

# Karnataka Bank Ltd.

Your Family Bank, Across India

Regd. & Head Office  
P. B. No.599, Mahaveera Circle  
Kankanady  
Mangaluru – 575 002

Phone : 0824-2228182 Fax: 0824-2225588  
E-Mail : comsec@ktkbank.com  
Website : www.karnatakabank.com  
CIN : L85110KA1924PLC001128

## SECRETARIAL DEPARTMENT

05.06.2020

HO: SEC: 40: 2020-21

To:

1. The Manager

Listing Department

**National Stock Exchange Of India Limited**

Exchange Plaza, C-1, Block G

Bandra-Kurla Complex

Bandra (E), Mumbai-400051

2. The General Manager

**BSE Limited**

Corporate Relationship Dept

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai-400001

Scrip Code: KTKBANK

Scrip Code: 532652

Dear Sir/Madam,

**Sub: Reporting of Fraud to RBI reg.**

Pursuant to Regulation 30 of SEBI (LODR) Regulations, we wish to inform that:

- Dewan Housing Finance Corporation Limited (DHFL)**, (Defaulted entity) (Scrip Code: NSE-DHFL, BSE- 511072) dealing with us since 2014 had availed various credit facilities under Consortium Arrangement wherein, we were one of the member banks. In view of Early Warning Signals (EWS) in the conduct of the account and other developments, the account was Red Flagged on November 11, 2019. The borrowing account was classified as Non-Performing Asset on October 30, 2019 and now, for misappropriation & criminal breach of trust & diversion of funds in the credit facilities extended earlier to the company, a fraud amounting Rs.180.13 crore has been reported to RBI.
- Religare Finvest Ltd.(RFL)**, (Defaulted entity, having its bonds listed in BSE Ltd) dealing with us since 2014 had availed various credit facilities under Consortium Arrangement wherein, we were one of the member banks. The borrowing account was classified as Non-Performing Asset on October 30, 2019. On the basis of forensic auditor's report submitted to the Consortium, some of the member banks have reported to the Reserve Bank of India (RBI) regarding fraud in the borrowing account. Accordingly, we have reported to RBI a fraud amounting to Rs.43.44 crore in the credit facilities extended earlier to the aforesaid borrowing account, on account of diversion of funds.
- Leel Electricals Ltd.** (Defaulted entity) (Scrip Code: NSE–LEEL, BSE-517518) dealing with us since 2012 had availed various credit facilities under Consortium Arrangement wherein, we were one of the member banks. The borrowing account was classified as Non-Performing Asset on March 17, 2019. On the basis of draft forensic audit report submitted to the Consortium, one of the member banks has reported to the Reserve Bank of India (RBI) regarding fraud in the borrowing account. Accordingly, we have reported

to RBI a fraud amounting to Rs.20.65 crore in the credit facilities extended earlier to the aforesaid borrowing account, on account of diversion of funds.

**In all the above referred three non-performing accounts, necessary provisions have been made in full to be spread across four quarters in terms of RBI circular dated April 18, 2016.**

- 4. Fedders Electric and Engineering Limited (RFL), (Defaulted entity) (Scrip Code: NSE – FEDDERELEC, BSE-500139) dealing with us since 2009 had availed various credit facilities under Consortium Arrangement wherein, we were one of the member banks. The borrowing account was classified as Non-Performing Asset on July 12, 2018. On the basis of transaction audit report submitted to the Consortium, one of the member banks has reported to the Reserve Bank of India (RBI) regarding fraud in the borrowing account. Accordingly, we have reported to RBI a fraud amounting to Rs.41.30 crore in the credit facilities extended earlier to the aforesaid borrowing account, on account of diversion of funds. **However, the said account has already been fully provided for.****

For your kind information and records.

Thank You,  
Yours faithfully,

  
Prasanna Patil  
COMPANY SECRETARY