

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
UNSTARRED QUESTION NO. 1985

TO BE ANSWERED ON MONDAY, MARCH 13, 2023/ PHALGUNA 22, 1944 (SAKA)

Investigation into the Stock Market Manipulation by Adani Group of Companies

1985. SHRI T.N. PRATHAPAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to conduct any investigation into the alleged stock manipulation by Adani group of companies and if so, the details thereof;
- (b) whether the Government is aware of the fall in the fortune of the head of Adani group of companies and if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government is aware of the reasons behind the said fall in the fortune of Adani group of companies and if so, the details thereof;
- (d) whether the Government has taken any precautions to stop the Chairman of Adani group of companies from fleeing the country and if so, the details thereof;
- (e) whether the Government has taken note of the reported crash in the stock markets in January and February, 2023 and if so, the details thereof and the reaction of the Government thereto; and
- (f) whether the Government has assessed the loss registered by the public sector companies and banks on account of the fall in the share prices of Adani enterprises and if so, the details thereof?

ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The Securities and Exchange Board of India (SEBI), as the statutory regulator of securities markets, is mandated to put in place regulatory frameworks for effecting stable operations and development of the securities markets including protection of investors. As per its mandate, it conducts investigations into any alleged violations of its Regulations by any market entity. It is, accordingly, undertaking investigation into the market allegations against the Adani Group of companies.

(b) to (f): The nine listed companies forming part of Adani Group witnessed a decline of around 60% of market capitalization from January 24, 2023, till March 01, 2023 subsequent to the report published by Hindenburg Research. These companies are not part of Sensex and have a combined weight of below 1% in Nifty.

The volatility in the stocks of these companies have not had any significant impact at the systemic level. Nifty 50 declined by around 2.9% in the month of January 2023 and by around 4.9% in the 2-month period of January and February 2023.

The pricing of individual stocks and variations, over or undervaluation, and the price risks borne by investors are determined by the dynamics of demand and supply. The regulatory framework provides for surveillance mechanisms which are triggered in instances of volatility in share prices of specific companies.
