

## **PRESS STATEMENT August 22, 2024**

### **Statement issued by All India Mahila Congress President and National Spokesperson Shri Alka Lamba**

PM Modi is using SEBI as fuel to save his 'Param Mitr's Tempo!

PM Modi and his A1 friend, Adani did everything possible to shield themselves from the MEGA ADANI SCAM! The demand for a Joint Parliamentary Committee (JPC) investigation by the Indian National Congress into the Adani Mega Scam goes far beyond the revelations made by Hindenburg Research's reports. Irregularities and wrongdoings relating to the Adani Group span every dimension of the political economy.

1. Misuse of India's investigative agencies to secure Adani monopolies in ports, airports, cement and other critical sectors. Modani's FDI policy: Fear, Deceit, Intimidation – Action & Result

a. Action: CBI raids NDTV offices, Founder Prannoy Roy's Home (6th June 2017)  
Result: Result Adani group Now Owns 64.71% stake in NDTV (6th March 2023)

b. Action: CCI Team Raids ACC, Ambuja Cement Offices (11th Dec 2020)  
Result: Adani Group Now the 2nd Largest Cement Player as Acquisition of Ambuja Cements (16th Sept 2022)

c. Action: ED Raids GVK Group Offices in Mumbai Airport (28th July 2020)  
Result Adani Airport Holdings Owns Nearly 98% Stake in GVK Airport Developers (14th July 2021)

d. Action: Income Tax Officials Raids the Quint's Office in Noida (11th Oct 2018)  
Result: Adani acquires 49% in Quintillion Business Media for Rs 48 Crore (27th March 2023)

e. Action: IT Officers Raid in Nellore Krishnapatnam Port (29th March 2018)  
Result: Adani Ports and SEZ completes Acquisition of Krishnapatnam Port (5th October 2020)

f. Action: UltraTech Cement (Kumar Mangalam Birla) Pips Adani in taking over India Cements (27th Jun 2024)

Result: 8 yrs into probe, CBI books Aditya Birla Group's Hindalco for 'corruption' (6th Aug 2024)

2. The extraordinary favouritism shown by government banks and entities, particularly the SBI and LIC in buying Adani shares was out in the open. They also provided credit to key projects, including the Adani copper plant at Mundra, the airport in Navi Mumbai, and the UP-Expressway Project.

Among the anchor investors in the Adani Enterprises FPO were LIC (that bid 299 crore), State Bank of India Employees' Pension Fund (bid 299 crore) and SBI Life Insurance Company (bid 125 crore). LIC and SBI participated in the FPO despite the fact that the market price had dropped far below the issue price, and already owning large chunks of Adani Group equity.

a. Were instructions issued to LIC and SBI to deploy the savings of crores of Indians to once again bail out the Adani Group?

- b. It's one thing to bail out public sector companies and quite another to use the savings of 30 crore loyal policyholders to enrich your friends, how did LIC make such a heavy allocation to the risky Adani Group that even private fund managers had steered clear of?
  - c. Is it not the duty of the government to ensure that vital public sector financial institutions are more conservative in their investments than their private sector counterparts?
3. Subordination of India's foreign policy interests to the needs of Adani Enterprises, at the cost of India's standing in the neighbourhood.

Bangladesh: Adani imports coal from Australia to generate power in Jharkhand and supply it to Bangladesh. It is the only company allowed to do so through a power purchase agreement which has been very controversial. Now the company has been permitted to sell that electricity in India itself.

Sri Lanka (Ports Terminal): On 20 September 2021, India secured a 35-year lease on Colombo's West Container Terminal. Sri Lankan cabinet spokesperson said that India had "nominated" Adani Ports as the partner. Sri Lankan Foreign Minister Ali Sabry described it as a "government-to-government" port project in a 5 March 2023 interview.

On what basis did the PM "select" and "nominate" Adani Ports for this government-to-government deal? Did any other Indian firms have the opportunity to invest?

Sri Lanka (Wind Power Project) : PM Modi also forced Sri Lanka to give Adani a contract for a 484 megawatt wind power project in Sri Lanka's Mannar district. The former head of the Ceylon Electricity Board, MMC Ferdinando, testified on 10 June 2022 before the Parliament of Sri Lanka that on 24 October 2021 "the President [Gotabaya Rajapaksa] summoned me after a meeting and said that India's Prime Minister Modi is pressuring him to hand over the project to the Adani Group." Although he retracted these comments under pressure, Ferdinando's comments completely exposed how the PM is forcing his cronies on neighbouring countries. On what basis was Adani nominated for this contract?

4. Handing over of India's strategic relationship with Israel to a single company, Adani

Ever since the PM's close friend Gautam Adani accompanied him on his July 2017 trip to Israel, he has been handed yet another monopoly. This one as part of the lucrative bilateral defence relationship. India has a number of startups and established firms that develop, manufacture and operate drones, including Hindustan Aeronautics and Bharat Dynamics. Yet, Israel's Elbit Systems was made to set up a joint venture to manufacture drones with the Adani Group that had no prior experience in this area.

The results are for all to see. The Adani Group has assembled four imported Hermes 900 drone kits — two each for the Indian Army and the Indian Navy — and renamed it the Drishti 10 Starliner. While manufacturing only the airframe of the drone, Adani has claimed that the indigenous content is 70%.

5. Coal and power equipment over-invoicing which has not only facilitated money-laundering and abnormal profits, but also raised the common citizen's electricity bills.

The Directorate of Revenue Intelligence (DRI) had found evidence that the Adani Group was siphoning out thousands of crores of rupees from India by over-invoicing coal imports. The PM

may have subsequently 'managed' the investigation and neutered the country's investigative agencies, but the truth has come out nonetheless. The Financial Times studied thirty Adani coal shipments between 2019 and 2021 amounting to 3.1 million tonnes. It found that the total cost declared in Indonesia, including shipping and insurance, was \$142 mn (Rs 1,037 crore) while the value declared to Indian customs was \$215 mn (Rs 1,570 crore). That amounts to a 52% profit margin, or the siphoning out of Rs 533 crore in only thirty shipments. Adani's Modi-made Magic is visible even in a low-margin business like coal trading.

6. Unregulated extension of leases over publicly owned assets to Adani Group at throwaway prices

a. Airport Handover: Despite objections from the NITI Aayog and Ministry of Finance, the Prime Minister handed over six airports to Adani Group.

b. Port Handover: Adani had become India's largest ports operator without engaging in any competitive bidding and with the help of government raids on owners of private ports — who miraculously decided to sell their assets thereafter to Adani. Adani has gone from 10% to 24% of total ports traffic in the past decade, and today controls a huge 57% of cargo volumes outside of India's government-owned "major ports". By brazenly handing control of a critical strategic sector to his close friend — one who faces serious accusations of criminality — the PM has made himself and India a global laughingstock.

The Hindenburg allegations do not refer to any of the above. Its allegations are limited to those that deal with the capital markets - stock manipulation, accounting fraud, and conflict of interest in regulatory agencies like SEBI. Hindenburg is only the tip of the iceberg. Only a JPC can investigate and unravel the true and full extent of this Modani mega-scam.

SEBI's Investigation & Quid-Pro-Quo?

☐ Excessive Delay: SEBI took 18 months instead of the Supreme Court-mandated two months to investigate serious allegations against Adani and it's still not complete.

☐ Conflict of Interest: Turns out SEBI chairperson was invested in funds that are part of the same family of 360 ONE funds that Vinod Adani, Chang and Ahli used to launder the proceeds of over invoiced power equipment to violate the very rules on ownership that SEBI was supposedly investigating.

☐ Transparency: A 2008 SEBI policy prohibits officials from holding an office of profit, and/or receiving salary or professional fees from other professional activities. The current SEBI Chairperson joined the regulator in 2017 and was appointed to the top position in March 2022. In those 7 years, her consulting firm, Agora Advisory Pvt Ltd in which Buch has 99% shareholding, earned a revenue of Rs 3.71 crore (\$442,025), according to public documents. The Chairperson, in her statement, said that the consultancy firms had been disclosed to Sebi and that her husband used these firms for his consulting business after retiring from Unilever in 2019. ☐ However, according to company records for the financial year ending March 2024, the SEBI Chairperson still holds shares in the consulting firm. She was therefore possibly sharing in the profits from the firm, which as noted previously, violates SEBI's 2008 policy.

☐ Reputation Damage: SEBI's delayed and compromised actions have damaged its reputation and put crores of small investors at risk.

☐ The Vice President of India accused INC of destabilizing our markets by talking about Hindenburg. Is he accusing the Supreme Court of destabilizing our markets? It is the SC that set up an Expert Committee and directed SEBI to complete its investigation into 24 financial irregularities following the Hindenburg report.

The questions asked by Shri Rahul Gandhi on the SEBI-angle in the Adani-Mega Scam remain unanswered –

1. Why hasn't SEBI Chairperson Madhabi Puri Buch resigned yet?
2. If investors lose their hard-earned money, who will be held accountable—PM Modi, the SEBI Chairperson, or Gautam Adani?
3. In light of the new and very serious allegations that have surfaced, will the Supreme Court look into this matter suo moto once again?