

**UNVEILING MARKET DYNAMICS: A COMPREHENSIVE STUDY OF THE HINDENBURG REPORT'S EFFECT ON ADANI'S FINANCIAL LANDSCAPE**

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**ABSTRACT**

The Adani Group was accused of concealing vital operating details, inflating revenues, and exaggerating their rapport with authorities in a study published by Hindenburg Research on June 14, 2021. “The stock prices of Adani firms traded on Indian stock markets were significantly impacted negatively by this article. Our goal here is to dissect the effects of the Hindenburg report on Adani stock prices and market cap to see how they stack up. The research has many goals, one of which is to analyze how the stock price and market value of Adani Group have changed since the release of the Hindenburg report. It also aims to determine whether or whether any investors persisted in purchasing Adani Group shares notwithstanding the sharp decrease in stock prices that followed the release of the report on the company's financial performance. This study examines the effect of the Hindenburg report on the stock market and market capitalization of Adani Group using secondary data. The study adopts a descriptive research approach to investigate the situation. The study employs a comparative study approach, providing bar and line graphs based on financial and stock price records obtained in January 2023, to evaluate the impact of the Hindenburg report on Adani Group stocks and market capitalization both before and after its release. The results of the analysis will be reported in terms of irregular movements in the stock prices of Adani firms and shifts in their market capitalization. The study will also calculate the proportion of loss experienced by the Adani Group's listed firms in the stock market and market capitalization, as well as present an analysis of the performance of Adani companies before and after the release of the Hindenburg report. The study's ultimate goal is to provide light on how adverse media coverage affects Adani Group's stock price and market worth. The need of openness and truthful reporting in the financial markets will also be more appreciated.

**Keywords :** Market Dynamics, Comprehensive Study, Hindenburg Report, Adani Group, Investor Sentiment

**1.1 INTRODUCTION:**

The Adani Group, established in 1988 by Gautam Adani, is a diverse Indian conglomerate engaged in sectors such as energy, infrastructure, logistics, agribusiness, and defence. Headquartered in Ahmedabad, Gujarat, India, some prominent subsidiaries include Adani Ports and Special Economic Zone Limited, Adani Power Limited, Adani Transmission Limited, Adani Green Energy Limited, Adani Gas Limited, Adani Wilmar Limited, Adani Defence and Aerospace, and Adani Agri Logistics. While the group has expanded rapidly, undertaking major projects in India and globally, controversies have arisen regarding its business practices, including environmental impact concerns and alleged labor rights violations. As a key player in the Indian capital market, the Adani Group significantly influences the economy and stakeholders through its performance and decisions. The capital market, a financial platform for companies and governments to raise long-term funds, encompasses the primary market (new securities issuance) and the secondary market (previously issued securities trading). Investors, ranging from individuals to institutional entities, play a vital role in this market, facilitating the flow of capital and fostering economic growth. The Adani Group actively participates in the capital market, raising substantial funds for its growth plans. Notably, in 2020, Adani Green Energy achieved one of the largest renewable energy IPOs globally, raising \$1.35 billion. Similarly, Adani Ports and Special Economic Zone raised \$750 million through a bond issue in 2021. The robust performance of Adani Group companies has positively impacted the Indian stock market. However, the group faced scrutiny from Hindenburg Research, a financial research corporation, which issued a critical report titled "Adani Group: How the World's 3rd Richest Man Is Pulling the Principal Scam in Corporate History." The report alleged dishonest practices, stock manipulation, and accounting scams, causing a significant decline in Adani Group's market value. Gautam Adani's net worth, once Asia's and India's wealthiest, suffered a substantial reduction. The Hindenburg report triggered political controversy, linking Gautam Adani to Prime Minister Narendra Modi, and fueled debates about corporate integrity. The unfolding events have implications not only for the Adani Group but also for the broader economic and political landscape in India, making it a critical topic for examination and analysis.

### **Statement of the problem**

The Adani Group has wielded substantial influence in the capital market in recent years, engaging in high-profile projects and experiencing rapid expansion across diverse industries such as energy, infrastructure, logistics, and agribusiness. This growth trajectory has resulted in a noteworthy escalation in the market capitalization of Adani Group companies, positioning them among the most valuable entities in India. This study delves into the repercussions of Hindenburg Research on the capital market, focusing on the Hindenburg research report on the Adani Group as a reference case. The impact of this report reverberated significantly throughout India's economy. The examination aims to elucidate how the Hindenburg report affected both the Adani Group and the broader capital market. It underscores the critical understanding that allegations, particularly of the nature outlined in the report, can exert a profound influence on a company and the capital market at large.

## Objective of the study

1. Conducting a comparative analysis of Adani Group stocks and market capitalization pre- and post-Hindenburg report to discern fluctuations and potential correlations.
2. Assessing the influence of Adani Group's response to the Hindenburg report on the dynamics of the capital market, examining how the market reacts to the company's actions.
3. Delving into the aftermath of the Hindenburg Report on Adani Group and the broader capital market, scrutinizing the extent of impact and identifying key trends and shifts in market behavior.

## Need of the study

This study of the Hindenburg report on the Adani Group highlights the importance of transparency, good governance, and ethical business practices in maintaining investor confidence and promoting sustainable growth.

The report had an immediate and significant impact on the stock prices of Adani-related companies, wiping out billions of dollars in market value. This underscores the importance of transparency and good governance in maintaining investor confidence and avoiding market volatility.

## Scope of the study

The analysis of the Hindenburg report on the Adani Group serves as a valuable case study for investors and the general public, shedding light on crucial aspects of corporate governance, transparency, and sustainability. This examination provides insights into the impact the report had on the Adani Group, offering a comprehensive understanding of the implications for the company.

## The study of Limitation

1. The scope of this study is confined to the financial period of 2022-23 for the Adani Group.
2. This investigation specifically focuses on the information presented by Hindenburg concerning the Adani Group and the subsequent response from the company.
3. The study is restricted to the examination of stock prices on the NSE and BSE for Adani Group and its subsidiaries, specifically on selected dates within the 2022-23 timeframe.

## 1.2 Literature Review

Dr.Naveen Prasadula (April 2023) The Adani Group, established in 1988 as a commodity trading firm, has rapidly expanded its operations into imports and exports of various commodities. The group, encompassing Adani Enterprises Ltd., Adani Ports and SEZ Ltd., Adani Power Ltd., and Adani Transmission Ltd., has achieved significant growth, securing a position among the top 50 performing companies in Asia, as recognized by Forbes. Investigating insider stock pledging and its impact on stock price informativeness in India, this study analyzes data from 1835 Indian firms. The findings suggest that insider stock pledging enhances the informational efficiency of stock prices, particularly for larger firms facing financial constraints, relying heavily on trade credit, and engaging in substantial related party transactions. The study also explores abnormal share turnover as a mechanism linking insider stock pledging to stock price informativeness. Adani Wilmar Limited (AWL), a part of the Adani group, initially focused on commodity exports before

diversifying into the infrastructure sector with the Mundra port. Collaborating with Wilmar Trading of Singapore, AWL entered the edible oil business, establishing a refinery with a daily capacity of 600 tons. The company's strategic decisions centered around supply chain management, addressing challenges such as warehouse locations, mode choices, and routing. Authors Environmental Justice Australia and legal research contributors Earthjustice (Prof. Madireddi S S V Srikumar) "The Adani Brief" emphasizes the environmental concerns associated with the Adani Group's proposed Carmichael Coal Mine and Rail Project in the Galilee Basin, Queensland. The project's potential impact on Indigenous lands, ecosystems, climate change, and the Great Barrier Reef is discussed, highlighting the need for governments and financiers to consider these factors before proceeding. Prof. V. Lalitha Aradhana School Of Business Management (August 2023) In his analysis, Tim Buckley questions Adani Australia's claim that the Carmichael thermal coal mine is entirely self-funded. He asserts that Australian taxpayer dollars are subsidizing both the construction and operation of the mine in the Galilee Basin. Additionally, subsidies to Adani Power Ltd in India are discussed, revealing the project's reliance on various financial incentives and the potential consequences for energy poverty in Gujarat, India, and Bangladesh. Thakurta investigates the power tariff scam, suggesting over-invoicing of power plant equipment by certain firms in the Adani and Essar Groups. The scam, estimated at ₹50,000 crore or more, involves inflated power tariffs and alleged over-invoicing of imported coal, highlighting significant financial irregularities in the power sector.

### 1.3 Research Methodology

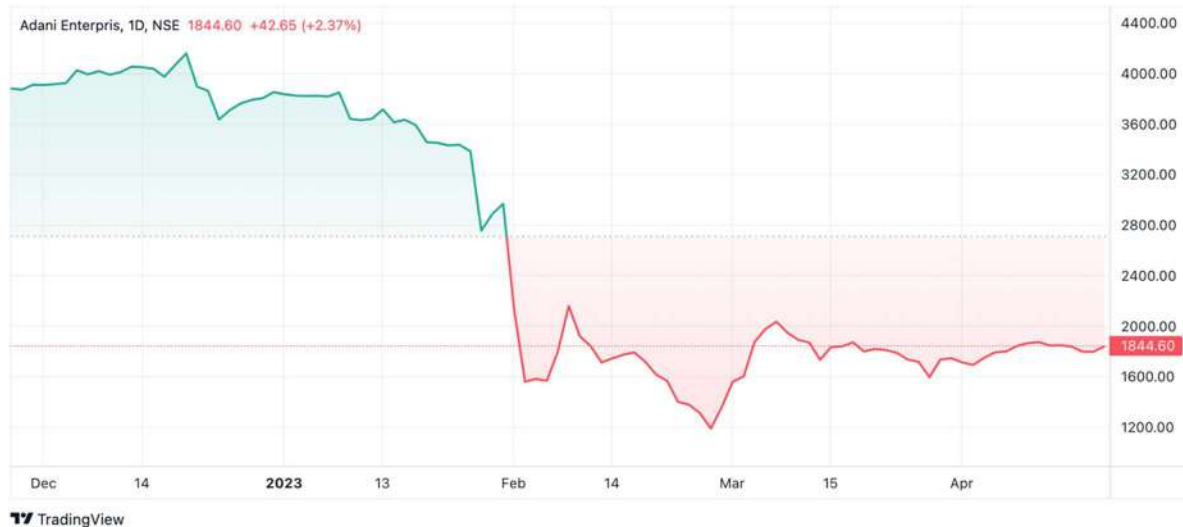
In this investigation, secondary data is employed to analyze the impact of the Hindenburg report on the Adani Group and the capital market. The secondary data is sourced from the NSE and BSE stock markets, focusing on the seven listed companies within the Adani Group. Market capitalization figures are gathered from various articles and websites associated with each listed company. The study adopts a descriptive research method to scrutinize the case, encompassing a summary of the Hindenburg Research report on the Adani Group released on January 24, 2023, and a detailed account of the response provided by the Adani Group. An in-depth analysis is conducted to assess the impact of this news, gauging whether it has had positive or negative consequences and evaluating the level of trust and confidence among investors for reinvestment. Utilizing a comparative study approach, the collected data enables an examination of the before-and-after effects of the Hindenburg report on Adani Group stocks and market capitalization. Various scenarios, including the highest and lowest stock prices during 2022-23, prices on the date of the Hindenburg Report release (January 24, 2023), Adani's response date (January 27, 2023), the date of price recovery post a significant downfall, and the present date (April 25, 2023), are considered. The investigation employs bar and line graphs to visually represent the stock prices and market capitalization of the Adani Group before and after the Hindenburg Report in January 2023. Notably, LIC emerges as the sole company to invest after a substantial downturn triggered by the report. This study delves into the specifics of LIC's investment and its corresponding impact on market capitalization.

1.4 In the examination of Adani Group's Daughter Companies, this study involves a comparative analysis of their stock prices and market capitalization. Through a thorough analysis of the collected data, the study aims to interpret the observed impact. Specifically, it seeks to assess whether Adani's response to the Hindenburg Report had any discernible influence on its companies and the capital market. To gauge the overall effect, the study quantifies the total loss experienced by the Adani Group in the stock market (capital market) and market capitalization.

The stock details of Adani Enterprises Ltd. are presented in a table format, encompassing NSE and BSE stock prices for a specific period. This comprehensive approach aims to provide a nuanced understanding of the dynamics surrounding Adani Group's financial performance during the specified timeframe.

Adani Enterprise			
Date	NSE	BSE	
20-Dec-22	4165.30	4164.25	Highest price
24-Jan-23	3442.00	3442.75	Hindenburg Report
27-Jan-23	2761.45	2762.15	Adani Response
31-Jan-23	2973.90	2975.00	Increased after response
27-Feb-23	1193.50	1194.20	Lowest price
25-Apr-23	1844.60	1845.45	Upword swing Price
27-Nov-23	2251.50	2249.50	Present price after court hearing

1.4.1 Graph of Adani Enterprises Ltd. NSE Stock price for period of Dec 2022 to April 2023



1.4.2 Graph of Adani Enterprises Ltd. BSE Stock price for period of Dec 2022 to April 2023

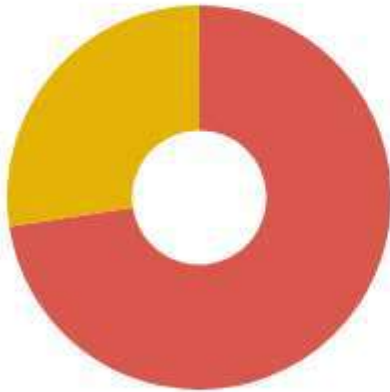


TradingView

## Adani Enterprises Shareholding

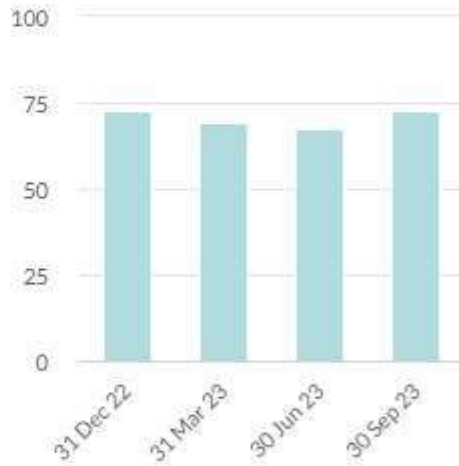
### Shareholding Pattern

- Promoter & Promoter Group Shareh...
- Public Shareholding



### Shareholding Trend

Promoter Public MF FII



Shareholding(%) v/s Date

[Detailed ADANIENT Shareholding >](#)



## Adani Enterprises Futures and Options

**FUTURES** OPTIONS

Expiry

30 Nov 2023

Share Price

**2,256.65** INR ↑ 74.30(3.40%)

Open Interest

**8.13M** INR ↓ -1.67M(-20.59%)

Open

**2,181.65**

High

**2,266.00**

Low

**2,164.25**

Prev Close

**2,182.35**

Contracts Traded

**15.67K**

Turnover in (Rs Lakhs)

**1.04L**

### Data Analysis

The data provided is about the stock price of Adani Enterprise, a company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Here is a breakdown of the information:

- On December 20, 2022, the highest price of the stock was 4165.30 on NSE and 4164.25 on BSE.
- On January 24, 2023, a report by Hindenburg Research was released, which negatively impacted the stock price.
- On January 27, 2023, Adani Enterprise responded to the Hindenburg report, which resulted in a slight increase in the stock price on both exchanges.
- On January 31, 2023, the stock price increased further, and the stock closed at 2973.90 on NSE and 2975.00 on BSE.
- On February 27, 2023, the stock price reached its lowest point at 1193.50 on NSE and 1194.20 on BSE.
- As of April 21, 2023, the stock price has increased to 1802.00 on NSE and 1802.35 on BSE.
- As of November 24<sup>th</sup>, 2023, the stock price has increased to 2253.00 on NSE and 2251.35 on BSE.

### Data Interpretation

Overall, the data shows that the stock price of Adani Enterprise experienced significant fluctuations, with the stock reaching its highest point in December 2022 and its lowest point in February 2023. The release of the Hindenburg report negatively impacted the stock price, but the company's response and subsequent market behaviour suggest a certain level of resilience. The present price of the stock is higher than its lowest point but lower than its highest point. The stock price on 24 Jan 2023 is 3442Rs in NSE and present price (i.e. 25 Apr 2023) is 1844.60Rs, gave **46.40% loss**.

**Adani Green Energy Ltd.**

**1.4.2 Table of Adani Green Energy Ltd. NSE & BSE Stock price for specific period.**

Adani Green Energy Ltd			
Date	NSE	BSE	
22-Apr-22	2882.80	2888.40	Highest price
24-Jan-23	1916.80	1913.55	Hindenburg Report
27-Jan-23	1486.25	1484.50	Adani Response
31-Jan-23	1223.90	1224.05	After response
27-Feb-23	462.20	462.45	Lowest price
25-Apr-23	931.15	930.30	Present Price

**1.4.3 Graph of Adani Green Energy Ltd. NSE Stock price for period of Dec 2022 to April 2023**



**1.4.4 Graph of Adani Green Energy Ltd. BSE Stock price for period of Dec 2022 to April 2023**





### Data Analysis

The provided data shows the historical stock prices of Adani Green Energy Ltd, an Indian renewable energy company, listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE), as follows:

- On April 22, 2022, the stock reached its highest price on both NSE and BSE, with a price of 2882.80 and 2888.40, respectively.
- On January 24, 2023, a report by Hindenburg Research was released, which negatively impacted the stock. The price on NSE and BSE dropped to 1916.80 and 1913.55, respectively.
- On January 27, 2023, Adani Green Energy Ltd released a response to the Hindenburg Report. The price on NSE and BSE slightly recovered to 1486.25 and 1484.50, respectively.
- As of January 31, 2023, the stock had a price of 1223.90 on NSE and 1224.05 on BSE.
- On February 27, 2023, the stock reached its lowest price on both NSE and BSE, with a price of 462.20 and 462.45, respectively.
- As of April 25, 2023, the stock had a price of 931.15 on NSE and 930.30 on BSE.

### Data Interpretation

Overall, the stock of Adani Green Energy Ltd experienced significant volatility during this period, with a sharp drop following the Hindenburg Report, a recovery after the company's response, and a subsequent decline to reach its lowest price before a partial recovery to the present price. The report impacted Adani Green Energy Ltd stock price on 24 Jan 2023 is 1916.80Rs in NSE and present price (i.e. 25 Apr 2023) is 931.15Rs, that is **51.42% loss**.

### Adani Power Ltd.

#### 1.4.3 Table of Adani Power Ltd. NSE & BSE Stock price for specific period.

Adani Power Ltd
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Date	NSE	BSE	
22-Aug-22	432.50	432.80	Highest price
24-Jan-23	274.65	274.80	Hindenburg Report
27-Jan-23	247.95	248.05	Adani Response
8-Feb-23	181.90	182.00	Increased after response
27-Feb-23	139.35	139.50	Lowest price
25-Apr-23	205.65	205.75	Present Price

**1.4.5 Graph of Adani Power Ltd. NSE Stock price for period of Dec 2022 to April 2023**



**1.4.6 Graph of Adani Power Ltd. BSE Stock price for period of Dec 2022 to April 2023**



**Data Analysis**

The data provided is about the stock price of Adani Power Ltd, a company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Here is a breakdown of the information:

- On August 22, 2022, the stock price was 432.5 on NSE and 432.8 on BSE.
- On January 24, 2023, the stock price decreased significantly and closed at 274.65 on NSE and 274.8 on BSE.
- On January 27, 2023, the stock price decreased further and closed at 247.95 on NSE and 248.05 on BSE.
- On February 8, 2023, the stock price decreased even further and closed at 181.9 on NSE and 182 on BSE.
- On February 27, 2023, the stock price reached its lowest point at 139.35 on NSE and 139.5 on BSE.
- As of April 25, 2023, the stock price has increased to 205.65 on NSE and 205.75 on BSE.

### Data Interpretation

Overall, the data shows that the stock price of Adani Power Ltd experienced significant fluctuations, with the stock reaching its highest point in August 2022 and its lowest point in February 2023. The stock price decreased significantly between August 2022 and January 2023, and then continued to decline until it reached its lowest point in February 2023. However, the stock price has since increased but has not yet recovered to its August 2022 levels. The impact of Hindenburg report has still effected on present stock that's is 25<sup>TH</sup> April 2023. The report impacted Adani Power Ltd stock price on 24 Jan 2023 is 274.65Rs in NSE and present price (i.e. 25 Apr 2023) is 205.65Rs, that is **25.12% loss** .

### Adani Wilmar Ltd.

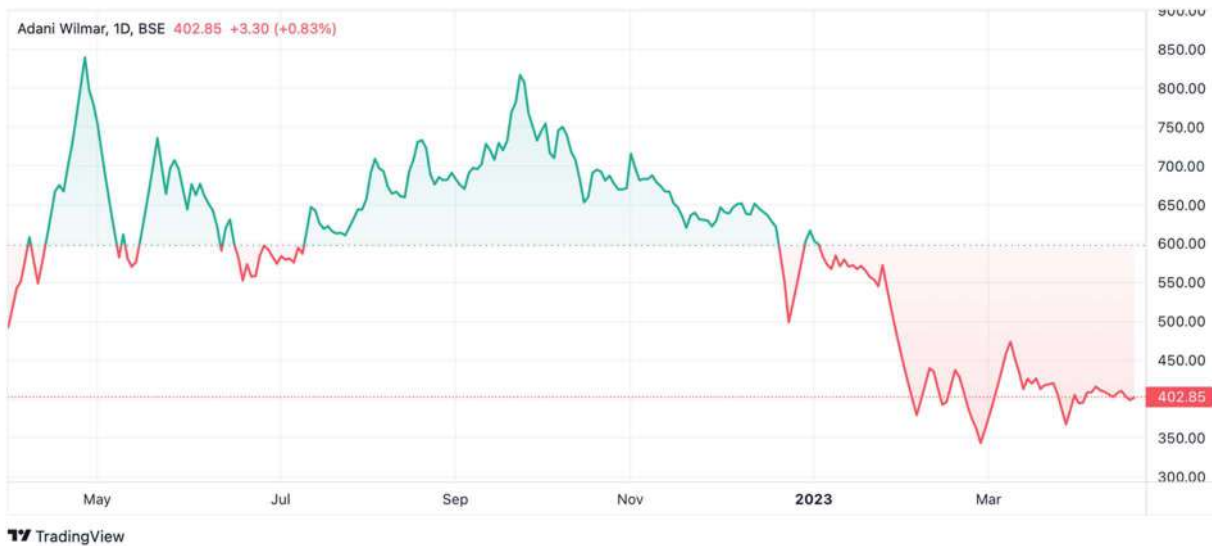
#### 1.4.4 Table of Adani Wilmar Ltd. NSE & BSE Stock price for specific period.

Adani Wilmar Ltd.			
Date	NSE	BSE	
27-Apr-22	841.00	840.50	Highest price
24-Jan-23	572.65	573.15	Hindenburg Report
27-Jan-23	516.85	517.30	Adani Response
9-Feb-23	439.70	440.30	Increased after response
28-Feb-23	344.45	344.20	Lowest price
25-Apr-23	403.30	402.85	Present Price

#### 1.4.7 Graph of Adani Wilmar Ltd. NSE Stock price for period of Dec 2022 to April 2023



1.4.8 Graph of Adani Wilmar Ltd. BSE Stock price for period of Dec 2022 to April 2023



**Data Analysis**

The data provided is about the stock price of Adani Wilmar Ltd, a company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Here is a breakdown of the information:

- On April 27, 2022, the stock price was 841.00 on NSE and 840.50 on BSE.
- On January 24, 2023, the stock price decreased significantly and closed at 572.65 on NSE and 573.15 on BSE.
- On January 27, 2023, the stock price decreased further and closed at 516.85 on NSE and 517.30 on BSE.
- On February 9, 2023, the stock price decreased even further and closed at 439.70 on NSE and 440.30 on BSE.

- On February 28, 2023, the stock price reached its lowest point at 344.45 on NSE and 344.20 on BSE.
- As of April 25, 2023, the stock price has increased to 403.30 on NSE and 402.85 on BSE.

**Data Interpretation**

Overall, the data shows that the stock price of Adani Wilmar Ltd experienced significant fluctuations, with the stock reaching its highest point in April 2022 and its lowest point in February 2023. The stock price decreased significantly between April 2022 and January 2023, and then continued to decline until it reached its lowest point in February 2023. However, the stock price has since increased but has not yet recovered to its April 2022 levels. The report impacted Adani Wilmar Ltd stock price on 24 Jan 2023 is 572.65Rs in NSE and present price (i.e. 25 Apr 2023) is 403.30Rs, that is **29.57% loss**.

**Adani Ports and SEZ Ltd**

**1.4.5 Table of Adani Ports and SEZ Ltd. NSE & BSE Stock price for specific period.**

Adani Ports & SEZ Ltd.			
Date	NSE	BSE	
20-Sep-22	970.25	969.40	Highest price
24-Jan-23	761.20	760.85	Hindenburg Report
27-Jan-23	596.95	598.60	Adani Response
31-Jan-23	612.65	612.80	Increased after response
2-Feb-23	462.45	462.00	Lowest price
25-Apr-23	671.45	671.40	Present Price

**1.4.9 Graph of Adani Ports and SEZ Ltd. NSE Stock price for period of Dec 2022 - April 2023**



**1.4.10 Graph of Adani Ports and SEZ Ltd. BSE Stock price for period of Dec 2022 to April 2023**



**Data Analysis**

The data provided is about the stock price of Adani Ports and SEZ Ltd, a company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Here is a breakdown of the information:

- On September 20, 2022, the highest price of the stock was 970.25 on NSE and 969.40 on BSE.
- On January 24, 2023, a report by Hindenburg Research was released, which negatively impacted the stock price.
- On January 27, 2023, Adani Ports and SEZ Ltd responded to the Hindenburg report, which resulted in a slight increase in the stock price on both exchanges.
- On January 31, 2023, the stock price increased further, and the stock closed at 612.65 on NSE and 612.80 on BSE.
- On February 2, 2023, the stock price reached its lowest point at 462.45 on NSE and 462.00 on BSE.
- As of April 25, 2023, the stock price has increased to 671.45 on NSE and 661.40 on BSE.

**Data Interpretation**

Overall, the data shows that the stock price of Adani Ports and SEZ Ltd experienced significant fluctuations, with the stock reaching its highest point in September 2022 and its lowest point in February 2023. The release of the Hindenburg report negatively impacted the stock price, but the company's response and subsequent market behavior suggest a certain level of resilience. The present price of the stock is higher than its lowest point but lower than its highest point. The report impacted Adani Ports and SEZ Ltd stock price on 24 Jan 2023 is 761.20Rs in NSE and present price (i.e. 25 Apr 2023) is 671.45Rs, that is **11.76% loss**.

**Adani Total Gas Ltd.**

**1.4.6 Table of Adani Total Gas Ltd. NSE & BSE Stock price for specific period.**



Adani Total Gas Ltd.		
Date	NSE	BSE
20-Jan-23	3918.90	3918.25
24-Jan-23	3891.75	3885.45
27-Jan-23	2928.00	2934.55
13-Mar-23	997.05	997.65
28-Feb-23	678.55	680.20
25-Apr-23	935.25	935.10

Highest price  
Hindenburg Report  
Adani Response  
Increased after response  
Lowest price  
Present Price

1.4.11 Graph of Adani Total Gas Ltd. NSE Stock price for period of Dec 2022 to April 2023



1.4.12 Graph of Adani Total Gas Ltd. BSE Stock price for period of Dec 2022 to April 2023



Data analysis

The data provided is about the stock price of Adani Total Gas Ltd, a company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Here is a breakdown of the information:

- On January 20, 2023, the stock price was at its highest point, reaching 3918.90 on NSE and 3918.25 on BSE.
- On January 24, 2023, the stock price decreased significantly and closed at 3891.75 on NSE and 3885.45 on BSE after Hindenburg Research released a negative report.
- On January 27, 2023, the company responded to the report and the stock price increased to 2928.00 on NSE and 2934.55 on BSE.
- On February 28, 2023, the stock price reached its lowest point at 678.55 on NSE and 680.20 on BSE.
- As of March 13, 2023, the stock price had increased to 997.05 on NSE and 997.65 on BSE.
- As of April 25, 2023, the stock price has further increased to 935.25 on NSE and 935.10 on BSE.

### Data Interpretation

Overall, the data shows that the stock price of Adani Total Gas Ltd experienced significant fluctuations due to the Hindenburg Report, which had a negative impact on the stock price. However, the company's response to the report helped to stabilize the stock price, which has since increased but has not yet fully recovered to its highest point in January 2023. The report impacted Adani Total Gas Ltd stock price on 24 Jan 2023 is 3891.75Rs in NSE and present price (i.e. 25 Apr 2023) is 935.25Rs, that is **75.96% loss**.

### Adani Transmissions Ltd

#### 1.4.7 Table of Adani Transmission Ltd. NSE & BSE Stock price for specific period.

Adani Transmission Ltd.			
Date	NSE	BSE	
15-Sep-22	4105.40	4105.55	Highest price
24-Jan-23	2762.15	2756.15	Hindenburg Report
27-Jan-23	2014.20	2009.70	Adani Response
31-Jan-23	1774.00	1773.95	Increased after response
28-Feb-23	642.90	642.55	Lowest price
25-Apr-23	1012.95	1012.50	Present Price

#### 1.4.13 Graph of Adani Transmission Ltd. NSE Stock price for period of Dec 2022 - April 2023



1.4.14 Graph of Adani Transmission Ltd. BSE Stock price for period of Dec 2022 - April 2023



**Data Analysis**

The given data represents the stock prices of Adani Transmission Ltd. on different dates from September 15th, 2022, to April 25th, 2023, as reported on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

- On September 15th, 2022, the highest price of Adani Transmission Ltd. was reported, with the stock prices reaching Rs. 4105.40 on NSE and Rs. 4105.55 on BSE.
- On January 24th, 2023, the Hindenburg Report, which raised concerns about Adani Group's accounting practices and alleged overvaluation of some of its companies, was published.
- Following the report, the stock prices of Adani Transmission Ltd. on NSE and BSE fell to Rs. 2762.15 and Rs. 2756.15, respectively, on January 27th, 2023.

- Adani Group responded to the Hindenburg Report on January 27th, 2023, and as a result, the stock prices of Adani Transmission Ltd. increased on January 31st, 2023, to Rs. 1774.00 on NSE and Rs. 1773.95 on BSE.
- On February 28th, 2023, the stock prices of Adani Transmission Ltd. reached their lowest point, with prices falling to Rs. 642.90 on NSE and Rs. 642.55 on BSE.
- As of April 25th, 2023, the present stock prices of Adani Transmission Ltd. were Rs. 1012.95 on NSE and Rs. 1012.50 on BSE.

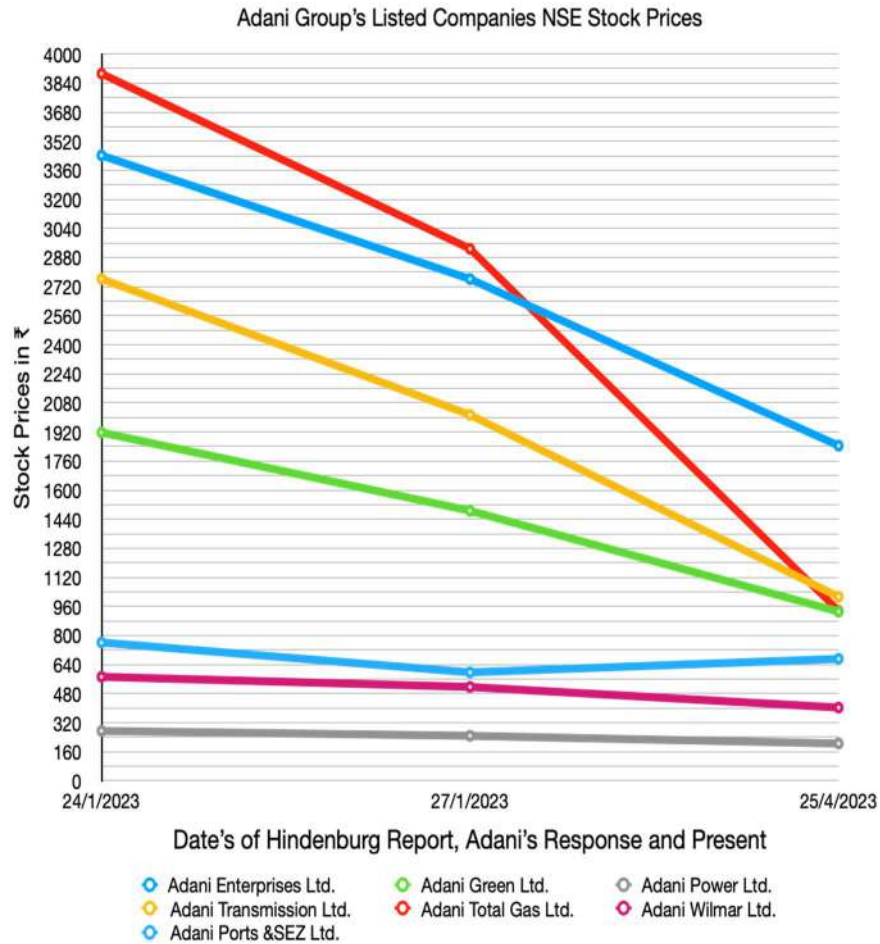
### Data Interpretation

Overall, the data indicates that the stock prices of Adani Transmission Ltd. have been volatile in the given period, with a significant rise and fall in prices due to the Hindenburg Report and Adani Group's response. However, the stock prices have gradually increased after reaching their lowest point in February 2023. The report impacted Adani Transmission Ltd stock price on 24 Jan 2023 is 2762.15Rs in NSE and present price (i.e. 25 Apr 2023) is 1012.95Rs, that is **63.32% loss**.

### 1.4.8 Table of Adani Group Daughter companies NSE stock prices on specific dates.

Adani Group			
Comapany	24-Jan-23	27-Jan-23	25-Apr-23
Adani Enterprises Ltd	3442	2761.45	1844.6
Adani Green Energy Ltd	1916.8	1486.25	931.15
Adani Power Ltd	274.65	247.95	205.65
Adani Transmission Ltd	2762.15	2014.2	1012.95
Adani Wilmar Ltd	572.65	516.85	403.3
Adani Ports and SEZ Ltd	761.2	596.95	671.45
Adani Total Gas	3891.75	2928	935.25

### 1.4.11 Graph of Adani group's listed companies NSE Stock Prices



**Data Analysis**

The Hindenburg Research report released in January 2023 had a significant negative impact on the Adani Group's stock prices. The report alleged that the Adani Group had engaged in accounting irregularities, inflated valuations, and opaque business practices. As a result, the stock prices of several Adani Group companies, including Adani Enterprises, Adani Ports and Special Economic Zone (SEZ), Adani Power, and Adani Total Gas, all fell sharply on the day the report was released.

- Adani Ports and SEZ's stock prices dropped by around 10%
- Adani Enterprises and Adani Power's prices fell by more than 20%.
- Adani Total Gas's prices fell by over 20%.
- Adani Wilmar's stock prices fell by around 4% on the NSE.
- Adani Green Energy's stock prices fell by around 25% on the NSE.
- Adani Transmission's stock prices fell by around 17%.

The report caused panic among investors, leading to a sell-off of Adani Group's stocks. The company's stock prices continued to decline for a few days after the report.

In one month, in percentage terms, the worst hit Adani stocks would be Adani Total Gas declining by nearly 81% followed by Adani Green and Adani Transmission with a drop of over 74.5% and 74%. While flagship firm Adani Enterprises also faced severe brunt as its share price dipped by nearly 62%.

### Data Interpretation

The impact of the report was short-lived as the Adani Group quickly responded to the allegations, terming them baseless and saying they would take appropriate legal action. The group's response helped stabilize the stock prices to some extent. Nevertheless, the stock prices of Adani Group companies remain volatile as the issue is still being investigated by regulators and investors are watching for further developments.

Though Adani Wilmar was not directly implicated in the Hindenburg Research report. However, the report did cast a shadow of doubt on the entire Adani Group, which could have indirectly impacted Adani Wilmar's stock prices.

- The report impacted **Adani Total Gas Ltd** stock price on 24 Jan 2023 is 3891.75Rs in NSE and present price (i.e. 25 Apr 2023) is 935.25Rs, that is **75.96% loss** .
- The report impacted **Adani Transmission Ltd** stock price on 24 Jan 2023 is 2762.15Rs in NSE and present price (i.e. 25 Apr 2023) is 1012.95Rs, that is **63.32% loss** .
- The report impacted **Adani Green Energy Ltd** stock price on 24 Jan 2023 is 1916.80Rs in NSE and present price (i.e. 25 Apr 2023) is 931.15Rs, that is **51.42% loss** .
- The report impacted **Adani Enterprise Ltd** stock price on 24 Jan 2023 is 3442Rs in NSE and present price (i.e. 25 Apr 2023) is 1844.60Rs, that is **46.40% loss** .
- The report impacted **Adani Wilmar Ltd** stock price on 24 Jan 2023 is 572.65Rs in NSE and present price (i.e. 25 Apr 2023) is 403.30Rs, that is **29.57% loss**.
- The report impacted **Adani Power Ltd** stock price on 24 Jan 2023 is 274.65Rs in NSE and present price (i.e. 25 Apr 2023) is 205.65Rs, that is **25.12% loss** .
- The report impacted **Adani Ports and SEZ Ltd** stock price on 24 Jan 2023 is 761.20Rs in NSE and present price (i.e. 25 Apr 2023) is 671.45Rs, that is **11.76% loss** .

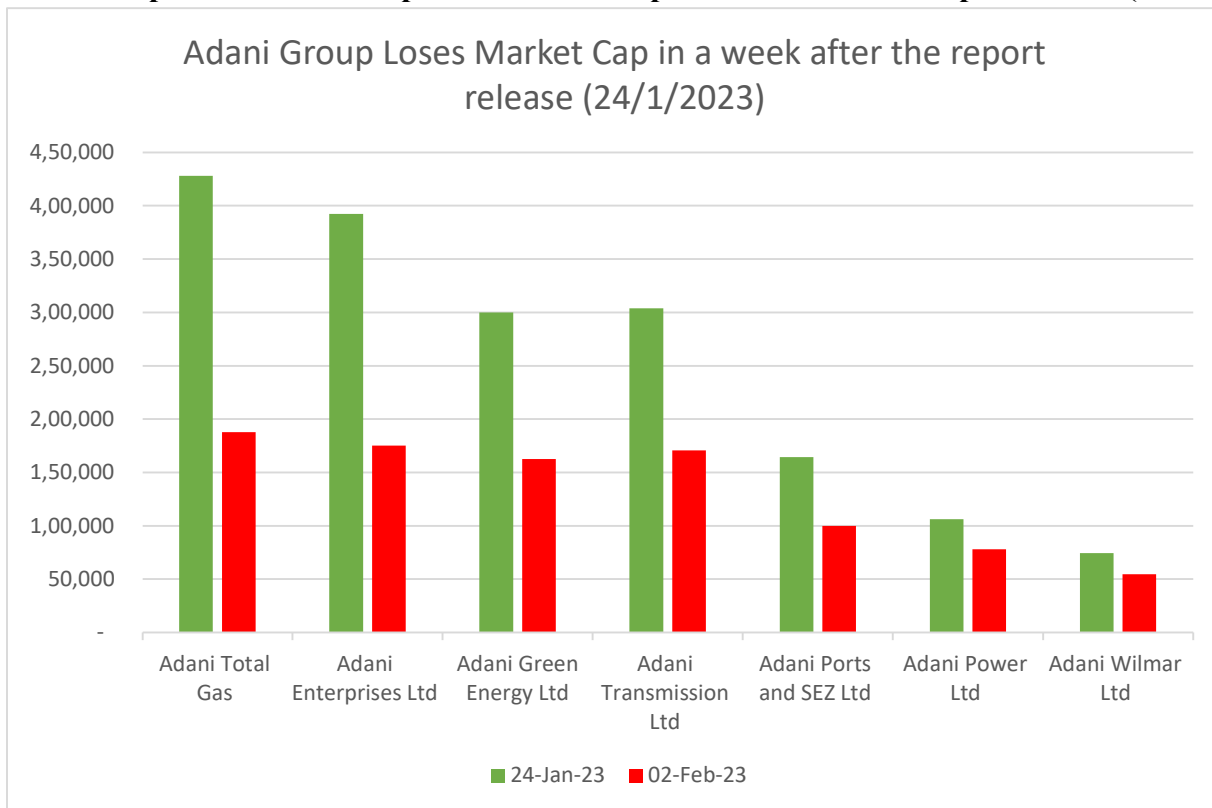
### 1.4.9 Table of Adani Group Loses Market cap in a week after the report release (24/1/23).

Adani Group Loses Market cap in a week after the report release (24/1/23) in Cr				
Company	24-Jan-23	02-Feb-23	Difference	Percentage
Adani Total Gas	4,27,936	1,87,815	-2,40,122	-56%
Adani Enterprises Ltd	3,92,388	1,75,207	-2,17,182	-55%
Adani Green Energy Ltd	2,99,822	1,62,634	-1,37,188	-46%



Adani Transmission Ltd	3,03,768	1,70,597	-1,33,171	-44%
Adani Ports and SEZ Ltd	1,64,387	99,863	-64,523	-39%
Adani Power Ltd	1,06,066	77,929	-28,136	-27%
Adani Wilmar Ltd	74,342	54,716	-19,625	-26%

**1.4.12 Graph for Adani Group Loses Market cap in a week after the report release (24/1/23).**



**Data Analysis**

The Adani Group faced another disastrous day on the market as the shares of its listed companies continued their downward spiral for the sixth consecutive session following the conglomerate's decision to call off its fully subscribed Rs 20,000 crore follow-on-public offer (FPO) late on Wednesday.

In past trading days, the total market capitalisation (m-cap) of nine Adani group companies has been eroded by \$ 107 billion (Rs 8.65 lakh crore) or 45 per cent.

The market cap of nine Adani stocks has reduced from Rs 19.2 lakh crore before the short-seller's attack, to Rs 10.5 lakh crore at the end of the trading session on February 2, 2023.

Adani Total Gas, the top loser among the pack, saw Rs 2.39 lakh crore of market cap erosion during the period, while Adani Enterprises (Rs 1.86 lakh crore), Adani Green Energy (Rs 1.39 lakh crore) and Adani Transmission's (Rs 1.33 lakh crore) market-cap have all slipped by over Rs 1 lakh crore in the past six trading days.

Apart from this, state insurer Life Insurance Corporation of India (LIC) and State Bank of India (SBI), which have liberal investments in the group, have seen substantial market cap erosion of over Rs 1.2 lakh crore or \$ 15 billion.

The withdrawal of the FPO has further raised concerns on how the Adani group will now look to service the over Rs 2.2 lakh crore debt on its books. Of which Adani Green Energy has the maximum amount of debt crossing Rs 52,000 crores followed by Adani Ports and Adani Power which have over 45,000 crores of debt

Group chairman Gautam Adani said the rationale behind withdrawing Adani Enterprises FPO was to insulate investors from potential losses.

“After a fully subscribed FPO, the decision of its withdrawal would have surprised many. But considering the volatility of the market seen yesterday, the board strongly felt that it would not be morally correct to proceed with the FPO,” said Adani.

## **Data interpretation**

Prior to the release of the Hindenburg Report, the market valuation of the Adani Group's firms was around Rs. 12.14 lakh crore (as of September 13, 2022). Within four days of the report's publication, the market capitalization of the Adani Group lost a total of about Rs. 1.43 lakh crore as a result of sharp drops in the stock prices of several of its companies. Because to the Hindenburg Report, the market capitalization of the companies owned by the Adani Group is thought to have decreased by about 11.8% (1.43 lakh crore loss divided by 12.14 lakh crore market value prior to the report's publication).

## **Impact of Adani's Group's Response on the capital market**

### **Data Analysis**

Adani Group's response to criticism and controversy can have an impact on the capital market in several ways. The capital market is affected by various factors such as investor sentiment, market conditions, and the company's performance, including its reputation and ESG practices.

### **Some possible impacts of Adani Group's response on the capital market are:**

- 1. Share price:** The company's response to controversy and criticism may affect its share price in the short-term. A positive response that addresses the concerns of stakeholders and

demonstrates the company's commitment to ESG practices may boost investor confidence and lead to an increase in share prices. Conversely, a negative response that fails to address stakeholders' concerns may lead to a decrease in share prices.

**2. Investor confidence:** Adani Group's response may impact investor confidence, which can affect the demand for the company's shares in the market. A proactive and positive response can improve investor confidence and attract more investment, while a negative response can undermine investor confidence and lead to decreased demand for the company's shares.

**3. Access to capital:** Adani Group's response to ESG concerns can impact its ability to access capital markets. Investors are increasingly looking for companies that prioritize sustainability and responsible business practices. By responding positively and proactively to concerns raised by stakeholders, Adani Group may be able to access more capital from investors who prioritize ESG factors.

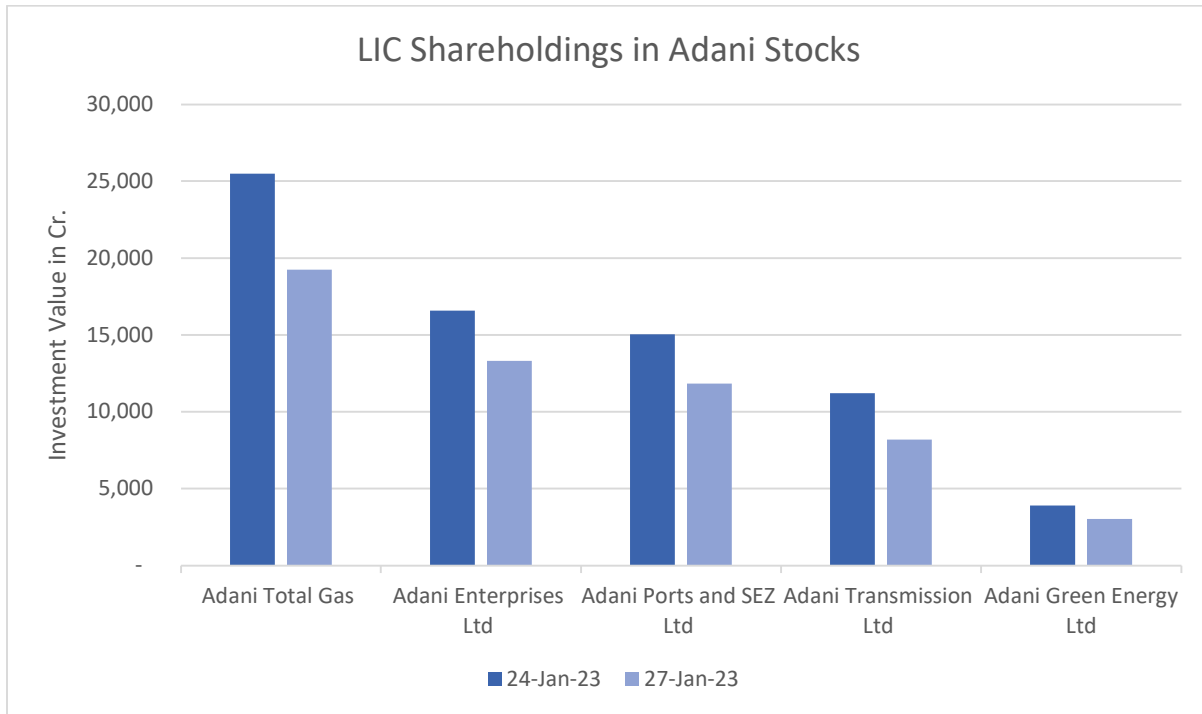
### Data Interpretation

Overall, Adani Group's response to criticism and controversy can have a significant impact on the capital market. By responding positively and proactively to ESG concerns, the company can potentially enhance its reputation and attract more investment, which could lead to long-term benefits for the company and its stakeholders.

#### 1.4.10 Table of LIC shareholding in Adani Group Stocks

LIC shareholding in Adani Stocks					
			Investment value (Rs Cr)		
Company	No of Shares	%	24-Jan-23	27-Jan-23	Change
Adani Total Gas	6,55,88,170	5.96	25,484	19,247	-6,237
Adani Enterprises Ltd	4,81,74,654	4.23	16,585	13,307	-3,279
Adani Ports and SEZ Ltd	19,75,26,194	9.14	15,029	11,824	-3,205
Adani Transmission Ltd	4,06,76,207	3.65	11,211	8,175	-3,036
Adani Green Energy Ltd	2,03,09,080	1.28	3,886	3,015	-871

#### 1.4.13 Graph of LIC shareholding in Adani Group Stocks



**Data Analysis**

The ongoing fall in Adani Group stocks made a deep dent in their investors’ portfolios in mere two trading sessions. The country’s biggest institutional investor, Life Insurance Corporation of India (LIC), is one of those affected investors. LIC’s combined investment in Adani group stocks plunged to Rs 62,621 crore on January 27, 2023 from Rs 81,268 crore on January 24, 2023, indicating a notional loss of Rs 18,647 crore.

Data available with Ace Equity showed that LIC held over 1 per cent stake in Adani Enterprises, Adani Green Energy, Adani Ports, Adani Total Gas, Adani Transmission and recently acquired cement major Ambuja Cements and ACC as of December 31, 2022. Shares of these companies tanked somewhere between 19 per cent and 27 per cent in the past two trading sessions.

Shares of the group came under pressure after a report by Hindenburg Research claiming that the Indian giant had engaged in stock manipulation and accounting fraud scheme over the course of last few decades. Meanwhile, Jugeshinder Singh, Group CFO, Adani in a media statement said, “The report is a malicious combination of selective misinformation and stale, baseless and discredited allegations that have been tested and rejected by India’s highest courts.”

He further added that the timing of the report’s publication clearly betrays a brazen, mala fide intention to undermine the Adani Group’s reputation with the principal objective of damaging the upcoming follow-on public offering from Adani Enterprises, the biggest FPO ever in India. Adani Enterprises’ Rs 20,000 crore FPO opened for subscription on January 27.

In absolute terms, the total investment of LIC in Adani Total Gas declined by Rs 6,237 crore since January 24. It was followed by Adani Enterprises (down 3,279 crore), Adani Ports (down Rs 3,205 crore), Adani Transmission (down Rs 3,036 crore), Ambuja Cements (down Rs 1,474 crore), Adani Green Energy (down Rs 871 crore) and ACC (down Rs 544 crore).

Overall, the market capitalisation of 10-listed Adani Group companies tanked around Rs 4 lakh crore to nearly Rs 15 lakh crore on January 27 from Rs 19 lakh crore on January 24, 2023. Meanwhile, the benchmark equity index BSE Sensex also cracked 1,647 points, or 2.70 per cent, to 59,330.90.

## **Data Interpretation**

In just two trading sessions, the stocks of the Adani Group severely damaged the portfolios of their investors. Life Insurance Corporation of India (LIC), the largest institutional investor in the nation, is one of those investors. From Rs 81,268 crore on January 24, 2023, LIC's total investment in Adani group equities fell to Rs 62,621 crore on January 27, 2023, representing a notional loss of Rs 18,647 crore.

## **CONCLUSION**

The current project is undertaken to examine the repercussions of the Hindenburg report on Adani Group stocks and market capitalization. The findings indicate a negative impact on stock prices following the release of the Hindenburg report. However, the subsequent response from the company and the market's subsequent behavior suggest a degree of resilience.

In summary, the Hindenburg report raises significant apprehensions regarding Adani Group's financial and operational practices, as well as its environmental impact. Despite strong denials from the Adani Group, the report underscores the necessity for investors and regulators to treat these concerns seriously and conduct a thorough investigation into the report's allegations. This event serves as a reminder of the imperative for heightened transparency and accountability in the business realm, emphasizing the importance of ethical and sustainable operations by companies.

- On January 24, 2023, the Hindenburg Report had a significant impact on Adani Enterprise Ltd's stock price in NSE, reducing it from 3442 Rs to the present price of 1844.60 Rs on April 25, 2023, resulting in a 46.40% loss.
  - Adani Green Energy Ltd experienced a stock price decline from 1916.80 Rs on January 24, 2023, to 931.15 Rs on April 25, 2023, marking a substantial 51.42% loss.
  - Adani Power Ltd witnessed a stock price reduction from 274.65 Rs on January 24, 2023, to 205.65 Rs on April 25, 2023, reflecting a 25.12% loss.
  - Adani Wilmar Ltd observed a stock price decrease from 572.65 Rs on January 24, 2023, to 403.30 Rs on April 25, 2023, resulting in a 29.57% loss.
  - Adani Ports and SEZ Ltd faced a stock price decrease from 761.20 Rs on January 24, 2023, to 671.45 Rs on April 25, 2023, representing an 11.76% loss.
  - Adani Total Gas Ltd's stock price declined from 3891.75 Rs on January 24, 2023, to 935.25 Rs on April 25, 2023, indicating a substantial 75.96% loss.
  - Adani Transmission Ltd registered a stock price decrease from 2762.15 Rs on January 24, 2023, to 1012.95 Rs on April 25, 2023, reflecting a 63.32% loss.
  - The cumulative market capitalization of Adani Group's companies stood at approximately Rs. 12.14 lakh crore as of September 13, 2022.
  - Following the release of the Hindenburg Report, the stock prices of various Adani Group companies plummeted, resulting in an overall market capitalization loss of approximately Rs. 1.43 lakh crore within four days.
  - The estimated loss in market capitalization, calculated as a percentage, is approximately 11.8% (1.43 lakh crore loss divided by 12.14 lakh crore market capitalization before the report's publication).
  - The response of Adani Group to criticism and controversy holds significance for the capital market. A positive and proactive response to Environmental, Social, and Governance (ESG) concerns can potentially enhance the company's reputation, attract more investment, and yield long-term benefits for the company and its stakeholders.
- Over two trading sessions, Adani Group stocks severely impacted portfolios, including those of Life Insurance Corporation of India (LIC). LIC's total investment in Adani group equities fell from Rs 81,268 crore on January 24, 2023, to Rs 62,621 crore on January 27, 2023, resulting in a notional loss of Rs 18,647 crore.”

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