

## Lenders demand more collateral from Reliance Group's promoter entities

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Dev Chatterjee & Jash Kriplani | Mumbai February 13, 2019 Last Updated at 00:40 IST



*Reliance Group Chairman Anil Ambani leaves after appearing before the Supreme Court in connection with a contempt petition | Photo: PTI*

Lenders including private banks and mutual funds have asked Anil Ambani-controlled Reliance Group's promoter entities to put more collateral on the table to secure their Rs 6,000-crore exposure. The margin calls first started in October last year when the Reliance Power stock began showing signs of weakness, according to a lender.

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The Anil Ambani group alleged last week that two of the 11 lenders — L&T Finance Holdings

and Edelweiss — invoked the pledge and sold the company’s shares “illegally”, triggering a domino effect. The maximum fall in the group’s shares has been witnessed since early this month, after Reliance Communications declared it would move the National Company Law Tribunal (NCLT) for debt resolution.

# IN TROUBLED WATERS

BSE price in ₹

	Sep 28, 2018	Feb 12, 2019	% chg
Reliance Infra	299.3	112.3	-62.5
Reliance Capital	281.9	136.5	-51.6
Reliance Nippon Life	172.2	157.4	-8.6
Reliance Power	25.9	10.8	-58.5
Reliance Naval	12.1	8.6	-28.3
Reliance Comm	11.9	5.6	-52.8
Reliance Home Finance	49.4	24.3	-50.8

Compiled by BS Research Bureau Source: Exchange

“There was a meeting on February 6 between lenders and Reliance Group officials about additional cover. The group promised additional cover and we are still awaiting a response from them,” said an executive of one of the lenders on Tuesday.

Apart from L&T Finance and Edelweiss, STCI Finance also offloaded Reliance Group shares to recover part of their loans to the group.

An email sent to Reliance Group did not elicit any response. Calls made to the STCI Finance office went unanswered.

“The margin call notices have gone in accordance with the agreements signed by the company. We would certainly like to know where the money was invested by these group entities,” said the executive.

On Monday, Reliance Group sent another letter to the Securities and Exchange Board of India (Sebi), seeking immediate ban on various entities of the Edelweiss group from all capital market and related activities. It has called for action against Edelweiss Commodities Services, ECL Finance, Edelweiss Special Opportunities Fund, and Edelweiss Credit Opportunities Fund for selling the pledge shares of the group companies and also selling in futures segment.