

## **MEDIA STATEMENT**

### **RELIANCE GROUP SAYS ILLEGAL, MOTIVATED AND UNWARRANTED ACTIONS BY L&T FINANCE AND EDELWEISS GROUP RESPONSIBLE FOR NEARLY 55% DROP IN MARKET CAPITALISATION IN JUST 4 TRADING DAYS**

### **CAUSED HUGE LOSSES TO RELIANCE GROUP'S OVER 72 LAKH RETAIL AND INSTITUTIONAL DOMESTIC AND FOREIGN INVESTORS**

**Mumbai, February 8, 2019:** A few NBFCs, substantially L&T Finance and certain entities of Edelweiss Group, have invoked pledge of listed shares of Reliance Group and made open market sales of the value of approx. Rs. 400 crore from 4.2.2019 to 7.2.2019.

The illegal, motivated and wholly unjustified action by the above 2 groups has precipitated a fall of Rs. 13,000 crore, an unprecedented nearly 55%, in market capitalisation of Reliance Group over just these 4 short days, causing substantial losses to 72 lakh institutional and retail shareholders, and harming the interests of all stakeholders.

#### **As legally advised, Reliance Group states:**

1. The purported exercise of rights to enforce the security is illegal and excessive, and against the process and requirements of the respective borrowings' documentation.
2. The above seller entities are regulated by RBI and/or SEBI and required to act within the strict parameters of the regulatory framework.
3. The manner of conduct of the above open market sales, without any attempts whatsoever at orderly market disposal through a bid or structured process for shares comprising the holding of the promoter group, is also illegal on several counts, including amongst others, price manipulation, insider trading, front running and market abuse, and is in violation of various regulatory provisions, including inter alia the SEBI (Prohibition of Fraudulent and Unfair Trade Practices), Regulations, which are applicable to all persons (including NBFCs) dealing in listed securities, whether on invocation of pledge or otherwise.
4. Reliance Capital Ltd., Reliance Infrastructure Ltd. and Reliance Power Ltd. (and their various subsidiaries) are performing satisfactorily on all operating parameters, and there is no change whatsoever on any aspect as compared to the position prevailing prior to these sales.

5. Reliance Communications has announced plans for debt resolution through NCLT (and not liquidation as mistakenly reported by select media), for the reasons stated in its enclosed media releases dated 1.2.2019 and 3.2.2019. There is no adverse impact of this unrelated RCOM proposal on Reliance Capital Ltd., Reliance Infrastructure Ltd. and Reliance Power Ltd.


The above statement is being made in public and investor interest, as Reliance Capital Ltd., Reliance Infrastructure Ltd. and Reliance Power Ltd., and the aforesaid seller entities, L&T Finance and Edelweiss Group, are all listed entities.

**About Reliance Capital Limited**

[www.reliancecapital.co.in](http://www.reliancecapital.co.in)

Reliance Capital Limited, a part of the Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of MSCI Global Small Cap Index.

Reliance Capital has interests in asset management and mutual funds; life, health and general insurance; commercial and home finance; stock broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services.

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**For media queries, please contact:**

Arijit De

Arijit.De@relianceada.com

+91 8291112119