	19 mutual funds owning aggregate of 0.12% of equity
Adani Enterprises	No	31 mutual funds owning aggregate of 1.19% of equity
Adani Total Gas	No	20 mutual funds owning aggregate of 0.13% of equity

(Source: December-2022 Shareholding Patterns, [1](#), [2](#), [3](#), [4](#))

We believe it telling that India's most well-heeled, connected set of participants has consciously chosen to avoid the equity of these Adani Group stocks, despite their size.

Part 7: Adani Group's Response To Critics

“I have a very open mind towards criticism. For me, the message has always been more important than the messenger. I always introspect and try to understand the other's point of view. I am conscious that I am neither perfect nor am I always right. Every criticism gives me an opportunity to improve myself.”

–Gautam Adani interview in India Today [[Pg. 9](#)]

Gautam Adani claims to welcome criticism, embracing it as a personal development opportunity, regardless of where it comes from.

But despite his claims, Adani Group has a long track record of strongarming critics into silence through expensive and drawn-out litigation, whether it be YouTubers, journalists, or simply people tweeting in protest.

In late 2020, Adani Group [wrote a letter](#) to a law minister urging the government to investigate planned negative tweets about environmental issues relating to the Adani Group's Australian coal project. Adani Group [called](#) the social media protest:

“A planned attempt to malign the reputation of the prominent business houses through fake news on Twitter, urging several Twitterati to participate in a ‘Tweetstorm’, to systematically wreak havoc”.

It wasn't the first time one of the wealthiest men in the world felt threatened by social media posts. Earlier in 2021, Adani Group sought a court order to [gag a YouTuber](#) from making critical videos.

Adani Group “Harasses” Critics And “Manipulates” The Courts – Leading Media Watchdog

The Adani Group started a series of [libel actions](#) in 2017, which could see a leading Indian investigative journalist jailed In response to a series of articles about alleged [tax evasion](#) by the Adani Group, including the import-export of diamonds, and irregularities in the creation of tax-free Special Economic Zones.

International media watchdog Reporters Without Borders issued a [strong defense](#) of Paranjoy Guha Thakurta and his work and accused the Adani Group of manipulating the judicial system:

“Reporters Without Borders (RSF) calls for the withdrawal of all charges against Paranjoy Guha Thakurta, a journalist who could be arrested at any time under a warrant issued on 19 January by a court in the state of Gujarat, in western India, as a result of a libel action by the industrial giant Adani. The justice system is being manipulated”

“It is absolutely inconceivable that a journalist is to be arrested for an article published four years ago whose accuracy was confirmed by a civil court. Everything suggests that the Adani Group is using the Kutch court to take its harassment of Paranjoy Thakurta to the extremes of persecution.”

Earlier, Adani Group [attempted](#) to have an environmental protestor's home raided in Australia, and had a private investigator [follow him](#) as he took his 9-year-old daughter to school.

In response to a 'public interest' documentary into Adani's affair by Four Corners (an Australian media channel), called [Digging into Adani](#), the Adani Group said it was yet again prepared to pursue strict legal action against opponents of the company:

“To suggest that we are non-compliant, deviant or unethical will once again attract defamation and severe legal action” (Source: [Local Media](#))

And in August 2021, the Adani Group launched a defamation action against India's [Economic Times](#) after the newspaper reported that authorities had [frozen the accounts](#) of a handful of Mauritius-based investment funds holding almost exclusively Adani stocks.

According to campaign group [AdaniWatch](#), the journalists in that case were ordered to appear at a remote courthouse in Adani's home state Gujarat.

“The tactics employed make it clear that journalists and media houses that publish stories not to the Group’s liking are being harassed by those in authority.”

At Hindenburg, we regularly scrutinize companies that try to silence criticism with intimidation. A functioning market requires diverging views and opinions so investors and citizens can make informed decisions.

We also believe that companies engaging in bullying practices are vastly more likely to have something to hide. Typically, credible, stable organizations are not threatened by questions, criticism or mean tweets.

Conclusion: Growth With Transparency

A system is broken **when corporate behemoths like Adani Group seem able run an intricate fraud in broad daylight** and when ordinary citizens are terrified to speak out against those who use their power and wealth to suppress criticism. We hope this report marks the beginning of a change.

Given Gautam Adani’s claims to welcome criticism and embrace transparency, we hope the Adani Group will be pleased to answer the following 88 questions:

1. Gautam Adani’s younger brother, Rajesh Adani, was accused by the Directorate of Revenue Intelligence (DRI) of playing a central role in a diamond trading import/export scheme around 2004-2005. He was subsequently arrested twice over allegations of customs tax evasion, forging import documentation and illegal coal imports. Given his history, why was he subsequently promoted to serve as Managing Director at the Adani Group?
2. Gautam Adani’s brother-in-law, Samir Vora, was accused by the DRI of being a ringleader of a diamond trading scam and of repeatedly making false statements to regulators. Given his history, why was he subsequently promoted to Executive Director of the critical Adani Australia division?
3. As part of the DRI investigation into over-invoicing of power imports, Adani claimed that Vinod Adani was “not at all having any involvement in any Adani Group of companies”, except as shareholder. Despite this claim, a pre-IPO prospectus for Adani Power from 2009 detailed that Vinod was director of at least 6 Adani Group companies. Were Adani’s original statements about Vinod, made to regulators, false?

4. What has been the full extent of Vinod Adani's role in the Adani Group to date, including all roles on deals and entities that have transacted with the Adani Group?
5. Mauritius-based entities like APMS Investment Fund, Cresta Fund, LTS Investment Fund, Elara India Opportunities Fund, and Opal Investments collectively and almost exclusively hold shares in Adani-listed companies, totaling almost U.S. \$8 billion. Given that these entities are key public shareholders in Adani, what is the original source of funds for their investments in Adani companies?
6. Recent right-to-information requests confirm that SEBI is investigating Adani's foreign fund stock ownership. Can Adani confirm that this investigation is ongoing and provide details on the status of that investigation?
7. What information has been provided thus far as part of any investigations, and to which regulators?
8. Entities associated with Monterosa Investment Holdings collectively own at least U.S. \$4.5 billion in concentrated holdings of Adani Stock. Monterosa's CEO served as director in 3 companies alongside fugitive diamond merchant Jatin Mehta, whose son is married to Vinod Adani's daughter. What is the full extent of the relationship between Monterosa, its funds, and the Adani family?
9. What is the extent of the Adani Group Companies, and any Vinod Adani related entities' dealings with Jatin Mehta?
10. A once-related party entity of Adani called Gudami International, headed by close Adani associate Chang Chung-Ling, invested heavily in one of the Monterosa funds that allocated to Adani Enterprises and Adani Power. Monterosa entities continue as key Mauritius shareholders in Adani companies. What is Adani's explanation for this large, concentrated investment into Adani listed companies by a related-party entity?
11. What was the original source of funds for each of the Monterosa funds and their investments in Adani?
12. A former trader for Elara, a firm with almost \$3 billion in concentrated holdings of Adani shares, including a fund that is 99% concentrated in shares of Adani, told us that it is obvious that Adani controls the shares. He added that the structure of the funds is intentionally designed to conceal their beneficial ownership. How does Adani respond?
13. Leaked emails show that the CEO of Elara had dealings with notorious stock manipulator Dharmesh Doshi, partner of Ketan Parekh, even after Doshi became a fugitive for his alleged manipulation activity. How does Adani respond to this relationship, given that Elara is one of the largest "public" holders of shares of Adani?

14. What was the original source of funds for the Elara funds and their investments in Adani?
15. Adani has worked extensively with international incorporation firm Amicorp, which has established at least 7 of its promoter entities, at least 17 offshore shells and entities associated with Vinod Adani, and at least 3 Mauritius-based offshore shareholders of Adani stock. Amicorp played a key role in the 1MDB international fraud scandal, according to the book *Billion Dollar Whale* and U.S. legal case files, along with files from the Malaysian anti-corruption commission. Why has Adani continued to work closely with Amicorp despite its proximity to a major international fraud and money laundering scandal?
16. New Leaina is a Cyprus-based investment firm, which held ~95% of its holdings in shares of Adani listed companies, consisting of over U.S. \$420 million. The entity is operated by Amicorp. What was the original source of funds for New Leaina and its investments in Adani?
17. Opal Investment Private Ltd. is the largest claimed independent holder of shares of Adani Power, with 4.69% of the company (representing ~19% of the float). It was formed on the same day, in the same jurisdiction (Mauritius) by the same small incorporation firm (Trustlink) as an entity associated with Vinod Adani. How does Adani explain this?
18. What was the original source of funds for Opal and its investments in Adani?
19. Trustlink's CEO touts its close relationship with Adani. The same Trustlink CEO was previously alleged by the DRI to have been involved in a fraud using shell companies with Adani. What are the full details of Trustlink's CEO's dealings with the Adani Group, including those detailed in the DRI investigative records?
20. The above-named offshore entities holding concentrated positions in Adani stock accounted for up to 30%-47% of the yearly delivery volume in Adani stocks, a massive irregularity, according to our analysis of data from Indian exchanges and disclosed trading volume per Adani filings. How does Adani explain the extreme trading volume from this concentrated group of opaque offshore funds?
21. The nature of this trading suggests that these entities are involved in manipulative wash trading or other forms of manipulative trading. How does Adani respond?
22. In 2019, Adani Green Energy completed two offerings for sale (OFS) that were critical for ensuring that its public shareholders were above the 25% listing threshold requirement. What portion of these OFS deals were sold to offshore entities, including Mauritius and Cypriot entities named in our report?

23. Indian listed corporates receive a weekly shareholding update, not disclosed to the public, which would detail the shareholding changes around the deals. Will Adani detail the full list of offshore entities that participated in the OFS deals?
24. Adani chose Monarch Network Capital to run the OFS offerings. An Adani private company has a small ownership stake in Monarch, and Gautam Adani's brother-in-law had previously purchased an airline together with the firm. This close relationship seems to pose an obvious conflict of interest. How does Adani respond?
25. Why did Adani choose Monarch Network Capital, a small firm previously suspended and sanctioned by SEBI over allegations of market manipulation, to run the offerings, rather than a large, well-respected broker?
26. Mr. Robbie Singh, Group CFO at the time the shareholding issue erupted in public forums in 2021, claimed in an NDTV interview on June 16th 2021 that funds like the Mauritius shareholders had *not* made fresh investments and had come to own shares of other Adani stocks through vertical demergers. Our analysis shows that it was almost certain that the Mauritius shareholders made further investments in Adani Green. This coincides with the time when the promoters were required to bring their shareholding down to meet public shareholding norms. How does Adani Group respond to this new evidence?
27. Our findings indicate that SEBI has investigated and prosecuted more than 70 entities and individuals, including Adani promoters, for manipulating Adani stock between 1999 to 2005. How does Adani respond?
28. A SEBI ruling determined that Adani promoters aided and abetted Ketan Parekh in the manipulation of shares of Adani Exports (now Adani Enterprises), showing that 14 Adani private companies transferred shares to entities controlled by Parekh. How does Adani explain this coordinated, systematic stock manipulation in its shares, together with one of India's most notorious convicted stock fraudsters?
29. In its defense, Adani Group claimed it had dealt with Parekh and his stock manipulation efforts to finance operations at the Mundra port. Does Adani view extraction of capital through stock manipulation as a legitimate method of financing?
30. Individuals close to Ketan Parekh have told us that he continues to work on transactions with his old clients, including Adani. What was and is the full extent of the relationship between Parekh and the Adani Group, including either entity's relationship with Vinod Adani?
31. Given that Adani Group promoters pledge shares as collateral for loans, wouldn't stock manipulation artificially inflate the collateral and borrowing base for such loans,

posing a significant risk for the promoters' counterparties and, by proxy, Adani shareholders who would suffer at the hands of a collateral call or deleveraging via equity sale?

32. In 2007, an Economic Times article described a deal whereby a brokerage controlled by Dharmesh Doshi, a fugitive associated with Ketan Parekh, bought shares in a pharmaceutical company for a BVI entity where Vinod Adani served as shareholder and director. What was and is the full extent of the relationship between Dharmesh Doshi and the Adani Group, including with Vinod Adani?
33. What is the explanation for a Vinod Adani entity receiving an alleged U.S. \$1 million as part of a transaction with Jermyn Capital, the brokerage entity previously run by Dharmesh Doshi, at the time a fugitive and wanted market manipulator?
34. Investors generally prefer clean and simple corporate structures to avoid the conflicts of interest and accounting discrepancies that can lurk in sprawling, convoluted structures. Adani's 7 key listed entities collectively have 578 subsidiaries and have engaged in a total of 6,025 separate related-party transactions in fiscal year 2022 alone, per BSE disclosures. Why has Adani chosen such a convoluted, interlinked corporate structure?
35. We found at least 38 Mauritius-based entities associated with Vinod Adani and Subir Mitra (the head of the Adani private family office). We also found Vinod Adani associated entities in other tax haven jurisdictions like Cyprus, the UAE, Singapore, and various Caribbean islands. Several of these entities have transacted with Adani entities without disclosing the related party nature of the dealings, seemingly in violation of the law, as evidenced throughout our report. What is the explanation for this?
36. How many entities is Vinod Adani associated with as either director, shareholder, or beneficial owner? What are the names and jurisdictions of these entities?
37. What are the full details of the Vinod Adani-associated entities' dealings with private and listed entities in the Adani empire?
38. We found websites for 13 Vinod Adani entities that seem like rudimentary efforts to demonstrate that the entities have operations. Many websites were formed on the exact same day and listed the same set of nonsensical services such as "consumption abroad" and "commercial presence". What business or operations do each of these entities actually engage in?
39. One of the websites for a Vinod Adani-associated entity claimed "we trade in Services such as sale and delivery of an intangible product, like a Service, between a producer

and consumer.” What does that even mean?

40. A Vinod Adani-controlled Mauritius entity now called Krunal Trade & Investment lent INR 11.71 billion (U.S. ~\$253 million) to a private Adani entity without disclosure of it being a related party loan. How does Adani explain this?
41. A Vinod Adani-controlled UAE entity called Emerging Market Investment DMCC lists no employees on LinkedIn, has no substantive online presence, has announced no clients or deals, and is based out of an apartment in the UAE. It lent U.S. \$1 billion to an Adani Power subsidiary. What was the source of the Emerging Market Investment DMCC funds?
42. A Vinod Adani-controlled Cyprus entity called Vakoder Investments has no signs of employees, no substantive online presence, and no clear operations. It had an investment of U.S. ~\$85 million in an Adani private entity without disclosure that it was a related party. How does Adani explain this?
43. What was the source of the Vakoder funds?
44. We have identified a series of transactions from 2013-2015 whereby assets were transferred from a subsidiary of listed Adani Enterprises to a private Singaporean entity controlled by Vinod Adani, without disclosure of the related party nature of these deals. What is the explanation for these transactions and the lack of disclosure?
45. The private Singaporean entity controlled by Vinod Adani almost immediately wrote down the value of the transferred assets. Were those still held on the books of Adani Enterprises, it likely would have resulted in an impairment and significant decline in reported net income. What is the explanation for why these assets were transferred to a private undisclosed related party before being written down?
46. We found that a “silver bar” merchant based at a residence with no website and no obvious signs of operations, run by a current and former Adani director, lent INR 15 billion (U.S. \$202 million) to private Adani Infra with no disclosure of it being a related party transaction. What is the explanation for the lack of required disclosure?
47. What was the purpose of the loan, and what was the original source of the “silver bar” merchant’s funds?
48. Gardenia Trade and Investments is a Mauritius-based entity with no website, no employees on LinkedIn, no social media presence, and no apparent web presence. One of its directors is Subir Mitra, the head of the Adani private family office. The entity lent INR 51.4 billion (U.S. \$692.5 million) to private Adani Infra with no disclosure of it being a related party loan. What is the explanation for the lack of required disclosure?

49. What was the purpose of the loan, and what was the original source of the Gardenia Trade and Investments funds?
50. Milestone Tradelinks, another claimed silver and gold merchant also run by a longstanding employee of the Adani Group and a former director of Adani companies, invested INR 7.5 billion (U.S. \$101 million) into Adani Infra. Once again there was no disclosure of it being a related party loan. What is the explanation for the lack of required disclosure?
51. What was the purpose of the loan, and what was the original source of the Milestone Tradelinks funds?
52. Another secretive Mauritius entity called Growmore Trade and Investment netted an overnight U.S. ~\$423 million gain through a stock merger with Adani Power. According to court records, Growmore is controlled by Chang Chung-Ling, an individual who shared a residential address with Vinod Adani and had been named in DRI fraud allegations as director of a key intermediary entity used to siphon funds out of Adani Enterprises. What is the explanation for this windfall gain to an opaque private entity controlled by a close associate of the Adani family?
53. What is the nature of Chang Chung-Ling's relationship with the Adani Group, including his relationship with Vinod Adani?
54. Listed Adani companies have paid INR 63 billion to private contractor PMC Projects over the past 12 years to help construct major projects. A 2014 DRI investigation called PMC Projects a "dummy firm" for Adani Group. Given that constructing major projects is Adani's business, is PMC Projects in fact just a "dummy firm"?
55. PMC Projects has no current website. Historical captures for its website show that it shared an address and phone number with an Adani company. Numerous employee LinkedIn profiles show that they work concurrently at both. Several expressed confusion at whether there was any difference. Is PMC Projects a mere "dummy firm" for Adani?
56. Newly revealed ownership records show that PMC Projects is owned by the son of Chang Chung-Ling, the close associate of Vinod Adani mentioned above. Taiwanese media reports that the son is "Adani Group's Taiwan representative". We found pictures of him literally holding an Adani sign at an official government event, where he represented Adani. Once again, is PMC projects a mere "dummy firm" for Adani, as earlier alleged by the government?
57. If so, why hasn't either company reported its extensive dealings as being related party transactions, as required?

58. In FY20, AdiCorp Enterprises only generated INR 6.9 million (U.S. \$97,000) in net profit. That same year, 4 Adani Group companies entities lent it U.S. ~\$87.4 million, or more than 900 years of AdiCorp net income. These loans seemed to make little financial sense. What was the underwriting process and business rationale that went into making these loans?
59. AdiCorp almost immediately re-lent 98% of those loans to listed Adani Power. Was AdiCorp simply used as a conduit to surreptitiously move funds into Adani Power from other Adani Group entities and side-step related party norms?
60. Why have listed Adani companies paid private Adani entity “Adani Infrastructure Management Services” INR 21.1 billion (U.S. \$260 million) over the past 5 years, given that the listed companies’ business is also managing infrastructure?
61. Listed company Adani Enterprises paid U.S. \$100 million to a company, ultimately held by private trust of the Adani family in the British Virgin Islands (BVI), a notorious Caribbean tax haven, with the claimed rationale being to pay a security deposit to use an Australian coal terminal. Why did the listed company need to pay such lucrative fees to Adani’s private interests?
62. Adani Enterprises has had 5 chief financial officers over the course of 8 years, a key red flag suggesting potential accounting irregularities. Why has Adani Enterprises had such a difficult time retaining someone for its top financial position?
63. What were the reasons for the resignations or terminations each of these prior CFOs?
64. Adani Green Energy, Adani Ports and Adani Power have each had 3 CFOs over 5 years, while Adani Gas and Adani Transmission have both had CFO turnover within the past 4 years. Why have Adani entities struggled to retain individuals at its top financial positions?
65. What were the reasons for the resignations or terminations each of these prior CFOs?
66. The independent auditor for Adani Enterprises and Adani Gas is a tiny firm called Shah Dhandharia. Historical archives of its website show that it had only 4 partners and 11 employees. It seems to have no current website. Records show it pays INR 32,000 (U.S. \$435 in 2021) in monthly office rent. The only other listed entity we found that it audits has a market capitalization of about INR 640 million (U.S. \$7.8 million). Given the complexity of Adani’s listed companies, with hundreds of subsidiaries and thousands of interrelated dealings, why did Adani choose this tiny and virtually unknown firm instead of larger, more credible auditors?
67. The audit partner at Shah Dhandharia who signed off on Adani Gas’ annual audits was 23 years old when he began approving the audits. He had just finished university.

Is that individual really in a position to scrutinize and hold to account the financials of a firm controlled by one of the world's most powerful individuals?

68. The audit partner at Shah Dhandharia who signed off on Adani Enterprises annual audits was as young as 24 years old when he began approving the audits. Is that individual really in a position to scrutinize and hold to account the financials of a firm controlled by one of the world's most powerful individuals?
69. The audit partners signing off on Adani Gas and Adani Enterprises annual audits are now both 28 years old. Again, are they in a position to credibly scrutinize and hold to account the financials of firms controlled by one of the world's most powerful individuals?
70. The auditor for Adani Power, an Ernst & Young affiliate, gave a "qualified" opinion in its audit, saying that it had no way to support the value of INR 56.75 billion (U.S. ~700 million) in investments and loans held by Adani Power. What is Adani Power's full explanation for the valuation of these investments and loans?
71. Which parts of the valuation of Adani Power's investments and loans did the auditor disagree with?
72. Adani has been subject to numerous allegations of fraud by the DRI and other government agencies. In the 2004-2006 diamond scandal investigation, the government alleged that Adani Exports Ltd (renamed Adani Enterprises) and related entities' exports were 3x the total exports of all the other 34 firms in the industry group put together. How does Adani explain that sudden surge in trading volume?
73. The diamond export investigation also demonstrated the role played by Vinod Adani and entities in the UAE, Singapore and Hong Kong that were used to facilitate the back-and-forth movement of money and product. How does Adani explain all the trading that took place with entities associated with Vinod Adani?
74. In 2011, the parliamentary Ombudsman for the Karnataka state issued a 466-page report describing Adani as the "anchor point" for a massive INR 600 billion (U.S. \$12 billion) scam involving the illegal importation of iron ore, alleging that Adani had bribed all levels of the government in facilitation of the scheme. What is Adani's response to the investigation and the extensive evidence presented as part of these findings?
75. In 2014, the DRI once again accused Adani of using intermediary UAE-based shell entities controlled by Vinod Adani to siphon funds, in this case through the over-invoicing of power equipment. Did Adani invoice the power equipment purchases to UAE-based entities such as Electrogen Infra FZE? If so, why?

76. Was there a markup from the original purchase price for the equipment? What services did the Vinod Adani-associated entities provide that would have justified a markup?
77. The same DRI investigation found that Vinod Adani's intermediary entity sent ~\$900 million to a privately owned Adani entity in Mauritius. What is the explanation for these transactions?
78. Where did the money from these transactions go after it was sent to a private Adani entity in Mauritius?
79. The DRI investigation also documented many other transactions through the Vinod Adani intermediary entity, which were not probed further by investigators. What is Adani's explanation for these other transactions?
80. In yet another scandal, Adani was accused of over-valuing coal imports through shell entities in Dubai, the UAE, Singapore, and the BVI. Did Adani transact with entities in these jurisdictions? If so, which ones and why?
81. In 2019, the Singaporean entity Pan Asia Coal Trading won a coal supply tender floated by Adani Group. Pan Asia Coal Trading's website provides no details on its coal trading experience, nor does it name a single individual associated with the company. Why did Adani Group select such a small firm for coal supply? What was the due-diligence process that went into its selection?
82. Corporate records show that a former Adani Group company director was a director and shareholder of Pan Asia. Why didn't Adani Group disclose the potential conflict of interest in the transaction?
83. In the same year as winning the coal deal in 2019, Pan Asia Coal Trading lent U.S. \$30 million to a private entity of Adani Group, per Singaporean corporate records. Why did a private company of the Adani family take money from a small single shareholder entity in Singapore at the same time its listed company was awarding a coal supply deal to it?
84. In interviews, Gautam Adani has said "I have a very open mind toward criticism." Given this, why did Adani seek to have critical journalist Paranjoy Guha Thakurta jailed following his articles on allegations of Adani tax evasion?
85. In the same interview, Gautam Adani said "Every criticism gives me an opportunity to improve myself." Given this, in 2021, why did Adani seek a court gag order on a YouTuber that made critical videos of Adani?
86. In the same interview, Gautam Adani said "I always introspect and try to understand the others' point of view." Given this, why has Adani Group filed legal suits against

journalists and activists, which have been condemned by media watchdogs? Why did it have an activist in Australia followed by private investigators?

87. If Adani Group has nothing to hide, why does it feel the need to pursue legal action against even the smallest of its critics?
88. Does Adani Group truly view itself as an organization with sound corporate governance that embodies its slogan, “Growth With Goodness?”

Appendix 1: Vinod Adani’s Involvement in At Least 38 Mauritius Shell Entities

After cataloguing the entire Mauritius corporate registry, it became clear that Vinod Adani’s involvement in offshore shell entities in Mauritius over the last 2 decades has been prolific.

Below we identify 38 Mauritius entities where Vinod Adani is a director and/or beneficial owner or where his close associates are directors. These connected associates include Subir Mittra, who is named in several Vinod Adani controlled entities across other opaque jurisdictions (as detailed in part 3) and who is head of the Adani family office, according to his LinkedIn profile.

Chang Chung-Ling is another individual who at one point shared a residential address with Vinod Adani. He was also a director in entities that had allegedly deployed fraudulent schemes to siphon money from publicly listed Adani Group companies, ultimately for Vinod Adani’s benefit, according to DRI investigations (as outlined in part 5).

Many of these companies have no meaningful signs of corporate substance: no websites (or nonsensical ones), no publicly disclosed employees, and no independent address or other basic contact information outside that of their incorporation firms.

Entity Name	Jurisdiction	Date Formed	Key Director Connection Identified	Link to Registry Document
Acropolis Trade and Investments	Mauritius	2017.04.27	Vinod Adani	1
Afro Asia Trade and Investment	Mauritius	2015.10.09	Subir Mittra	2

Altroz Trade and Investment Ltd	Mauritius	2021.04.29	Subir Mitra	3
Assent Trade & Investment Pvt Ltd	Mauritius	2010.10.04	Vinod Adani	4
Asset Trade & Investment	Mauritius	2008.06.09	Vinod Adani	5
Athena Trade and Investments Pvt Ltd	Mauritius	2017.07.18	Subir Mitra	6
Atlantis Trade & Investment Pvt Ltd	Mauritius	2017.02.08	Vinod Adani	7
Birch Trade and Investment Ltd	Mauritius	2021.10.19	Subir Mitra	8
Brahma Opportunities A, Ltd	Mauritius	2007.11.26	Vinod Adani	9
Concord Trade & Investment Pvt Ltd	Mauritius	2009.02.16	Vinod Adani	10
Delphinium Trade and Investment Ltd	Mauritius	2021.02.02	Subir Mitra	11
Dome Trade and Investment	Mauritius	2017.08.18	Vinod Adani	12
Efficacy Trade and Investment	Mauritius	2018.01.19	Vinod Adani	13
Endeavour Trade and Investment Ltd	Mauritius	2021.04.29	Subir Mitra	14
Fervent Trade and Investment	Mauritius	2018.01.19	Vinod Adani	15
Flourishing Trade and Investment	Mauritius	2017.08.18	Subir Mitra	16

Fortitude Trade and Investment	Mauritius	2017.08.18	Subir Mittra	17
Gardenia Trade and Investment Ltd	Mauritius	2021.02.02	Subir Mittra	18
Global Resources Investment Holding	Mauritius	2015.10.09	Vinod Adani	19
Growmore Trade & Investment Pvt	Mauritius	2010.09.15	Chang Chung-Ling	20
Growth Trading & Venture Pvt Ltd	Mauritius	2009.10.23	Vinod Shantilal Shah	21
Harmonia Trade and Investment Ltd	Mauritius	2020.11.17	Subir Mittra	22
Hibiscus Trade and Investment Ltd	Mauritius	2021.04.29	Subir Mittra	23
Infinite Trade and Investment	Mauritius	2021.02.02	Subir Mittra	24
Juventus Trade and Investment Ltd	Mauritius	2020.12.03	Subir Mittra	25
Krunal Trade & Investment Pvt Ltd	Mauritius	2005.10.04	Vinod Adani	26
Lingo Trading & Investment Pvt Ltd	Mauritius	2009.12.10	Chang Chung-Ling	27
Oasis Trade and Investment	Mauritius	2017.08.21	Vinod Adani	28
Orbit Trade and Investment	Mauritius	2017.08.18	Vinod Adani	29
Pan Asia Trade & Investment	Mauritius	2017.02.08	Subir Mittra	30

Primrose Trade and Investment Ltd	Mauritius	2021.02.02	Subir Mittra	31
Resource Asia Trade & Investment	Mauritius	2011.04.18	Vinod Adani	32
Resurgent Trade and Investment Ltd	Mauritius	2020.12.03	Subir Mittra	33
Robust Trading & Venture Pvt Ltd	Mauritius	2009.10.23	Vinod Shantilal Shah	34
Ventura Power Investments Pvt Ltd	Mauritius	2007.08.08	Vinod Shantilal Shah	35
Virtue Trade & Investment Ltd	Mauritius	2011.01.31	Vinod Adani	36
Worldwide Emerging Market Holding	Mauritius	2015.10.30	Subir Mittra	37
Xcent Trade and Investment Ltd	Mauritius	2021.04.29	Subir Mittra	38

Disclosure: We Are Short Adani Group Through U.S.-Traded Bonds And Non-Indian-Traded Derivative Instruments

Legal Disclaimer

We hold short positions in Adani Group Companies through U.S.-traded bonds and non-Indian-traded derivatives, along with other non-Indian-traded reference securities. This report relates solely to the valuation of securities traded outside of India. This report does not constitute a recommendation on securities. This report represents our opinion and investigative commentary and we encourage every reader to do their own due diligence. Use of Hindenburg Research's research is at your own risk. In no event should Hindenburg

Research or any affiliated party be liable for any direct or indirect trading losses caused by any information in this report. You further agree to do your own research and due diligence, consult your own financial, legal, and tax advisors before making any investment decision with respect to transacting in any securities covered herein. You should assume that as of the publication date of any short-biased report or letter, Hindenburg Research (possibly along with or through our members, partners, affiliates, employees, and/or consultants) along with our clients and/or investors has a short position in all stocks or bonds (and/or derivatives of the stock) covered herein, and therefore stands to realize significant gains in the event that the price of any security covered herein declines. Following publication of any report or letter, we intend to continue transacting in the securities covered herein, and we may be long, short, or neutral at any time hereafter regardless of our initial conclusions, or opinions. This is not an offer to sell or a solicitation of an offer to buy any security, nor shall any security be offered or sold to any person, in any jurisdiction in which such offer would be unlawful under the securities laws of such jurisdiction. Hindenburg Research is not registered as an investment advisor in the United States or have similar registration in any other jurisdiction. To the best of our ability and belief, all information contained herein is accurate and reliable, and has been obtained from public sources we believe to be accurate and reliable, and who are not insiders or connected persons of the stock covered herein or who may otherwise owe any fiduciary duty or duty of confidentiality to the issuer. However, such information is presented “as is,” without warranty of any kind – whether express or implied. Hindenburg Research makes no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. All expressions of opinion are subject to change without notice, and Hindenburg Research does not undertake to update or supplement this report or any of the information contained herein.

[1] The list of 7 excludes the recent acquisition of Ambuja Cements and ACC.

[2] The recently-listed Adani Wilmar is the only company on the table not included in MSCI India.

[3] In ACC and Ambuja Cements, the Adani Group shareholders (promoters) had pledged their [entire](#) holdings just after the acquisition, as per the September 2022 disclosures.

[4] Gautam Adani is not Chairman of [Adani Wilmar](#), but serves as Chairman of [Adani Enterprises](#), [Adani Green Energy](#), [Adani Ports](#), [Adani Power](#), [Adani Total Gas](#), [Adani](#)

Transmission

[5] Even though immediate family members are positioned in key leadership roles, Adani has not publicly revealed any succession plans.

[6] Historical exchange rates throughout are based on [Reserve Bank of India \(RBI\) statistics](#), unless otherwise sourced.

[7] Samir Vora is the brother of Gautam Adani's wife, based on our review of his corporate registration and [passport details](#) for Priti Adani, indicating the father's name Sevantilal Vora.

[8] Directorships as of mid-2009 included [Adani Power \(Overseas\)](#), [Adani Global FZE](#), [Adani Global Ltd](#), [Adani Global Pte](#), [Adani Shipping Pte](#) and [Chemoil Adani Pte](#) as well as a [shareholding in AEL](#) and part of [Adani Power promoter](#) group.

[9] He stepped down from Adani Global Pte in August 2010, Adani Shipping in March 2011 and Adani Power Pte in April 2011, according to [Singaporean Corporate Filings](#) and what appears to be a [blog by Vinod Adani](#) himself. Vinod Adani's son [Pranav](#), nephew of Gautam Adani, is a director in the Adani Group's agro, oil and gas business and a director of AEL. Vinod's daughter [Krupa Adani](#) is [married](#) to Suraj Mehta, son of fugitive diamond dealer Jatin Mehta, who is now [reportedly hiding out from](#) Indian justice in the Caribbean. [See Part 1 for more on Jatin Mehta's links to the Monterosa offshore funds]

[10] The other 2 Adani Group companies report elevated promoter group holdings, though not on the brink of critical thresholds, as above. (1) Adani Ports (65.13%) (2) Adani Green Energy (60.75%). (Source: BSE December 2022 Shareholding Patterns [1](#), [2](#))

[11] Major Adani peers have much smaller insider holdings, making Adani an outlier: (i) Reliance Power, 24.99% (ii) Tata Power, 46.86% (iii) Tata Steel, 33.90% (iv) Reliance Industries Ltd., 50.49% (v) Jindal Steel and Power, 61.20%. [Source: Recent BSE Shareholding Patterns [1](#), [2](#), [3](#), [4](#), [5](#)]

[12] [LEI data](#) is a global corporate database that is standardized, and regularly registered and verified to help provide key information on global companies.

[13] Given that only holdings above 1% are disclosed, the entities could hold stakes in other Adani stocks without being required to disclose those additional holdings.

[14] Alastair Guggenbühl-Even has also served on the [board](#) of Swiss-Indian Chamber of Commerce (SICC), and was a director in an Indian entity, BTS Investment Advisors, which was registered to a Monterosa email and also displayed Monterosa's website on corporate [pages](#).

[15] Alastair Guggenbühl-Even served on the board of the following companies where Jatin Mehta was also a director: Forever Precious Jewellery and Diamonds Limited (30 September 2006 to 9 December 2008), Revah Corporation Limited (23 January 2007 to 9 February 2008) and Carbon Accessories Limited (2 May 2007 to 9 December 2008). [[1](#), [2](#)]

[16] Per the 2005 annual report of Gudami International, Chang Chung-Ling held 1,999,999 shares of the company and Joseph Selvamalar held 1 share. [[Pg. 3](#)] In the diamond scam investigation, Chang Chung-Ling was disclosed as a director of Adani Global Pte and Adani Global Ltd.

[17] Gudami International was also named in a government investigation into bribery in the Agusta Westland scam, [per local media reports](#).

[18] The leaked emails appear to have come from one of more than 30,000 emails presented in a May 2017 [fraud trial](#) in a UK court involving an alleged [front](#) company for Dharmesh Doshi. [[Pg. 10](#)]

[19] Doshi became a fugitive around mid-2002, per SEBI documents, roughly 3-1/2 years prior to the email correspondence. [SEBI Order [Section 3.2.4](#)]

[20] The *Twitter* account leaking the documents seems to correspond to Sunil Jain, CPA. Jain was the former CFO of First International Group and Jermyn Capital Group, and is referenced in the leaked emails. Jain was [convicted](#) of fraud against his employer in 2017. The emails were leaked in the run up to trial, at a time when he would have had access to such sensitive documents.

[21] The general reporting threshold in the shareholding pattern uploaded on the exchange website is above 1% of equity. If a holder falls below 1%, it generally moves out of public sight, unless there are other ad-hoc non-statutory required disclosures. It is thus not known whether New Leaina is still a shareholder or not.

[22] As per the [disclosures to parliament](#), New Leaina was (and might still be) a shareholder in Adani Total Gas, Adani Power, Adani Enterprises and Adani Transmission.

[23] Per Mauritius company records, Amicorp is both the secretary and management company for at least 7 of the offshore entities operated by Adani promoters. It has also supplied directors to its entities: Endeavour Trade and Investment, Flourishing Trade and Investment Ltd, Afro Asia Trade and Investments Ltd, Worldwide Emerging Market Holding Ltd, Infinite Trade and Investment, Fortitude Trade and Investments, and Acropolis Trade and Investment (where Vinod Adani is a director). (See Appendix 1)

[24] Further tying New Leaina to Amicorp, Phoenix Global Investment Fund, the third largest New Leaina shareholder, states it is [administered by Amicorp](#) in a placement memorandum. One of the board members of that shareholder – Ume Management – is led by director Edgar Victor Lotman, who is also on [the board of Amicorp Bank](#).

[25] Per the new Leaina Investment [website](#), the entity is reachable at P.O. Box 23293 at the address of [Amicorp](#).

[26] The three individuals appeared as the controllers of Amicorp's UK subsidiary until September 2021, as we discovered in a search of [UK corporate records](#).

[27] These 17 entities include, [Altroz Trade and Investment](#), [Athena Trade and Investments](#), [Birch Trade and Investment](#), [Delphinium Trade and Investment](#), [Dome Trade and Investment](#), [Efficacy Trade and Investment](#), [Fervent Trade and Investment](#), [Gardenia Trade and Investment](#), [Global Resources Investment Holding](#), [Harmonia Trade and Investment](#), [Hibiscus Trade and Investment](#), [Juventus Trade and Investments](#), [Oasis Trade and Investment](#), [Orbit Trade and Investment](#), [Primrose Trade and Investment](#), [Resurgent Trade and Investment](#), [Xcent Trade and Investment](#). The entities are registered at Amicorp's Mauritius address and have either Vinod Shantilal Shah (aka Vinod Adani) as a director or Subir Mittra (CEO of Adani's [family office](#)).

[28] These include (1) New Leaina Investments Limited (2) LGOF Global Opportunities Fund and (3) Connecor Investment Enterprise Ltd

[29] This can be verified by the change in shareholding between 28th and 29th January 2021 as disclosed in Cypriot screen shots from Cyprus' corporate registry [1,2]

[30] The domain for Trustlink's website is currently for sale but earlier versions are archived on [Wayback Machine](#).

[31] Adani-listed companies stopped providing granular disclosure of the top 10 shareholders after their FY 2020 annual reports.

[32] Put in simple terms, delivery volume = total volume minus day-trading activity. In the Indian market, retail investors, local corporates, and local proprietary firms are allowed to day trade (“intra-day trading”).

[33] Opal, despite its large shareholdings, does not appear to be actively trading in the Indian markets.

[34] Transactions include both buys and sells; calculations use delivery volume as per [NSE](#) and [BSE](#)

exchanges combined; figures may not sum exactly due to rounding.

[35] This was summarised in the appeal order, which was successful but then was overturned by the Supreme Court (the highest court in India). The suspension came into force in 2016, [per a broker update](#).

[36] The estimated variance is due to lack of disclosure on how much a fund held before crossing the 1% shareholding disclosure trigger. For example, APMS Investment Fund, which held 2.26% in June 2019, must have bought a minimum of 1.27% of the equity (i.e. $2.26\% - 0.99\%$) to a maximum of 2.26%.

[37] We analyzed trading volume on both stock exchanges where Adani Green Energy trades, the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The total traded volume between March 31, 2019, and June 13, 2019, was 74,614,575 shares, representing approximately 4.8% of equity. Our calculations demonstrate a *minimum* additional shareholding of 6.85%. Therefore, it likely would have been impossible that the increase in shareholdings could have been obtained through open market purchases of existing shares.

[38] The stock rose from INR 209.55 – 443.1 with a high of INR 478.

[39] The brokerage was named Jermyn Capital and was controlled by Dharmesh Doshi (associate of Ketan Parekh), according to the judge’s closing remarks in the case of [Regina v Sunil Kumar Jain \[2017\]](#). It has since been [renamed](#) to Orbit Investment Securities Services Limited.

[40] Records show that Jayechund Jingree was a [director](#) of Mauritius-based Adani Global Ltd in 2004. Note that the spelling in the two records are different by one character (Jayechund vs. Jaychund). Both records show the exact same [birth month and year](#) for the individual. Other [records](#) similarly use the alternative spelling while also listing Jaychund's same company email. These factors indicate that the naming conventions apply to the same individual.

[41] AOC-1 Subsidiaries disclosures details the number of subsidiaries as found in the 2022 Annual reports. BSE's related party disclosures list out the separate related party transactions. [[1](#), [2](#), [3](#), [4](#), [5](#), [6](#), [7](#)]

[42] A 2014 DRI investigation into gross over-valuation of import goods (involving PMC Projects, Adani Enterprises, Vinod entities and others) alleged transaction values of INR 18.87 billion, or approximately U.S. \$232 million at current exchange rates. [[Pg. 93](#)] Another DRI show cause notice against Adani Power (also involving offshore entities belonging to Vinod Adani) alleged U.S. \$808 million of over-valuation at the time. [[Pg. 71](#)] See Part 5 for more details.

[43] Universal Trade and Investments was a Vinod Adani-associated entity until it was [acquired](#) by Total in January 2021.

[44] Krunal is also mentioned in an [Indian Foreign Direct Investment \(FDI\) report](#) that lists its flows into Adani companies as among the 25 largest FDI investments identified in the city of Ahmedabad from 2000 to 2015. Adani related entities appear on this list 8 times, with almost all investments coming from various entities in Mauritius.

[45] The ultimate holding company of Sunbourne is Adani Properties Pvt. Ltd, per the 2020 Annual Report of Sunbourne. [[Pg. 6](#)] Sunbourne was previously named Adani Developers.

[46] Early filings for Sunbourne refer to a Mauritius entity named "Krunal Oil Marketing Pvt. Ltd." Using the Mauritius company number (C58854) we were able to establish that Krunal Oil Marketing Pvt Ltd was the previous name of Krunal Trade and Investment. [[1](#), [2](#)]

[47] Adani Enterprises FY20 annual report shows long term borrowings from Sunbourne of INR 5 billion and short term borrowings of INR 4.8441 billion.

[48] Emerging Markets' [website](#) says it was founded in 2015 and is managed by Subir Mitra, the head of the Adani Family investment office.

[49] Adani Estates 2020 Annual Report shows a compulsorily convertible debentures (CCDs) investment of INR 6.09 billion (U.S. \$85 million at the time) [Pg. 16]

[50] We speculate that the “works in progress” may refer to portions of the railway connecting the coal mine and the port.

[51] INR 47.2 billion profit after minority interests minus INR ~2.5 billion from 4 years of losses from the private entity. Adani Enterprises profit per year (INR billion): 2015: 19.48 [Pg. 36] 2016: 10.4 [Pg. 143] 2017: 9.8 [Pg. 34] 2018: 7.5 [Pg. 38]

[52] Calculated using nominal value of the Compulsorily Convertible Debentures (CCDs) i.e. INR 100.

[53] Laxmiprasad Chaudhary has been a director in Adani Estate Management since 2013. Yogesh Ramanlal Shah was a [director](#) in Adani Power Dahej (2015), Adani Transmission (India) Ltd (2015) and [Kutchh Power Generation \(2015\)](#).

[54] The address is in the Anand Milan Complex, per a [corporate information provider](#).

[55] Rajesh Mandapwala, shareholder of Milestone Tradelinks, has been a long-standing employee of Adani Enterprises. We checked the old shareholding patterns, which showed Rajesh “B” Mandapwala. Normally taking the likely father’s name, the B=Bhogilal. The information also matches his [LinkedIn profile](#).

[56] Samir Vora, the brother-in-law of Gautam Adani was a director from 2008 until the entity was amalgamated into the parent in Financial Year 2013. [Pg. 4]; Rakesh Shah, another of Gautam Adani’s brothers-in-law, was a director from 2004 until 2008 according to [corporate databases](#). Saurin Shah, a longtime [executive](#) of the Adani Group, according to the same tribunal, was a director from 2004 until the company merged with its parent.

Separately, Milestone Tradelinks is also a shareholder in India TV (a fact that we do not think has come into public conscience at a time when Adani has acquired another media entity: NDTV)

[57] According to our calculations: 115 (INR per share on April 1st) x 213,236,910 (shares) x 1/44.463 (INR/USD on April 1st), which differs from the implied exchange rate used in the cited Reuters article.

[58] The entity was called Adani Exports Ltd. at the time, later renamed.

[59] The calculation uses either total revenue or total income, found in less comprehensive earlier annual filings.

[60] One of the original PMC shareholders was Malay Mahadevia. [Pg. 11] Mahadevia was described as a “childhood friend” of Gautam Adani in a recent [biography](#) and is one of the original PMC shareholders, per PMC Projects Articles of Association. [Pg. 11] Mahadevia now serves as [CEO](#) of Adani’s airport business – AAHL.

[61] This is disclosed in NQXT Holdings’ financial statements, the holding company of NQXT. [Pg. 3]. Atulya Resources is known to belong to the [Adani Family](#).

[62] Adani Enterprises had 156 subsidiaries, per the AOC-1 regulatory disclosure. Adani Total Gas has no subsidiaries, though it does have Joint Ventures. [Pg. 459 – 471]

[63] Note that during our investigation, the website of Shah Dhandharia was taken down. Anticipating this, we took screenshots before it was taken down and independently archived the website through The Wayback Machine.

[64] Out of various scandals that Adani was involved in, the iron-ore scandal was said to be worth U.S. \$12 billion [1], the coal pricing scandal around U.S. \$4.4 billion [2] and the power equipment scandal (involving Adani Power) estimated to be about INR 39 billion, over U.S. \$800 million at the time of the alleged offences. [3]

[65] The DRI investigation said the imported equipment was to be deployed in two units of Adani’s power plant at Maharashtra (APML) and at another in Rajasthan (APRL) that were under construction at the time.

[66] Pan Asia Coal Trading Pte is now called Pan Asia Tradelink Pte, [per Singapore Corporate Records](#).

[67] S/O refer to “Son of”, sometimes used by Singaporeans. We searched for any articles connecting Mr. Chetan Kumar to the coal trade, but the [only information](#) we found described his experience as focused on the Singaporean real estate sector.

[68] Sell side refers to the part of the financial industry that is involved in the creation, promotion, and sale of stocks. ([Investopedia](#))