

“HSM issued a Press Release to clarify his role and intention with a view to minimize damage and losses to investors. He conveyed his offer to meet all his commitments after arriving at a correct picture with the authorities. He offered security pending resolving of all the issues so that panic is arrested.”

TRUE COPY

HARSHAD S. MEHTA

17th May, 1992

PRESS RELEASE

There are several press reports seeking to implicate me in several matters, some of which are not even connected to me. Multiple Government Agencies are investigating my business affairs and from the press reports it appears that my assets and bank accounts and stock exchange operations have been frozen. Financial systems, both the money and the capital markets are virtually paralyzed and investors have already suffered immense loss. To minimize a further aggravation of this situation and further loss to investors and the financial system, I wish to make the following statement :

(a) The prime issue is my ability and seriousness in meeting my commitments. In this regard, I wish to emphatically make it clear my intention to honour the commitments which may be established towards any individual / institution. The complexity of the business and the volume, number of players and periods may create a situation of uncertainty for a prolonged period. While the time-consuming legal processes may continue, I wish to make an offer to the concerned authorities and everybody concerned to convene a joint meeting to seek to arrive at a correct picture. I wish to make an offer to secure any commitments, so that normalcy to the functioning of markets can be restored at an early date and all speculations and doubts of my capacity and ability to meet commitments are put to rest.

(b) I have the highest concern for the investors who have been facing the trauma of melting of their wealth. There is no real reason to panic and precipitate it further. In my humble opinion, the long-term outlook of the country and the market is very bright and I have full faith

in my country's economy and Judicial system. My role in the situation is sought to be incorrectly projected beyond all reasonable proportions.

(c) Even the strongest of business houses would find it difficult to prevent a crisis if its bank accounts are suddenly frozen. I am doing my very best in the given set of circumstances to minimize the panic and loss to the investors. The panic created in the financial markets and investor's minds, however, has not helped matters. I have no intentions of running away from the situation or from the country. I re-emphasize to the investing community that the long-term investors have never lost money and time will bear out that India is a turn-around scrip in the global exchange.

(Harshad S. Mehta)