

India's Supreme Court orders investigation of Adani business group

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Online Desk: India's top court on Thursday ordered an expert committee to investigate any regulatory failures related to the country's second-largest conglomerate, the Adani Group. The investigation was prompted by allegations made by U.S. short-seller Hindenburg Research in a report that accused Adani companies of engaging in market manipulation and other fraudulent practices. Shares in the group's flagship, Adani Enterprises, and other affiliated companies have lost tens of billions of dollars in market value since Hindenburg issued its report.

The Adani Group has denied any wrongdoing, defending itself against the allegations in a 413 page rebuttal. In a tweet Thursday, it welcomed the court order. "It will bring finality in a time-bound manner. Trust will prevail," the company said. The expert committee will submit its findings to the Supreme Court within two months, said Chief Justice D.Y. Chandrachud and justices P.S. Narasimha and J.B. Pardiwala.

The top court also directed the government-run Securities and Exchange Board of India to investigate whether there had been a violation of rules or manipulation of stock prices by the Adani Group. The court acted on petitions filed by some activists and lawyers. Apart from investigating allegations against Adani, the expert committee is to suggest measures to improve regulatory oversight and protections for investors.

Adani Enterprises canceled a share offering meant to raise \$2.5 billion last month after Hindenburg issued its report and its share price plummeted. Opposition lawmakers blocked parliamentary proceedings last month demanding a probe into the business dealings of coal tycoon Gautam Adani, who is said to enjoy close ties with Prime Minister Narendra Modi.