

FIRST INFORMATION REPORT
(Under Section 154 Cr.P.C.)

(धारा 154 दंड प्रक्रिया संहिता के तहत)

1. **District (ज़िला):** EOW DELHI **P.S.(थाना):** ECONOMIC OFFENCES WING **Year(वर्ष):** 2019 **FIR No(प्र.सू.रि.सं.):** 0050 **Date (दिनांक):** 27/03/2019

2. **Act(s)(अधिनियम)** **Section(s)(धारा(एँ))**
1 IPC 1860 409/420/120B

3. **Occurrence of offence (अपराध की घटना):**

(a) **Day(दिन):** INTERVENING DAY **Date From(दिनांक से):** 01/01/2017 **Date To(दिनांक तक):** 27/03/2019
Time Period (समय अवधि): **Time From (समय से):** 00:00 hrs **Time To (समय तक):** 00:00 hrs

(b) **Information received at P.S.(थाना जहां सूचना प्राप्त हुई):** **Date(दिनांक):** 27/03/2019 **Time (समय):** 20:30 hrs

(c) **General Diary Reference (रोजानामचा संदर्भ):** **Entry No.(प्रविष्टि सं.):** 008A **Time (समय):** 20:43 hrs

4. **Type of Information (सूचना का प्रकार):** WRITTEN

5. **Place of Occurrence (घटनास्थल):**

(a) **Direction and Distance from P.S (थाना से दूरी और दिशा):** N/A, 3 KM(s) **Beat No(बीट सं.):** 00

(b) **Address(पता):** NEHRU PLACE, NEW DELHI

(c) **In case, Outside the limit of the Police Station (यदि थाना सीमा के बाहर हैं):**

Name of P.S(थाना का नाम): **District(ज़िला):**

6. **Complainant / Informant (शिकायतकर्ता/सूचनाकर्ता):**

(a) **Name(नाम):** MR MANPREET SINGH SURI SR. MANAGER LEGAL AR OF RELIGARE

(b) **Date/Year of Birth (जन्म तिथि /वर्ष):** **Nationality (राष्ट्रीयता):** INDIA

(c) **Passport No.(पासपोर्ट सं.):** **Date of Issue (जारी करने की तिथि):** **Place of Issue (जारी करने का स्थान):**

(d) **Occupation (व्यवसाय):**

(e) **Address(पता):** 9TH FLOOR, PARAS TWIN TOWERS, GOLF COURSE ROAD,, SECTOR-54, GURGAON, HARYANA, 122002, INDIA

7. **Details of Known/Suspected/Unknown accused with full particulars(attach separate sheet if necessary)(ज्ञात/ संदिग्ध /अज्ञात अभियुक्त का पुरे विवरण सहित वर्णन):**

- MALVINDER MOHAN SINGH MMS

(R/O) 'VISTAS' - 26, MAULSARI AVENUE, WESTEND, GREEN FAR, RAJOKRI, NEW DELHI, DELHI, 110038, INDIA

- SHIVINDER MOHAN SINGH SMS

(R/O) 1, SOUTHEND LANE, NEW DELHI, DELHI, 110001, INDIA

- SUNIL GODHWANI

(R/O) A-2, INAYAT FARM, FATEHPUR BERI,, P.O. MEHRAULI, NEW DELHI, DELHI, 110030, INDIA

- NK GHOSHAL AND OTHERS

(R/O) HOUSE NO - 47, SECTOR – 7A, FARIDABAD, HARYANA, 121001, INDIA

8. Reason for delay in reporting by the complainant/informant (शिकायतकर्ता / सूचनाकर्ता द्वारा रिपोर्ट देरी से दर्ज कराने के कारण):

NO DELAY

9. Particulars of properties stolen/involved (attach separate sheet if necessary) (संबन्धित सम्पत्ति का विवरण):

SL.No. (क्र.सं.)	Property Type(Description)	Est. Value(Rs.)(मूल्य (रु में))	Status
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10. Total value of property stolen (चोरी हुई सम्पत्ति का कुल मूल्य):**11. Inquest Report / U.D. Case No., if any (मृत्यु समीक्षा रिपोर्ट / यू.डी. प्रकरण न., यदि कोई)****12. F.I.R. Contents (attach separate sheet, if required)(प्रथम सूचना रिपोर्ट तथ्य):**

18 December, 2018 By Hand / Registered Post A.D. / Email The Special Commissioner Economic Offences Wing, Delhi Police Police Headquarters, M.S.O. Building I.P. Estate, New Delhi – 110002 Email: splcp.eow@delhipolice.gov.in Also at: Economic Offences Wing Mandir Marg New Delhi – 110001 Subject: Complaint against the Accused Persons for various criminal actions committed by the Accused under the Indian Penal Code, 1860 including the offence of cheating, criminal breach of trust, misappropriation, forgery and criminal conspiracy Dear Sir, I. I. Manpreet Singh Suri, the authorized representative of Religare Finvest Limited (RFL / the Complainant Company), by way of this Complaint, wish to bring to your notice certain acts by which the Complainant Company has been cheated and its properties / value worth hundreds of crores have been misappropriated, siphoned off and diverted through a labyrinth of financial transactions. II. The facts mentioned below disclose a well thought out and organized criminal conspiracy by which a financial scam of huge magnitude has been effected by the Accused Persons namely (a) the 'promoters' of Religare Enterprises Limited (REL), including Mr. Malvinder Mohan Singh (MMS), resident of 'Vistas' - 26, Maulsari Avenue, Westend, Green Farm, Rajokri, New Delhi – 110038; and Mr. Shivinder Mohan Singh (SMS), resident of 1, Southend Lane, New Delhi, 110001; (b) directors and other officers of entities owned / controlled / associated with the promoters; (c) Mr. Sunil Godhwani (SG) resident of A-2, Inayat Farm, Fatehpur Beri, P.O. Mehrauli, New Delhi – 110030 (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 (a longtime associate of SMS and MMS) resident of House No - 47 Sector – 7A, Faridabad – 121001; and (e) other unknown persons (who are associates of the 'promoters' and aided and abetted such acts of the promoters). III. The properties of the Complainant Company which have been siphoned away through a labyrinth of financial transactions may kindly be traced and restituted to the Complainant Company. A copy of the Power of Attorney dated 7-June-2017 authorizing the undersigned to file the present complaint is annexed herewith and marked as ANNEX 1. A list of the promoters of REL is annexed herewith and marked as ANNEX 2. The relevant facts are as below: 1. The Complainant Company is registered with the Reserve Bank of India (RBI) and is licensed to undertake the business of financial services as a non-deposit taking/ lending Non-Banking Financial Company (NBFC). It operates as a small and medium enterprise (SME) financing focused NBFC and is in the business of extending SME working capital loans, secure SME business expansion, loans, short term trade finance and other loans to various entities. The Complainant Company is classified as a 'systematically important NBFC' by the RBI and is a subsidiary of REL, which is a public company, listed on stock exchanges. 2. SMS and MMS along with the entities controlled by them and with persons acting in concert with them owned the majority shareholding of REL till June 2017 and were as such classified as the promoters of REL. Effectively however, SMS and MMS continued to control REL till February, 2018, i.e., till the time they remained on the Board of Directors of REL and thereby, since the Complainant Company was a subsidiary of REL, SMS and MMS also controlled the Complainant Company. SMS and MMS played a significant role in the management and conduct of affairs of the Complainant Company and exercised deep and pervasive control over its management. 3. SG was appointed as the Executive Director of REL on 13 July 2006 and held various executive positions (including that of the CEO of REL) till August 2017. Importantly, SG was appointed as the Chairman and Managing Director of REL on April 8, 2010 and continued as such till his resignation. Thereby also, SG played a significant role in the management and conduct of affairs of the Complainant Company. SG is a close associate of SMS and MMS and colluded with them and abetted the siphoning of REL's and its subsidiaries' funds. REL is of the belief, which belief is also shared by the Complainant Company particularly in respect of its own business, that SMS, MMS and SG have colluded and siphoned off funds from REL and its subsidiaries, which include the Complainant Company, and committed corporate fraud. As such, REL and the Complainant Company have filed a separate complaint with the Ministry of Corporate Affairs for an investigation into the said corporate fraud. 4. SMS and MMS and SG, by virtue of their shareholding (SMS's and MMS's) and control in REL (including by way of SG's key executive positions), a parent of the Complainant Company, exercised complete control over the Complainant company and remained on the board of directors of the Complainant Company. A list of the directors of the Complainant Company at various points of time is annexed hereto and marked as ANNEX 3. The Accused Persons had conspired and done all actions together and in concert with each other to the detriment of the Complainant Company and its shareholders. As such each and every person is responsible and therefore an officer in default and in the knowledge of all the facts mentioned below. 5. SMS and MMS lost complete control over REL and its subsidiaries, including the Complainant Company, pursuant to invocation of the shares pledged by them and other promoter entities with various banks in February, 2018. Pursuant to the decline of the promoters' shareholding in REL and SMS's and MMS's exit from the Board of Directors of REL (Board), the same (was reconstituted by the other shareholders. Pursuant to reconstitution, Board consists of professionals widely recognized in their respective fields, who are unconnected to the promoters. The reconstituted Board has appointed a new professional management to manage the affairs of REL and its subsidiaries. Upon taking over the reins, the new Board and management realized that REL and its subsidiaries were in terrible financial condition and they sought to ascertain the reason(s) for such bad financial position. 6. Internal inquiries showed that the poor financial condition of the Complainant Company was, to a large extent on account of willful defaults on significant unsecured loans, defined for internal purposes as the Corporate Loan Book (CLB), by borrower entities either related, controlled or associated with the promoters, all of who had been provided the subject loans from the Complainant Company on a non arms' length basis, in violation of corporate governance norms and in contravention of policies and prudential behavior expected of a NBFC registered with the RBI.

Further, on account of enquiries received from such authorities, the new management of REL/the Complainant Company became aware of the SFIO and SEBI investigation into various related party and non-arms' length transactions involving REL and its subsidiaries, including the Complainant Company. 7. From the review of the records, it is seen noted that RBI (being the regulator for NBFCS) had from time to time expressed concerns regarding the CLB portfolio of the Complainant Company. But these concerns were not addressed by the promoters. RBI had specifically raised concerns about the promoters using their influence for disbursal of high value unsecured loans to entities with no financial standing (but controlled or associated with the promoters) and breach of corporate governance norms. In fact, in its inspection report dated 06.01.2012 for the financial year ending March 2010, RBI observed that RFL had a practice of parking "a major chunk of surplus funds with the fellow subsidiary/ group companies/ other companies which were often bring used for taking positions in securities." The RBI further observed that "the appraisal, sanction, purpose of loan, disbursal report, periodic review, application from the borrowers requesting for limit enhancement, appraisal/rationale for limit enhancement and monitoring of such loans was not available on record." Separately, RBI pointed out that the aforesaid entities had linkages and cross shareholding. Copies of communications with RBI regarding the CLB book issue is annexed herewith and marked as ANNEX 4 (Colly.). 8. While the promoters promised to take corrective action, the promises did not translate into any tangible action and the exposure of the Complainant Company to such loans kept ballooning. Importantly, even though the shares of the promoters in REL were pledged, they kept assuring the RBI and REL that they would address the Complainant Company's CLB by ways, including sale of their shares in REL. It appears that over a period of 10 years, 115 entities were funded through the CLB book and the total amount funded was approx. Rs. 47,968 crores. The exposure under the CLB book peaked at approx. at Rs. 3,538.00 crores on 20 March, 2012. 9. It appears that on account of RBI pointing towards the CLB book as a risk area, the exposure around the time of quarterly reporting was managed but the disbursements were re-instated soon after. For instance: (a) On 30 June, 2012 the exposure from CLB book stood at Rs. 1738.50 crores, but on 3 July, 2012 it stood at Rs. 2772.10 crores (b) On 28 March, 2013, the CLB book exposure was at Rs. 2167.80 crores which was reduced to Rs. 1755.80 crores as on Mar 31st, 2013, but the same further rose to Rs. 2009.40 Crores on 2 April, 2013 (c) On 31 March 2012 the exposure was Rs. 1,791 crores, while on 30 March, 2012 it stood at Rs. 3,420 crores (d) On 28 September, 2012 the exposure on CLB book decreased from Rs. 2,867 crores to Rs. 1,783 crores but again increased to Rs. 2,844 crores on 4 October, 2012. 10. It is clear that the aforesaid was a concerted effort on the part of the promoters to not report the actual extent of the exposure on CLB (since at the time of reporting the exposure was mischievously brought down) and by doing this they concealed material facts from not only the RBI but also the general public shareholders. 11. It appears that MMS and SMS, in conspiracy with SG, being in control of the Complainant Company, caused it to give unsecured, high value purported loans to shell companies and related / known entities of MMS and SMS. The loans were given by the Complainant Company on the sole and express basis that these entities were known to MMS and SMS. Thus, as and when and pursuant to the instructions received from either MMS/SMS or SG, or their agents/nominees/associates, sums to the tune of hundreds of crores were disbursed by RFL at very short notice and at times without adequate documentation for the same (in many instances the documentation was created only subsequently and antedated – thus forged). The quantum of these loans today stands at an astronomical amount of Rs. 2,397 crores as principal amount and Rs. 415 crores as the interest amount. It is evident from the conduct of these entities that they never intended to repay these purported loans to RFL and defaulted on their obligations simultaneously with SMS's and MMS's exit from REL. 12. Some of the aforesaid loans are learnt to have been extended to entities which appear to be eventually controlled by the promoters of REL and entities which are known to and controlled by Mr. N.K. Ghoshal (NKG), a long time associate of the promoters. NKG has for long been the stock broker of SMS and MMS, and all borrower entities controlled by NKG had defaulted on the loans extended to them. As of today, 19 such entities (both controlled by NKG and the promoters) have defaulted on their borrowings from the Complainant Company. A list of these 19 entities which have defaulted on their financial obligations towards the Complainant Company is mentioned in the table annexed herewith and marked as ANNEX 5. 13. It appears that the CLB book was used as mechanism to fund promoter related companies. The funds were moved from the Complainant Company upon instructions of the promoters / their associates as and when required for investment and other purposes. The funds were never paid back and actually whenever any payment was due in these loans, either those loans were renewed for further tenure or were replaced by loans to some other group companies to repay the loan of existing promoter group company (circular movement of funds). In many instances, same company was funded with equal or higher amount on the day payment was received from it towards previous dues. It may be noted that it appears in some cases that ledger entries were done on the earlier dates but repayments were received on the same day or in a time span of 1-2 days when the same or some other companies were funded. Some of the facts are detailed hereunder for better understanding: (a) On 17 June, 2009, Rs. 34 crores were received in total from "Blue Line Finance", "GYS Real Estates", Ligare Aviation", "Ligare Voyage", "Linear commercial" and "Sharan Hospitality" and on the same very day, Rs. 54 Crores were funded to "Dion Global", "Religare Technova Business Intellect" and "Religare Technova IT Services". (b) On 17 August, 2009, Rs. 200 crores funded and repayment of Rs. 100 Cr received from "Religare Financial Consultancy". (c) On 30 March, 2010, Rs. 36 crores were extended to 9 companies and on the same day repayment of Rs. 32 crores was received from other 6 companies except "Ligare Aviation" from which repayment of Rs. 13 crores was received and to which Rs. 14 crores were extended on the same day. (d) On 31 January, 2011, repayment of Rs. 175 Crores received from "Adept Creation", "Leon Realtors", "SVIIT softwares" and "Vectra pharmaceuticals" and on the very next day, i.e., on 1 Feb, 2011, Rs. 174 Crores were extended to "Ligare Aviation", "Oscar Investments", "Religare Comtrade", "RHDFC" and "RWL Health world". A copy of the internal report based on inquiries by the Complainant Company is annexed herewith and marked as ANNEX 6. 14. The Complainant Company's exposure on account of the CLB to the above mentioned related / friendly borrower entities is to the tune of Rs. 2397 crores. While the aforesaid transactions had been taking place for sometime by way of round-tripping of funds, the loans were purportedly serviced. However, it appears that when the promoters realised that they would lose control over REL and its subsidiaries (including the Complainant Company), they caused the Complainant Company to extend loans, but then wilfully defaulted on these loans. Due to the various defaults on account of the CLB book, RFL initiated legal proceedings under the Insolvency and Bankruptcy Code, 2016 against these entities in the NCLT. 15. Before the NCLT, 7 of the said borrower companies which had been extended loans under the CLB filed replies on solemn affirmation which shockingly is an admission of financial fraud, cheating, criminal breach of trust, money laundering, conspiracy and abetment in respect of the subject unpaid unsecured loans / CLB transactions. While these entities have intentionally tried to give vague replies, it is clear from all their replies that they knowingly were part of a criminal conspiracy to siphon away funds to the

tune of hundreds of crores from the Complainant Company. It is believed by the Complainant Company (on the basis of internal inquiries) that 5 of these entities – A&A Capital Services Limited (A&A); Shri Dham Distributor Pvt. Ltd. (earlier known as Abhiruchi Distributors Pvt. Ltd.) (ShriDham); Annies Apparel Pvt. Ltd. (Annies); Gurudev Financial Services Pvt. Ltd. (Gurudev); and Tara Alloys Limited (Tara) are related to and controlled by NKG. 16. The following submissions have been made by the aforesaid NKG controlled entities before the NCLT: 17. (a) A&A Capital Services Pvt. Ltd. A&A was used as a medium to transfer monies and was promised a fee for facilitating the transaction. It was an agreed understanding that the transaction money will not be demanded back. It is for the same reason that loans worth several crores were advanced to entities with authorised capital of Rs. 5,50,00,000/- and paid up capital of Rs. 5,49,95,000/- without any diligence, scrutiny, documentation or security and merely on the basis of a one pager document purportedly called as Memorandum of Understanding. Substantial sums were transferred to three entities, i.e., Vitobha Realtors Private Limited (Vitobha), Devera Developers Private Limited (Devera) and Best Health Management Pvt. Limited (Best), which are entities eventually controlled by SMS and MMS and they act as the alter egos of these companies. 17.1 It is evident from the above that A&A admits receipt of money; it admits that since inception of the transaction the intention was not to repay the loan to RFL, and conspiracy to divert the loan to third parties which allegedly used the monies to repay their loans to RFL. 17.2 As planned in the conspiracy, the loan advanced to A&A was never repaid, and it appears from A&A's reply that it colluded with entities like Artifice, Best, Vitobha and Devera to siphon away money from RFL, with the intention never to repay the said unsecured loan, and thereby causing a wrongful loss to RFL and ultimately to its shareholders. In the present case A&A's admission in its said reply admits to RFL being deceived and cheated by the directors / persons controlling A&A (which in addition to its directors at the relevant time is believed to be NKG) and allegedly by and in collusion with persons controlling Artifice, Best, Vitobha and Devera (which in addition to their directors are believed to be SMS and MMS) and persons in control of the management and affairs of RFL, including the erstwhile promoters. 17.3 It is pertinent to mention that at the time the loan was extended, SMS, MMS and SG were fully controlling RFL and were acting as its alter egos. Therefore, it is impossible that the aforesaid transaction was carried out without their knowledge and support. In addition to cheating, SMS, MMS and SG are also liable for the offence of criminal breach of trust since RFL and its shareholders had reposed their trust in the said erstwhile promoters and senior management of the parent entity REL and of RFL. In this context, it is pertinent to mention that RFL separately also extended loans cumulatively amounting to Rs. 120 crores to Vitobha, Best and Devera and even those loans have not yet been repaid, which is indicative of yet another set of fraudulent transactions intended to siphon monies from and cause wrongful loss to RFL, and its shareholders. (b) Tara Alloys Limited Tara admits that a loan amount of Rs 85 Crores was disbursed on 24.05.2017 by RFL to it taken as a Short Term Loan (for short "the STL") which carries an interest @14% p.a. The said loan of Rs. 85 Crore was to be repayable by the Respondent to the Petitioner. Tara alleged that the amount was transferred back to RFL on 24.05.2017 through intermediaries companies, allegedly at the behest of RFL to enable a repayment of loans obtained from it by other third parties, within hours of the receipt on the same day. It appears that upon obtaining the loan money from RFL, Tara transferred the same to some other entities and never intended to repay this loan to RFL. (c) Gurudev Financial Services Pvt. Ltd. Gurudev admits that the loan amount of Rs 100 Crores was disbursed on 24.05.2017 taken as Short Term Loan (for short "the STL") which carries an interest @14% p.a. The said loan of Rs. 100 Crore was to be repayable by 24.05.2017. Gurudev submits that the loan amount of Rs. 100 Crores obtained from RFL was further transferred to intermediaries companies, allegedly at the behest of RFL to enable a repayment of loans obtained from it by other third parties, within hours of the receipt on the same day. It appears from the documents annexed that Gurudev transferred the funds received from RFL to some other entities and never intended to repay the loan to RFL. (d) Annies Apparel Pvt. Ltd. Annies admits that the loan amount of Rs 100 Crore was disbursed on 01.02.2017 by RFL to it taken as Short Term Loan (for short "the STL") which carries an interest @14% p.a. The said loan of Rs. 100 Crore was to be repayable by Anniesto RFL on 31.01.2018. Annies submits that the loan amount of Rs. 100 Crores by the RFL was further transferred to intermediary companies, allegedly at RFL's behest to enable a repayment of loans obtained from it by other third parties, within hours of the receipt on the same day. It appears from documents annexed that the amount has been transferred further by Annies to other entities and never intended to repay the loan to RFL. (e) Shri Dham Distributors Pvt. Ltd. (earlier known as Abhiruchi Distributors Pvt. Ltd.) Shri Dham admits that the loan amount of Rs. 92.40 Crore was disbursed on 01.02.2017 by RFL to it as Short Term Loan (for short "the STL") which carries an interest @14% p.a. The said loan of Rs. 100 Crore was to be repayable by Shri Dham to RFL on 31.01.2018. Shri Dham submits that the loan amount of Rs. 92.40 Crore by RFL was further transferred to intermediaries companies, allegedly at the behest of RFL to enable a repayment of loans obtained from it by other third parties, within hours of the receipt on the same day. It appears from documents annexed to the reply that the amount has been transferred further by Shri Dham to other entities and Shri Dham never intended to repay this loan back to RFL. 17.4 It is pertinent to mention that the aforesaid entities (at serial no. (b) to (e)) are clearly connected and are acting as one economic unit. While internal inquiries point to the fact that they are controlled by NKG, the registered office address of the aforesaid entities is also the same, i.e., 2764/17, 2nd floor, Hamilton Road, Mori Gate, North Delhi, Delhi 110006. The plea adopted by the entities is also identical, i.e., funds disbursed by RFL were transferred to intermediary companies to enable a repayment of loans obtained from RFL by other third parties. 17.5 It is evident from the above that while these entities admit receipt of money and admit that since inception of the transaction(s) they never intended to repay the money back to the Complainant Company. Instead, as intended they transferred the money to certain intermediary companies. The loan(s) advanced to the aforesaid entities were never repaid, and it appears from their replies that they colluded with other entities and amongst themselves (since they are acting as a single economic unit, controlled by one person) to conspire and abet in the siphoning away of money from RFL, thereby causing a wrongful loss to RFL and its shareholders. In the present case it appears from their admissions that RFL was cheated by the directors / persons controlling these entities (mentioned at S. No. (b) to (e)) (which in addition to its directors at the relevant time is believed to be NKG) and the directors and persons controlling the so called intermediary companies to which the money was transferred, and allegedly in collusion and conspiracy with the erstwhile promoters and senior management of REL/RFL. 17.6 While the replies do not clearly mention the name of the intermediary companies, the documents annexed to the reply show transactions with many entities who have taken other loans from RFL under the CLB portfolio. It is pertinent to mention that at the time the loan was extended, SMS, MMS and SG were fully controlling RFL and were acting as its alter egos. Therefore, it is impossible that the aforesaid transactions were carried out without their knowledge and support and whenever the aforesaid entities mention the Complainant Company or its affiliates, they point to persons in management and control of RFL, including SMS, MMS and SG. In addition to cheating, SMS, MMS and SG are also liable for

the offence of criminal breach of trust since the Board of Directors of RFL was accustomed to act as per their advice and instructions and they thus exercised deep and pervasive control over RFL and its board. Further, they were the promoters of the Complainant Company and owe a fiduciary duty towards it and its shareholders. (f) Platinum Infrastructure Pvt. Ltd. It is believed on the basis of internal inquiries that Platinum is eventually controlled by SMS and MMS. Platinum admits that its bank account statements reveal that a sum of INR 109.30 crores was received by it, however, the said funds transferred from its account to another entity known as Prius Real Estate Limited. Prius Real Estate is also understood to be an entity controlled by SMS and MMS. (g) Modland Wears Pvt. Ltd. It is believed on the basis of internal investigations that Modland is an entity controlled by SMS and MMS. Modland admits receipt of money and alleged that it was a mere disbursement vehicle through which the RFL chose to advance moneys for its intended recipients. The limited benefit that augured to Modland and the reason as to why it agreed to become a vehicle in the action of RFL was that a small interest arbitrage was promised to it to act as a disbursement vehicle. Upon receipt of the instructions from RFL/Religare Enterprises Ltd. (REL), the holding company of the RFL, the said amount was deployed by the Respondent in the following manner at the specified interest rate:

Date of transfer	Company	Amount	Rate of interest
02.09.2016	Annies Apparel Pvt. Ltd.	95,50,00,000	14.10%
02.09.2016	Gurudev Financial Services Pvt. Ltd.	22,00,00,000	14.10%
02.09.2016	Torus Buidcon Pvt. Ltd.	3,93,00,000	14.60%
02.09.2016	Saubhagya Buildcon Pvt Ltd	18,56,50,000	14.45%
06.09.2016	ANR Securities Pvt Ltd	7,00,00,000	14.50%
07.09.2016	ANR Securities Pvt Ltd	10,00,00,000	14.50%

Total 155,00,00,000 The amount of INR 155,00,00,000/- disbursed by RFL to the Respondent was given to entities to enable them to repay their loan to RFL. The aforesaid NCLT petitions with annexures are annexed herewith and marked as ANNEX 7 (Colly.). The replies of the aforesaid 7 entities filed before the NCLT are annexed herewith and marked as ANNEX 8 (Colly.). Tables indicating all the transactions between the Complainant Company and the aforesaid 7 entities are annexed herewith and marked as ANNEX 9. 17.7 Modland, Platinum, Prius and ANR are entities controlled by SMS and MMS and they act as a single economic entity. The registered office of all these entities is D-3, District Centre, Saket. It is evident from the above that Modland and Platinum admit receipt of money and admit that since inception of the transaction they never intended to repay the money back to RFL. Instead, as intended they transferred the money to other entities (as mentioned above) which are controlled by SMS and MMS or by NKG. This is a clear case of cheating whereby RFL has been cheated and defrauded of hundreds of crores. 17.8 The loans advanced were never repaid, and it appears from the replies that these entities (through persons acting as their alter egos) colluded with entities like Prius, ANR, Annies, Saubhagya, Torus and Gurudev (through persons acting as their alter egos) to siphon away money from RFL, thereby causing a wrongful loss to RFL. In the present case it appears from the admissions in the replies that RFL was cheated by the directors / persons controlling all these entities. It is believed that NKG in addition to the directors, controlled A&A Capital Services Ltd.; Tara Alloys Limited; Shri Dham Distributors Pvt. Ltd.; Annies Apparel Private Limited; and Gurudev Financial Services Pvt. Ltd. Further, it is believed that SMS and MMS in addition to the directors controlled Platinum Infrastructure Pvt. Ltd. and Modland Wears Pvt. Ltd. Since there are admittedly cross transactions between entities controlled by NKG and entities controlled by SMS and MMS, it is reasonably believed that NKG, SMS and MMS conspired to siphon away RFL's assets and caused it a wrongful loss and made a wrongful gain for themselves. The RBI in its communications pointed out that there were linkages between the entities which had availed loans under the CLB portfolio and there was cross-shareholding as well. 18. It is pertinent to mention that at the time the loans were extended, SMS, MMS and SG were fully controlling RFL and were acting as its alter egos. Therefore, it is impossible that the aforesaid transaction was carried out without their knowledge and support. In addition to cheating, SMS, MMS and SG are also liable for the offence of criminal breach of trust. It appears that similar to the aforesaid loans, loans under the CLB portfolio had been advanced earlier over a period of time. Such loans were serviced for a considerable period of time through a process of ever-greening and round tripping to build confidence and a track record. Therefore, when the aforesaid loans were extended, they appeared to be part of the normal process. While the aforesaid has been discovered pursuant to internal inquiries, the same are inherently limited in scope. Therefore, a detailed investigation is required to uncover the entire gamut of the financial scam. 19. From the replies of the entities as described above it appears that through a complex maze of interconnected transactions, which are layered to prevent detection, the properties of the Complainant Company have been misappropriated. At this stage, the Company also deems it necessary to state that in the last few months, there have been several investigations/legal proceedings initiated by investigative authorities such as Securities and Exchange Board of India (SEBI), third parties and even SMS, which give a glimpse of the scheme adopted by MMS, SMS, SG and other unknown persons, for misappropriating the funds of the Company and their other group entities. The findings are briefly discussed below: (i) Interim Order passed by SEBI: After conducting a preliminary inquiry into MMS and SMS' group company, Fortis Healthcare Limited, on 17.10.2018, SEBI passed an Interim Order against 11 entities, including the Company (SEBI Interim Order). Pertinently, the Interim Order demonstrated how, in a structured movement, various companies related/controlled/owned by MMS and SMS were used by them as vehicles to route funds from Fortis Healthcare Limited. (ii) Petition filed by SMS: In September 2018, SMS filed a petition under Section 241 and 242 of the Companies Act, 2013 before the National Company Law Tribunal against MMS and SG (NCLT Petition). In this petition, SMS raised serious allegations of oppression and mismanagement against MMS and SMS. Particularly, SMS stated that during the period of 2016-2018, MMS and SG abused their position of influence and control and conducted the affairs of the Company in a manner prejudicial and oppressive to the Company by siphoning funds from the Company and its subsidiaries. This petition was eventually withdrawn. (iii) Serious Frauds Investigations Office (SFIO) Letter – A letter dated 28.2.2018 was issued by the SFIO to REL. In this letter, the SFIO intimated REL that the MCA has directed it to investigate the affairs of REL. Accordingly, the SFIO sought relevant information regarding the investments made and loans given by REL to its related companies from the financial year 2015-16 onwards. Pertinently, this communication only provided limited information and did not disclose the extent of SFIO's investigation. Needless to say, REL submitted all information and documents with SEBI and SFIO. (iv) SEBI Investigation - Immediately after the new management of REL was appointed and was in the process of conducting a preliminary review of the prior transactions entered into by MMS and SMS, on behalf of REL, with various other entities, the Company received a letter dated 22.02.2018 from SEBI requesting REL to co-operate in relation to an investigation in the matter of the Company. In this letter, SEBI sought factual data and information from the Company pertaining to the REL's associates and subsidiaries. A copy of the Interim Order passed by SEBI is annexed herewith and marked as ANNEX 10. A copy of the NCLT Petition filed by SMS is annexed herewith and marked as ANNEX 11. A copy of the SFIO's letter dated 28 February, 2018 is annexed herewith and marked as ANNEX 12. A copy of SEBI's letter dated 22 February, 2018 is annexed herewith and marked as ANNEX 13. 20. From the aforesaid documents it

appears that SMS and MMS in connivance with SG, NKG and the directors and officers of entities which have received funds from the Complainant Company on account of the CLB (especially the aforesaid 7 entities) have used a complex web of interconnected transactions to siphon away money of the public shareholders. As mentioned above, the Complainant Company reasonably believes that these illegal transactions were caused by MMS and SMS, so as to siphon away the funds of the Complainant Company before they ceased to be in control of the Complainant Company. 21. By way of background, it is relevant to mention here that over the years, MMS and SMS had pledged their shares (and shares held by entities controlled by them) of REL with various banks / financial institutions and raised finance against such pledges. It appears that in or around the year 2016, MMS and SMS realised that the said pledges could be invoked on account of defaults and that consequently, they would lose control over REL and RFL. The possibility of invocation of share pledges could have been within the special knowledge of only SMS and MMS and their confidantes / associates. Therefore, others around them continued to function as usual and did not realise the financial scam which SMS and MMS were orchestrating. The timing of the defaults by the aforesaid entities must be noted, i.e., contemporaneous with SMS's and MMS's exit from REL and thus the Complainant Company. While the promoters promised to take corrective action, the promises did not translate into any tangible action and the exposure of RFL to such loans kept ballooning. Importantly, even though the shares of the promoters in REL were pledged, they kept assuring the RBI and REL that they would address RFL's CLB by sale of their shares in REL. 22. In this context it is relevant to mention that RFL is ultimately owned by REL which in turn is largely held by public shareholders. Any loss caused to RFL is a loss to public shareholders. It is evident from the replies of the aforesaid 7 entities that they did not intend to return the loan to RFL from inception of the transaction. The MoUs signed were documents created dishonestly to give the colour of genuine transactions to sham transactions the purpose of which was only to siphon away /misappropriate money(s) of the Complainant Company. It appears that SMS, MMS, SG, NKG and other unknown persons (being the directors and employees of the 7 entities at the relevant time) colluded to wrongfully gain at the expense of the Complainant Company. SMS and MMS breached the trust reposed in them by the Complainant Company, its shareholders, including REL and the public shareholders of REL. 23. Internal inquiries have also revealed that in many instances the documents regarding the loan under the CLB portfolio were prepared after disbursal of the loan. In some cases they were antedated and thus forged. A copy of the report of a law firm – M/s. AZB and Partners appointed by the Complainant Company to carry out internal inquiries is annexed herewith and marked as ANNEX 14. 24. The Complainant Company deems it necessary to reiterate at the cost of repetition that since the Complainant Company is a subsidiary of a listed entity, i.e., REL, any loss caused to the Complainant Company in turn causes a loss in value to REL on account of consolidation of accounts and also causes diminution in the value of the REL's assets (being the shares held by it of the subsidiary companies). SMS, MMS and SG were fully aware that the commission of such illegal transactions would have a huge impact on the financial positions of both REL and the Complainant Company, however, despite this, they, in connivance with their unknown associates, abused their positions and caused wrongful loss to the Complainant Company and wrongful gain to themselves. 25. On the basis of the above it is submitted that MMS, SMS and SG in collusion with NKG by abusing their position caused the Complainant Company to enter into transactions, whereby money(s) was transferred to shell companies / suspicious entities and siphoned away. Additionally, MMS, SMS and SG by concealing facts and abusing their position caused the Complainant Company to lend money to entities owned and controlled by them and NKG (directly or indirectly) with no intention of ever returning the said money(s). It is clear that the aforesaid acts and omissions on the part of MMS, SMS, SG and their officials/associates, including NKG, who abused their position in REL and the Complainant Company have greatly hampered the interests of the Complainant Company, its shareholders and public shareholders of REL. 26. The aforesaid facts appear to disclose commission of the offences of cheating, breach of trust, criminal misappropriation, criminal conspiracy, money laundering and forgery by the persons mentioned in this complaint on account of which the Complainant Company has suffered unlawful losses and such persons and other unknown persons and associates of the accused persons have obtained unlawful gains. In view of the same, I urge you to kindly register a First Information Report basis this complaint against the accused persons mentioned hereinabove for various criminal offences committed by them, investigate the same and bring to book the perpetrators of such a large scale financial fraud. It is in public interest to investigate the aforesaid facts such that interests of public shareholders are preserved. 27. This complaint is without prejudice to the rights, remedies and contentions of the Complainant Company all of which are reserved. The Complainant Company reserves its rights to initiate other appropriate remedies, as available in law. Further, the Complainant Company reserves its rights to initiate complaints / proceedings / bring to the notice of appropriate authorities facts which are yet unknown but may be discovered at a later stage. 28. The Complainant Company is continuing the internal inquiries and reserves its rights to amend this complaint or file additional complaint(s), if advised. 29. We are happy to provide clarification(s) as and when required by your good office. We request you to take this complaint on record, register a First Information Report and take appropriate steps in this regard. Yours faithfully, Sd./English with stamp Manpreet Singh Suri Sr. Manager-Legal Religare Finvest Limited 9th floor, Paras Twin Towers, Sector-54, Golf Course Road, Gurugram-122002 (Haryana) T: 0124-6180338 To The Duty Officer, PS EOW, New Delhi. A complaint of Mr Manpreet Singh Suri s/o Sh Baldev Singh Suri, Sr. Manager Legal, AR of Religare Finvest Ltd (RFL), 9th floor, Paras Twin Towers, sector-54, Golf Course Road, Gurugram HR-122002., aged 31 years, against Mr Malvinder Mohan Singh(MMS), Mr Shivinder Mohan Singh(SMS), Mr Sunil Godhwani, Mr NK Ghoshal & others was received in EOW. A preliminary enquiry was conducted in the complaint. From the contents of the complaint and enquiries conducted so far, prima facie offence U/s 409/420/120B IPC is made out. Therefore, a Rukka is being produced to you for registration of a case. You are therefore requested to register a case u/s 409/420/120B IPC and investigation be handed over to undersigned. Date & time of occurrence : Jan 2017 onward. Place of occurrence : Nehru Place, New Delhi. Date & time of handing over rukka : 27.03.19 at 8.30 pm Sd/English Insp. Rajneesh Kumar No. D-1193, PIS No. 16970113 Section-VI, EOW, New Delhi. Action taken at police station at this time Insp. Rajneesh Kumar No. D-1193, PIS No. 16970113 Section-VI, EOW came in the police station and produced the above mentioned complaint for the registration of case. Case has been registered. Copy of FIR and original Rukka is being handed over to Insp. Rajneesh Kumar No. D-1193, PIS No. 16970113 Section-VI, EOW for further investigation. Copy of FIR will be delivered to concerned officers through DAK. ASI/DO

13. Action Taken Since the above information reveals commission of offence(s) u/s as mentioned at Item No. 2:

(की गयी कार्यवाही: चूंकि उपरोक्त जानकारी से पता चलता है कि अपराध करने का तरीका मद सं.2.में उल्लेख धारा के तहत है):

(i) Registered the case and took up the investigation (प्रकरण दर्ज किया गया और जांच के लिए लिया गया): or (या)

(ii) Directed (Name of I.O.)(जांच अधिकारी का नाम): RAJNEESH KUMAR Rank (पद): I (INSPECTOR)

No(सं.): 16970113 to take up the Investigation (को जांच आपने पास में लेने के लिए निर्देश दिया गया) or(या)

(iii) Refused investigation due to(जांच के लिए): or (के कारण इंकार किया या)

(iv) Transferred to P.S(name)(थाना): District(ज़िला):

on point of jurisdiction (को क्षेत्राधिकार के कारण हस्तांतरित)

F.I.R read over to the complainant/informant, admitted to be correctly recorded and a copy given to the complainant/informant, free of cost : (शिकायतकर्ता / सूचनाकर्ता को प्राथमिकी पढ़ कर सुनाई गयी, सही दर्ज हुई माना और एक कॉपी निशुल्क शिकायतकर्ता को दी गयी) :

R.O.A.C.(आर.ओ.ए.सी.)

14. Signature / Thumb impression of the complainant / informant.

(शिकायतकर्ता / सूचनाकर्ता के हस्ताक्षर / अंगूठे का निशान):

Signature of Officer (थाना प्रभारी के हस्ताक्षर)

Name(नाम): KAMTA PRASAD PANDEY

Rank (पद): ASST. SI (ASSISTANT SUB-INSPECTOR)

No.(सं.):

15. Date and Time of despatch to the court

(अदालत में प्रेषण की दिनांक और समय):

Attachment to item 7 of First Information Report (प्रथम सूचना रिपोर्ट के मद 7 संलग्नक):**Physical features, deformities and other details of the suspect/accused:(If known/seen)**

(संदिग्ध / अभियुक्त की शारीरिक विशेषताएँ, विकृतियाँ और अन्य विवरण : (यदि ज्ञात / देखा गया))

S.No. (क्र.सं.)	Sex (लिंग)	Date/Year of Birth (जन्म तिथि / वर्ष)	Build (बनावट)	Height(cms.) (कद(से.मी))	Complexion (रंग)	Identification Mark(s) (पहचान चिन्ह)
1	2	3	4	5	6	7
1	MALE					
2	MALE					
3	MALE					
4	MALE					

Deformities/ Peculiarities (विकृतियाँ/ विशिष्टताएँ)	Teeth (दाँत)	Hair (बाल)	Eyes (आँखें)	Habit(s) (आदतें)	Dress Habit(s) (पहनावा)
8	9	10	11	12	13

Language /Dialect (भाषा /बोली)	Place Of(का स्थान)					Others (अन्य)
	Burn Mark (जले हुए का निशान)	Leucoderma (धवल रोग)	Mole (मस्सा)	Scar (घाव)	Tattoo (गूदे हुए का)	
14	15	16	17	18	19	20

These fields will be entered only if complainant/informant gives any one or more particulars about the suspect/accused.

(यह क्षेत्र तभी दर्ज किए जाएंगे यदि शिकायतकर्ता / सूचनाकर्ता संदिग्ध / अभियुक्त के बारे में कोई एक या उससे अधिक जानकारी देता है ।)