

Date : June 4, 2026

To,
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The Head – Surveillance Department,
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Sub.: Representation seeking review and recalibration of the Additional Surveillance Measure (ASM) framework for companies under the Insolvency and Bankruptcy Code (IBC).

The framework, as presently applied, is counter-productive and contrary to SEBI's objective of safeguarding public shareholders;

Predictable and mechanical price movements caused by the interaction of "once-a-week trading" with the $\pm 5\%$ price band, and the consequent harm to public shareholders.

Reference: (i) NSE Circular NSE/SURV/52368 dated 20.05.2022; (ii) NSE Circular NSE/SURV/55582 dated 10.02.2023; (iii) NSE Circular NSE/SURV/70074 dated 05.09.2025; (iv) NSE Circular NSE/SURV/73680 dated 09.04.2026; (v) BSE Notice No. 20260409-46 dated 09.04.2026 and the BSE "Surveillance framework for companies under IBC" Annexure.

Respected Sir/Madam,

1. Background

Reliance Infrastructure Limited ("the Company") is a company whose equity shares are listed and traded on BSE Limited and the National Stock Exchange of India Limited, and which is presently subject to the Additional Surveillance Measure framework applicable to companies relating to the Insolvency Resolution Process (IRP) under the Insolvency and Bankruptcy Code, 2016 (the "IBC ASM framework").



We write this representation in the **larger interest of the Company's 7 lacs public shareholders**, who form a substantial portion of the shareholding. The Company has received a significant number of representations and complaints from **shareholders who are adversely and disproportionately affected by the manner in which the IBC ASM framework currently operates**. We submit that a specific design feature – the combination of “once-a-week trading” with a narrow $\pm 5\%$ price band – produces price outcomes that are mechanical and entirely predictable, that bear no relationship to the fundamentals of the Company, and that defeat the very investor-protection objective the framework is intended to serve.

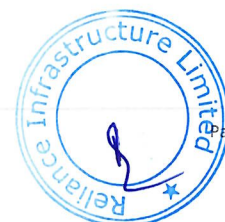
At the outset, it is respectfully submitted that the ASM action has been triggered notwithstanding a subsisting stay of the insolvency proceedings, and at a time when the Company is not, in fact, under the control of any insolvency professional. By order dated 4 June 2025, the Hon'ble National Company Law Appellate Tribunal, New Delhi (“NCLAT”) suspended the order dated 30 May 2025 passed by the Hon'ble National Company Law Tribunal, Mumbai in C.P. (IB)/624(MB)2022 admitting the Company into the Corporate Insolvency Resolution Process (CIRP); and by its further order dated 18 July 2025, the NCLAT stayed the said admission order and the CIRP against the Company. Both developments were duly disclosed by the Company to the Stock Exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Despite the subsisting stay, the IBC ASM framework has nonetheless been triggered against the Company. Consequent upon the stay, no Resolution Professional / Interim Resolution Professional has taken over or assumed management of the Company; the powers of the Board of Directors have not been suspended; and the Company continues to be managed and run, in the ordinary course, by its duly constituted Board of Directors. The Company therefore respectfully submits that the application of an insolvency-linked surveillance action – with its attendant mechanical and predictable price impact – to a company that is not, as a matter of fact and law, under an active CIRP, is itself anomalous and warrants reconsideration.

2. The applicable surveillance actions

Under the IBC ASM framework for non-derivative securities, the relevant surveillance actions broadly operate at three levels that are material to this representation:

- **Entry level (“Stage 0” / Receipt of disclosure):** Daily trading is permitted, but on a Trade-to-Trade (gross settlement) basis, with a $\pm 5\%$ price band and 100% margin with effect from T+2.
- **Stage I:** In addition to gross settlement, $\pm 5\%$ price band, 100% margin and an Additional Surveillance Deposit (ASD of 100% of trade value), trading is permitted only **once a week**.
- **Stage II:** All of the Stage I actions continue to apply – gross settlement, $\pm 5\%$ price band, 100% margin, ASD of 100% of trade value and trading only **once a week** – and, in addition, **no upward movement of price is permitted**. In effect, in Stage II the scrip can only stay flat or move down within the $\pm 5\%$ band; it cannot rise.



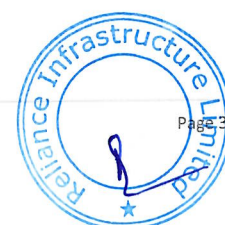
A scrip enters Stage I where the Close-to-Close Price Variation exceeds 25% in 5 trading days, OR 50% in 15 trading days, OR 100% in 30 trading days, OR 200% in 3 months; and it is reviewed for exit or movement on the last trading day of the month after a minimum of one month in the stage. The trigger criteria for Stage II are identical (Close-to-Close Price Variation greater than 25% in 5 trading days, 50% in 15 trading days, 100% in 30 trading days, or 200% in 3 months), the review being on a monthly basis; once in Stage II, the scrip is reviewed only for movement back to Stage I on the last trading day of the month after a minimum of one month in Stage II.

3. The grievance – demonstrated by the Company’s own price data

The Company moved into IBC Stage I (weekly trading, every Monday) with effect from 13 April 2026 and reverted to Stage 0 (daily Trade-to-Trade) with effect from 1 June 2026. The table below sets out the closing prices and market capitalisation over this period (Source: NSE traded data):

Date	Stage	Closing Price (Rs.)	% Change	Volume (No. of Shares)	Mkt Cap (Rs. Cr.)	Remark
09 Apr 2026	Stage 0	89.09	+5.00%	1,38,211	3,640	Last daily session; upper circuit
13 Apr 2026	Stage I	87.14	(2.19%)	27,43,870	3,561	Weekly trading begins
20 Apr 2026	Stage I	82.79	(4.99%)	4,14,574	3,383	Lower circuit
27 Apr 2026	Stage I	78.66	(4.99%)	11,77,308	3,214	Lower circuit
04 May 2026	Stage I	74.73	(5.00%)	9,79,460	3,054	Lower circuit
11 May 2026	Stage I	71.00	(4.99%)	3,10,180	2,901	Lower circuit
18 May 2026	Stage I	67.45	(5.00%)	4,27,014	2,756	Lower circuit
25 May 2026	Stage I	64.08	(5.00%)	4,55,343	2,619	Lower circuit
01 Jun 2026	Stage 0	67.28	+4.99%	24,01,763	2,749	Daily trading resumes; upper circuit
02 Jun 2026	Stage 0	70.64	+4.99%	4,24,428	2,887	Upper circuit
03 Jun 2026	Stage 0	74.17	+5.00%	1,29,896	3,031	Upper circuit
04 Jun 2026	Stage 0	77.87	+4.99%	10,31,429	3,182	Upper circuit

Note: Figures in parentheses denote a decline. Shaded rows denote daily (Stage 0) sessions.



The data discloses an unmistakable pattern:

- During Stage I, the scrip closed at or near the lower circuit (–5%) in six of the seven weekly sessions. **The price fell from Rs. 89.09 to Rs. 64.08 – a decline of approximately 28% – almost entirely in mechanical 5% weekly steps, with market capitalisation eroding by about Rs. 1,021 crore.**
- The decline occurred on negligible volumes (for instance, only about 4.27 lakh shares on 18 May 2026), i.e. the price moved downward without any meaningful price discovery or two-sided trading.
- Immediately on reversion to daily trading (Stage 0), the same scrip locked at the upper circuit (close to +5%) on four consecutive sessions (1 to 4 June 2026), on materially higher volumes (about 24 lakh shares on 1 June 2026) – demonstrating substantial pent-up, suppressed demand that the weekly-trading restriction had bottled up. Over these four sessions alone the scrip has risen from Rs. 64.08 to Rs. 77.87 (approximately +21.5% from the last Stage I close), recovering in days a substantial part of the value that the weekly mechanism had mechanically destroyed over several weeks.

4. Why the framework produces mechanical and predictable outcomes

4.1 Once-a-week trading plus a $\pm 5\%$ band manufactures serial circuit lock-ins. When all order flow for a scrip is compressed into a single weekly session, and where (as is common for a company under IBC) sentiment is one-sided, the scrip opens at the price-band limit and remains locked there. A genuine buyer has no incentive to buy at the lower circuit when (a) the position cannot be liquidated for a further week, and (b) the next available price is, with near-certainty, 5% lower. The result is a self-reinforcing, fully predictable decline of approximately 5% per session.

4.2 The Stage 0 \leftrightarrow Stage I oscillation is itself a feedback loop. On reversion to Stage 0, daily trading resumes with the same $\pm 5\%$ band. The suppressed demand causes the scrip to lock at the upper circuit (+5%) on successive days. Crucially, five consecutive upper-circuit sessions compound to roughly +27.6% – which exceeds the Stage I re-entry trigger of “greater than 25% in 5 trading days.” This is not merely theoretical: the scrip has already locked at the upper circuit on four consecutive sessions (1 to 4 June 2026), rising approximately +21.5% from the last Stage I close, such that a single further upper-circuit session would, by itself, breach the 25%-in-5-days threshold and mechanically re-trigger entry into Stage I. In other words, the framework’s own mechanical recovery in Stage 0 itself re-triggers entry into Stage I (and, on continued variation, potentially Stage II, in which no upward movement is permitted at all), where the scrip then mechanically declines again. This produces a predictable, self-perpetuating seesaw between Stage 0 and Stage I that is entirely an artefact of the framework, and not of any underlying corporate development.

4.3 Predictability is the opposite of orderly markets. Because the direction and magnitude of each move is foreseeable, the framework invites one-sided positioning and rewards those able to anticipate the mechanical move, while penalising ordinary investors who are simply locked in.



A measure intended to curb disorderly trading thus ends up engineering a different, equally undesirable, form of distortion.

5. Impact on public shareholders

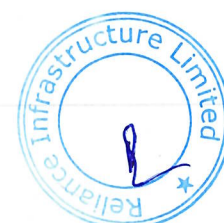
The cumulative effect on the Company's public shareholders – a large proportion of whom are retail – is severe and inequitable:

- **Shareholders are effectively trapped:** during the lower-circuit phase they cannot exit at any reasonable price, and the value of their holding erodes by a near-fixed percentage each week irrespective of fundamentals.
- **There is no genuine price discovery,** so the prevailing price ceases to be a fair reflection of value, distorting collateral values, margin obligations and portfolio valuations.
- **The mechanical destruction of approximately 28% of value over a few weeks,** followed by an equally mechanical rebound, causes real and avoidable loss and anxiety to investors who took no part in creating any "surveillance concern."
- The position becomes still more inequitable should the scrip be escalated to Stage II, under which no upward movement of price is permitted at all. In Stage II a trapped shareholder is denied even the mechanical recovery that Stage 0 would otherwise allow: the price may continue to drift down within the band but is barred from rising, so that the framework operates only in one direction against the public shareholder. Such a one-way restriction cannot be reconciled with the stated object of protecting investors and maintaining fair and orderly markets.

It is for these reasons that the Company has received numerous shareholder complaints, which we are duty-bound to escalate for the kind consideration of the Exchanges and the Board.

6. The framework's objective is not served in this fact pattern

As the Exchanges' own FAQs record, surveillance measures exist to alert and caution investors and to promote market integrity; shortlisting is expressly stated not to be an adverse action against the company. We respectfully submit that, on the present facts, the **once-a-week-plus-narrow-band design does not advance that objective – it instead manufactures a predictable price trajectory and inflicts loss on the very investors it seeks to protect.** Notably, the Stage 0 action (daily Trade-to-Trade with 100% margin, gross settlement and a $\pm 5\%$ band) already achieves the prudential aims of restricting leverage, ensuring full delivery and curbing intraday speculation, while still permitting orderly daily price discovery. The incremental "once-a-week" restriction therefore appears to add little surveillance value while causing disproportionate harm. In these circumstances, the framework as presently applied is, with respect, counter-productive and contrary to SEBI's objective of safeguarding the interests of public shareholders: instead of protecting them, it is the mechanism by which their wealth is being predictably eroded.



7. Suggestions and prayer

In light of the above, the Company most respectfully requests SEBI, BSE and NSE to kindly examine and consider revisiting and recalibrating the IBC ASM framework, including by way of the following measures:

1. **Reconsider the “once-a-week trading” restriction** and permit daily trading even within the IBC stages (retaining gross settlement, 100% margin, ASD and a price band as prudential safeguards), so that orderly price discovery can occur and shareholders are not locked out for a week at a time.
2. **If periodic trading is retained, introduce a periodic call-auction mechanism** for the trading session, and/or relax or widen the price band for that session, so that genuine two-sided price discovery takes place within a single session rather than being spread across serial circuit hits.
3. **Address the Stage 0 ↔ Stage I feedback loop** by ensuring that close-to-close price variation that is itself an artefact of the framework’s own $\pm 5\%$ circuit mechanics (for example, a recovery comprising consecutive upper-circuit sessions) does not, by itself, re-trigger entry into a higher surveillance stage.
4. **Provide a calibration or cooling mechanism** so that a scrip cannot oscillate between stages in a manner that produces predictable, foreseeable circuit-to-circuit swings.
5. **Consider a graded / wider price band for IBC scrips** during any restricted-trading phase, to prevent repeated lower-circuit lock-ins and the consequent illiquidity trap.
6. **Institute a dedicated investor-grievance and periodic-review mechanism** for scrips placed under the IBC ASM framework, given the disproportionate impact on retail shareholders.

8. Conclusion – request for urgent consideration

Our submission is limited and specific: that the present interaction of “once-a-week trading” and the $\pm 5\%$ price band produces mechanical, **predictable price movements that harm public shareholders without a commensurate surveillance benefit, and that the framework therefore warrants review and recalibration.**

We submit that this matter requires consideration on an **urgent basis**. Because the direction and magnitude of each price move are entirely foreseeable – a near-certain -5% on each weekly Stage I session and a near-certain $+5\%$ on resumption of daily trading – the framework, as presently designed, enables a limited set of market participants to position themselves around these predictable, almost risk-free swings and to make **windfall gains, effectively at the expense of, and to the detriment of, the ordinary retail shareholders** who remain locked in and watch the value of their holdings erode. Every additional cycle of the Stage 0 ↔ Stage I



oscillation transfers value from trapped retail investors to those able to anticipate the mechanical move. Each passing week therefore deepens the loss and the inequity, which is why we urge that the matter be examined and remedied without delay.

We thank you for your kind and urgent consideration.

Yours faithfully,

For Reliance Infrastructure Limited


Paresh Rathod
Company Secretary & Compliance Officer

