

SEBI FINES RIL FOR DELAYED FACEBOOK DEAL DISCLOSURE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Capital Market & SEBI

The Securities and Exchange Board of India (SEBI) on Monday fined Reliance Industries Ltd. (RIL) and two of its compliance officers for violating fair disclosure norms during Facebook's \$5.7 billion investment in its digital unit.

In April 2020, Meta's Facebook invested \$5.7 billion in RIL's Jio Platforms, aiming to allow WhatsApp to offer payments services to millions of small businesses. The deal helped billionaire Mukesh Ambani's RIL slash its heavy debt load.

'Newspaper reports'

SEBI said RIL did not disclose the deal even after newspaper reports in March 2020 published price-sensitive details about the imminent investment that led to a spike in its shares.

"When the bits of (unpublished price-sensitive information) that then became selectively available the company abdicated its responsibility to verify and come clean on the unverified information that was floating around," SEBI said in its order late on Monday.

The regulator imposed a penalty of Rs. 3 million (\$38,522) on Reliance and the two compliance officers.

Reliance abdicated its responsibility to verify and come clean on the information floating around

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