

December 19, 2018

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001  
BSE Scrip Code: [947888]

**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor  
Plot no. C/1, C-Block  
Bandra-Kurla Complex, Bandra (E), Mumbai -  
400 051

Dear Sir/Madam,

**Subject: Disclosure under Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)**

Religare Finvest Limited (RFL) along with Religare Enterprises Limited (REL/Parent company) yesterday filed a complaint with the Ministry of Corporate Affairs (MCA) against the promoters of REL Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh as well as REL's former CMD, Mr. Sunil Godhwani, Mr. N.K. Ghoshal, the directors and officers of the entities owned and controlled by the promoters and other unknown persons seeking investigation into various suspicious transactions undertaken at REL and its subsidiaries.

The complaint was filed basis internal inquiries (including an independent forensic review) undertaken by the new RFL Board and management. REL was controlled by Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh until February 2018. Post their exits from the Board of REL in February 2018, the Boards of REL and RFL have been re-constituted. Pursuant to reconstitution, the REL & RFL Boards now consists of professionals widely recognized in their respective fields, who are unconnected to the promoters. The reconstituted Boards have appointed a new professional management to manage the affairs of REL and its subsidiaries.

Through enquiries undertaken by the new board and management at RFL, it has discovered various suspicious transactions through which it appears that Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh in collusion with Mr. Sunil Godhwani and their other associates caused REL and its subsidiaries to enter to various illegal transactions possibly to siphon away the funds of REL and its subsidiaries. Suspicious transactions discovered by the new Board and management of REL/RFL through the internal investigations include:

- Possible siphoning and misappropriation of funds of REL and its subsidiaries amounting to INR 2,230 Crores in aggregate through loans to entities that are controlled by, connected to or known to the promoters or their associates, which then deliberately defaulted on such loans; and
- illegal issuance and redemption of preference shares in REL to benefit promoter group entities to give an undue gain to the promoters of approx. INR 290 Crores.

In the complaint, REL and RFL have sought a detailed investigation of the matter through a specialized agency such as the SFIO.

Further disclosures in relation to the above are as follows:

1.	Nature of Fraud	Please see description above.
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Religare Finvest Limited

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2.	Estimated Impact on the Listed Entity	Provisions against these have already been made at respective entities; hence there is no adverse effect of the same.
3.	Time of Occurrence	2008-2017
4.	Person(s) Involved	(a) the 'promoters' of REL, including Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh; (b) directors and other officers of the promoter companies and directors and other officers of entities owned / controlled by/ associated with the promoters; (c) Mr. Sunil Godhwani, who held various key managerial positions at REL from time to time, including that of Chairman and Managing Director from 2010 till 2016, prior to which he was Executive Director from 2006 onwards; (d) Mr. N.K. Ghoshal, longtime associate of promoters; and (e) other unknown persons (who are associates of the 'promoters' and aided and abetted such acts of the promoters).
5.	Estimated Amount Involved (if any)	Currently estimated at INR 2,520 Crores in aggregate.
6.	Whether Such Fraud/Default/Arrest has been Reported to Appropriate Authorities	REL and RFL have filed a complaint with the Ministry of Corporate Affairs under the Companies Act, 2013 including without limitation under Section 210, Section 212 and Section 447 of the Companies Act, 2013.

RFL will continue to cooperate with and render necessary assistance in the ongoing investigations in the matter. Further updates if any, shall be provided.

Thanking you,

Yours truly,

**For Religare Finvest Limited**




**Punit Arora**

**Company Secretary**