

June 07, 2020

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400051

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

Scrip Symbol: RELIGARE

Scrip Code: 532915

Subject: Statement submitted by Religare Finvest Limited, subsidiary company in response to the Stock Exchange Disclosure letter dated June 5, 2020 by Karnataka Bank Limited (KBL) regarding reporting of fraud with the RBI

Dear Sir(s),

Please find enclosed the statement (Annexure -1) submitted by Religare Finvest Limited, subsidiary company in response to the disclosure letter dated 5 June 2020 made to the Stock Exchanges by Karnataka Bank Limited (KBL) with respect to the reporting of fraud with the Reserve Bank of India.

This is for your information and records.

Thanking you,

Yours truly,

For Religare Enterprises Limited



Reena Jayara
Company Secretary



Encl: as above

Statement from Religare Finvest Limited (Annexure I)

New Delhi, 7th June 2020: Religare Finvest Limited (RFL) has come across exchange disclosure letter dated 5 June 2020 by Karnataka Bank Limited (KBL) made under Regulation 30 of Securities and Exchange Board of India (SEBI) (LODR) Regulations. In the said disclosure letter, KBL has stated that it has reported fraud in RFL's account, to the Reserve Bank of India (RBI), amounting to INR 43.44 crores in the credit facilities extended to RFL's account.

RFL would like to put it on record that contrary to the aforesaid reporting of RFL's account as fraud, RFL is itself a victim of fraud. RFL has not committed any fraud on any of its lenders, including KBL. Pertinently, pursuant to a forensic audit, SEBI in its interim order dated 14 March 2019, found that funds have been diverted from RFL by the erstwhile promoters. RFL has also initiated various legal proceedings against its erstwhile promoters and their associates for restitution of funds siphoned away from RFL. Pursuant to initiation of such proceedings, the erstwhile promoters and their associates have been arrested by the Economic Offences Wing, Delhi Police, as well as the Directorate of Enforcement. RFL is diligently pursuing all its remedies in this regard.

It appears that the mandatory procedure laid down by RBI in its Master Directions, for declaring an account as fraud, has not been followed by the bank/s. Therefore, the decision seems to be arbitrary and contrary to RBI's Directions. Classification of RFL's account as fraud by KBL is contrary to law and in complete violation of the principles of natural justice. No opportunity for a hearing was provided to RFL by KBL before reporting a fraud in RFL's account(s). Religare Finvest Limited will pursue all available remedies against the unilateral action of reporting fraud in RFL's account(s) taken by KBL.

About Religare Finvest Limited:

Religare Finvest Limited (RFL) is a non-deposit taking, systemically important Non-Banking Finance Company, registered with the Reserve Bank of India. RFL is a wholly owned subsidiary of Religare Enterprises Limited (REL), created to power the growth of SMEs, the backbone of India's economy. Ably guided by its highly experienced and professional management team, RFL has been charting a steady course and ensuring health of the company remains in top form, nurturing it with a long term vision. Find out more at www.religareinvest.com