

Statement of Sh. Shakti Kumar Sharma S/o Late Ramnarayan Sharma R/o Flat No-1, Swarnroop Building, Plot No 300, Chembur, Mumbai, Pin-400071, DOB - 29.03.1983, PAN - BATPS5705E , Aadhar No. 519925839320, Mob. No. 8655963492 email id shaktikumarsharma@canarabank.com, authorized representative of Canara Bank, recorded under the provisions of Section 50(2) and 50(3) of the Prevention of Money Laundering Act, 2002 on 08.10.2025, in response to the Summons dated 12.09.2025, before the Assistant Director, Directorate of Enforcement at Block-B, Pravartan Bhawan, Dr. APJ Abdul Kalam Road, New Delhi - 110011.

1	Name	Sh. Shakti Kumar Sharma
2	Alias	--
3	Place of Birth and Date of Birth	29.03.1983, Deoria, UP
4	Permanent Address	78 NH-82, Vill-Murura, Bihar Sharif, Nalanda, Bihar, Pin- 803101
5	Present Address	Flat No-1, Swarnroop Building, Plot No 300, Chembur, Mumbai, Pin- 400071
6	Identification Mark	--
7	Educational Qualification and Name of the Institution	B.TECH(C.S), Pradharshini College of Computer Sciences, Greater Noida
8	E-mail ID and Facebook Address	<u>shaktikumarsharma@canarabank.com</u>
9	Website Address	
10	Telephone No. & Fax No.	
	i Residence	--
	ii Business/Office	--
	iii Mobile	8655963492



Shakti
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08/10/25

	iv Fax	
11	Languages known	
	Read	Hindi, English
	Write	Hindi, English
	Speak	Hindi, English
12	Name of Father	Late Ramnarayan Sharma
13	Name of Mother	Smt. Jairani Devi
14	Name of Spouse	Smt. Khushboo Saha
15	Name of Children	Reyansh Sharma
16	Details of Income Tax Returns	
	PAN	BATPS5705E
	Circle/ Ward No.	--
	Annual Income	--
	Source of Income	-

I have been given to understand that the investigation proceedings under Section 50(2) of PMLA, 2002 shall be deemed to be judicial proceedings within the meaning of Section 193 and Section 228 of the Indian Penal Code, 1860.

Under Section 193 of the Indian Penal Code, giving false evidence in any stage of a judicial proceedings, or false evidence for the purpose of being used in any stage of judicial proceedings, shall be punishable for seven years. Section 228 of Indian Panel Code prescribes the punishment of any intentional insult or any interruption to any public servant in any stage of judicial proceedings.

By the virtue of the Section 22 of the Prevention of Money Laundering Act, 2002, where any record is produced by any person it shall be presumed that

- (i) such records or property belong or belongs to such person;
- (ii) the contents of such records are true; and



- (iii) the signature and every other part of such records which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a record, stamped, executed or attested, that it was executed or attested by the person by whom it purports to have been so stamped, executed or attested.

By the virtue of Section 50 of the Prevention of Money Laundering Act, 2002, no person shall give any information or make any statement or evidence which he knows or has reasonable cause to believe to be false or not true, in any matter particular. It is also explained to me that my statement or evidence may be used against me or any other person or entity or company in any judicial proceedings at later stage.

After having understood the above, I hereby tender my statement in the form of Question-Answer. I would not be able to write by hand continuously, so I requested the officer to type my answers on the laptop as per my dictation. The officer considered my request and agreed to type the answer as dictated by me.

Q.1. Please identify yourself

Ans: My name is Shakti Kumar Sharma. My personal details are as mentioned above. I have been working with Canara Bank since the year 2010. At present, I am working as Chief Manager in Stress Asset Management Branch, Canara Bank, Mumbai working since April 2025.

Q.2. Please furnish the list of bank accounts maintained by Reliance Communications Limited (RCOM), Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) with Canara Bank.

Ans: Reliance Infratel Limited did not have any bank accounts with Canara Bank. The details of accounts maintained by Reliance Communications Limited and Reliance Telecom Limited are as follows:



K. E. Shastri
08/10/2025
कोटा एज़रा शास्त्री / KOTA EZRA SHASTRY
सहायक निदेशक / Assistant Director (SIT)
प्रवर्तन निदेशकालय / Directorate of Enforcement
सहायक निदेशक, वित्त विभाग
Department of Revenue, Ministry of Finance
भारत सरकार, नई दिल्ली / Govt of India, New Delhi

Sl. No.	Account No	Account Type
Reliance Communications Limited		
1.	50371010010588 (eSyndicate Bank)	CURRENT ACCOUNT
2.	140033298360	TERM DEPOSIT
3.	50374050030723 (eSyndicate Bank)	TERM DEPOSIT
4.	50374570000633 (eSyndicate Bank)	TERM DEPOSIT
5.	1903741000265	TERM LOAN
6.	1903741000237	TERM LOAN
7.	1903741000267	TERM LOAN
8.	1903741000297	TERM LOAN
9.	1903741000295	TERM LOAN
10.	1903741000216	TERM LOAN
11.	1903741000025	TERM LOAN
12.	1903741000056	TERM LOAN
13.	1903741000241	TERM LOAN
14.	1903741000321	TERM LOAN
15.	172743000027	TERM LOAN (RCIL)
16.	140034560286	TERM DEPOSIT
17.	1903741000175	TERM LOAN
18.	1903741000214	TERM LOAN
19.	1903773000135	TERM LOAN
20.	1903741000257	TERM LOAN
21.	1903741000288	TERM LOAN
22.	1903773000127	TERM LOAN
23.	1903741000203	TERM LOAN
24.	1903741000235	TERM LOAN
25.	1903741000240	TERM LOAN
26.	1903773000164	TERM LOAN
27.	1903773000165	TERM LOAN
28.	TXCLCPB192840129	Devolved LC
29.	TXCLCPB192840130	Devolved LC
30.	TXCLCPB192840131	Devolved LC
31.	TXCLCPB192840132	Devolved LC
32.	TXCLCPB192840133	Devolved LC
33.	TXCLCPB192840134	Devolved LC
34.	TXCLCPB192840135	Devolved LC
35.	TXCLCPB192840136	Devolved LC
36.	TXCLCPB192840137	Devolved LC
37.	TXCLCPB192840138	Devolved LC
38.	TXCLCPB192840139	Devolved LC
39.	TXCLCPB192840140	Devolved LC
40.	TXCLCPB192840141	Devolved LC
41.	TXCLCPB192840142	Devolved LC
42.	TXCLCPB192840143	Devolved LC
43.	TXCLCPB192840144	Devolved LC
44.	TXCOSLB192840447	Term Loan
45.	TXCOSLB192840474	Term Loan



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 08/10/2025
 कोटा एज्रा शास्त्री / KOTA EZRA SHASTRI
 महासंचालक (असिस्टेंट डायरेक्टर - SIF)
 प्रथम विभाग (First Section - I.E. Department)
 राजस्व विभाग, भारत सरकार
 Department of Revenue, Ministry of Finance
 भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

I will submit the certified copies of said bank account statements to you on 15.10.2025.

Q.3. Please furnish the details of credit facilities sanctioned by Canara Bank to Reliance Communications Limited (RCOM), Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL).

Ans: The details of loan facilities sanctioned by Canara Bank as follows:

Reliance Infratel Limited has not availed any credit facility from Canara Bank since inception. Reliance Communications Limited and Reliance Telecom Limited have availed Term Loan and Short-Term Loan from as early as the year 2008. Regarding Term Loan (TL) and Short-Term Loan (STL) sanctioned to Reliance Communications Limited and Reliance Telecom Limited details are as under:

Sl. No	Loan Account Number	Date of Disbursal	Sanctioned to Company	Type of facility	Amount in ₹ crores	Account to which credited
1.	1903741000237	14.01.2011	RCOM	Demand Promisory	200	Will be submitted on 17.10.2025
2.	1903741000267	03.05.2011	RCOM	Note (Term Loan)	300	Will be submitted on 17.10.2025
3.	1903741000265	29.04.2011	RCOM		250	Will be submitted on 17.10.2025
4.	1903741000297	03.08.2011	RCOM		300	Will be submitted on 17.10.2025
5.	1903741000295	29.07.2011	RCOM		250	Will be submitted on 17.10.2025
6.	1903741000216	03.11.2010	RCOM		300	Will be submitted on 17.10.2025
7.	1903741000025	20.05.2008	RCOM		500	Will be submitted on 17.10.2025
8.	1903741000056	21.11.2008	RCOM		500	Will be submitted on 17.10.2025
9.	1903741000241	03.02.2011	RCOM		300	Will be submitted on 17.10.2025
10.	1903741000321	29.09.2011	RCOM		250	Will be submitted on 17.10.2025



K. S. Shastri
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 सहायक निदेशक / Assistant Director (STF)
 प्रचलन निदेशक / Directorate of Enforcement
 वित्त विभाग / Ministry of Finance
 भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

11.	172743000027	15.03.2008 25.03.2008 26.03.2008	RCIL		150 250 100	Will be submitted on 17.10.2025
12.	1903741000175	28.05.2010	RCOM	Demand Promisory	1000	Will be submitted on 17.10.2025
13.	1903741000214	29.10.2010	RCOM	Note (Term Loan)	250	Will be submitted on 17.10.2025
14.	1903773000135	24.06.2013	RCOM	Term Loan	240	Will be submitted on 17.10.2025
15.	1903741000257	30.03.2011	RCOM	Demand Promisory	250	Will be submitted on 17.10.2025
16.	1903741000288	30.06.2011	RCOM	Note (Term Loan)	250	Will be submitted on 17.10.2025
17.	1903773000127	30.03.2013	RCOM	Term Loan	500	Will be submitted on 17.10.2025
18.	1903741000203	28.09.2010	RCOM	Demand Promisory	1000	Will be submitted on 17.10.2025
19.	1903741000235	30.12.2010	RCOM	Note (Term Loan)	250	Will be submitted on 17.10.2025
20.	1903741000240	29.01.2011	RCOM		250	Will be submitted on 17.10.2025
21.	1903773000164	27.02.2015	RCOM	Term Loan	740	Rs.240 crores were credited to RCOM's 006281400000165 Yes Bank & Rs.500 crores were credited to RCOM's 50373170000091 Syndicate Bank
22.	1903773000165	27.02.2015	RCOM	Term Loan	60	credited to RCOM's 02400310001115 HDFC Bank
23.	1903773000136	24.06.2013	RCOM	Term Loan	60	Will be submitted on 17.10.2025
24.	TXCOSLB192840447	28.02.2015	RTL	Term Loan	40	Will be submitted on 17.10.2025
25.	TXCOSLB192840474	28.02.2015	RCOM	Term Loan	460	Will be submitted on 17.10.2025
26.						
27.						



K. Ezra Shastri
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सहायक निदेशक / Assistant Director (STF)
प्रवर्तन निदेशालय / Directorate of Enforcement
सूचना प्रभाग / Information Wing
Department of Revenue, Ministry of Finance
भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

Devolved LCs of eSyndicate Bank				
Sl. No.	Devolved LC account number	Company Name	Date of Devolvement	Amount devolved
28.	TXCLCPB192840129	RCOM	10.03.2017	25,37,072
29.	TXCLCPB192840130	RCOM	19.04.2017	46,16,215
30.	TXCLCPB192840131	RCOM	18.03.2017	300,00,204
31.	TXCLCPB192840132	RCOM	28.04.2017	530,18,582.25
32.	TXCLCPB192840133	RCOM	18.03.2017	127,84,380
33.	TXCLCPB192840134	RCOM	02.05.2017	366,84,498.26
34.	TXCLCPB192840135	RCOM	08.03.2017	260,98,065
35.	TXCLCPB192840136	RCOM	13.04.2017	25,11,675
36.	TXCLCPB192840137	RCOM	24.03.2017	139,93,763.3
37.	TXCLCPB192840138	RCOM	22.03.2017	33,17,308
38.	TXCLCPB192840139	RCOM	30.03.2017	47,72,348
39.	TXCLCPB192840140	RCOM	10.03.2017	329,77,438.55
40.	TXCLCPB192840141	RCOM	21.03.2017	148,02,003
41.	TXCLCPB192840142	RCOM	21.03.2017	99,93,568.19
42.	TXCLCPB192840143	RCOM	21.03.2017	79,79,653
43.	TXCLCPB192840144	RCOM	24.03.2017	186,40,872.44

Further, eSyndicate Bank has also issued non fund based limit of Rs. 550 Crores, which contains FLC (DPDA)/StandbyLC/Letter of Undertaking/Comfort of Rs.350 Crores and Bank Guarantee of Rs. 200 Crores, however there is no outstanding in respect of these facilities.

Q.4. Please provide the details of Term Loan of Rs. 740 crores sanctioned by Canara Bank to RCOM as stated by you in question above.

Ans: RCOM appointed State Bank of India (Capital)[SBICAP] as Mandated Lead Arranger for facility with SBI being Lead Bank for Long Term Loan Facility. Then, SBICAP sent letter dated 24.08.2012 to Canara Bank for participating in loan facility with exposure of Rs. 1000 crores. SBICAP forwarded Project Appraisal Information Report of RCOM prepared in October 2012 to Canara Bank based on which Large Corporate Branch prepared Office Note for recommending a Term Loan of Rs. 740 crores to RCOM and Rs.60 Crores to RTL to Head Office for sanctioning of loan. I am submitting these documents as annexure to my statement. Then, Management Committee of the Board sanctioned the said loan in



Committee meeting held on 23.03.2013. I am sending copy of sanction order of Management Committee of the Board through mail today. Accordingly, Loan of Rs. 740 Crores were disbursed to RCOM (Rs.500 Crores vide a/c no. 1903773000127 and Rs.240 Cr vide a/c no. 1903773000135) and RTL (Rs. 60 Crores). This is interim disbursement to the company with the understanding that when loan amount would be disbursed under the consortium, the said loan amount would be utilized to repay these loans. Accordingly, when the Bank disbursed loan of Rs. 740 Crores to RCOM in the year 2015, this amount was utilized to clear the earlier loan. Similarly, in the case of Reliance Telecom Limited also, interim disbursement of Rs.60 Crores was made in the year 2013, which was cleared in the year 2015, on disbursement of Rs. 60 Crores under the Consortium agreement.

Purpose:- The intended purpose for the loans is to meet ongoing capital expenditure, operational expenditure and repayment of existing facilities other than any related party/ shareholder loans.

Security:- 1) *First pari - passu charge on all the present and future moveable/ plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) & Reliance Infratel Limited (RITL);*

2) *First paripassu charge on all the rights, title, interest, benefit, in respect of all insurance contracts entered into in relation to the assets described in (1) above;*

3) *Assignment of all telecom licenses of Reliance Communication Limited [Unified Access Services License (UASL_), NLD & ILD]*

4) *Negative lien on the following -*

- *present and future moveable fixed assets of Reliance Global BV (subject to existing encumbrance as on date of execution of Facility Agreement)*
- *present and future immoveable assets of the Obligor Group*
- *Telecom Licenses held by RTL (subject to the existing assignments of the telecom licenses for the benefit of the existing lenders of RTL)*



K. Ezra Shastri
08/10/2025

कोटा एज़रा शास्त्री / KOTA EZRA SHASTRY
सहायक निदेशक (असिस्टेंट डायरेक्टर) - S.F.
प्रवर्तन विभाग (Department of Enforcement)
सहायक निदेशक (असिस्टेंट डायरेक्टर)
Department of Revenue, Ministry of Finance
भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

- present & future investments of RCOM in the Obligor Group, subject to existing encumbrance as on date of execution of Facility Agreement
- cash and cash equivalents of the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)

The security in- (1) (2) & (4) shall be created before first disbursement and (3) within 6 months from the date of first disbursement.

The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.

Stage - 2 (Additional Security)

- 5) First pari - passu charge on all present & future moveable fixed assets of the Obligor Group, including, but not limited to moveable Plant and Machinery and Capital Work in Progress
 - 6) Assignment of all telecom licenses of the RTL (UASL)
 - 7) First pari-passu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group
 - 8) First pari-passu charge on all present and future immoveable assets of the Obligor Group
 - 9) Assignment of rights, titles, interests, benefits, claims and demands in material project contracts incl. insurance proceeds of the Obligor Group.
 - 10) Implementation of Co-obligor structure for the Obligor Group. This shall mean joint and several guarantees from each of the members for the Obligor Group to secure the obligations of the Borrower(s) in connection with this Facility.
- 11) Pledge by
- a) RCOM over their shareholding in RCIL;
 - b) RCOM (78.8%) and Reliance Infocomm Infrastructure Private Limited over their shareholding in RTL.
- 12) Subject to regulatory approvals permitting mortgage of spectrum, all spectrum belonging to the Obligor Group shall be mortgaged in favour of Lenders within 3 months from the date of such permission/notification.

The security in (5), (6), (7),(8) (9),(10) & (11) shall be created post obtention of consent of existing lenders of respective Obligor Group entities and such other regulatory or statutory approvals, as may be required. The same shall have to be created & perfected within 6 months from the date of first disbursement of the Facility. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, if there is a delay on account of statutory/regulatory reasons, the same shall not be construed as an Event of Default. The above security shall be shared on a pari passu basis with other Secured creditors of the Obligor Group. All Security to be held by Security Trustee for the benefit of Lenders in a form and manner satisfactory to State Bank of India.



K. Ezra Shastri
08/10/25
कोटा एज़ा शास्त्री / KOTA EZRA SHASTRY
सहायक निदेशक - निदेशकालय (STF)
प्रयत्न विभाग - निदेशकालय (STF)
राजस्व विभाग - वित्त मंत्रालय
Department of Revenue, Ministry of Finance
भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

5. Please furnish the details of when loan accounts of Reliance Communications Limited and Reliance Telecom Limited were declared as NPA, and furnish the details of outstanding in these accounts.

Ans: The loan accounts of RCOM were declared as NPA by Canara Bank (including syndicate bank) on 09.03.2017 and Loan accounts of RTL were declared as NPA on 29.06.2017. The details of total outstanding of RCOM with Canara Bank was Rs. 906.63 Crores and Syndicate Bank was Rs. 1225.18 Crores and claims were filed during the CIRP of RCOM for the said amount.

The above statement of mine running from pages 1 to 10 given by me is true and correct to the best of my knowledge and belief and has been tendered by me voluntarily without any threat, inducement or coercion. I have requested the officer to type the statement and have read the same before signing, understood it and in token of correctness of the same; I have put my dated signatures on each page thereof. I abide by the statement given above in conscious state of mind.

NAME - SHANTI KUNAR SHARMA

Mob - 8855963492

DOB - 08/10/2025

Shanti

Before me

K. E. Shastri
08/10/2025

कोटा एजरा शास्त्री / KOTA EZRA SHASTRY
सहायक निदेशक / Assistant Director (STF)
प्रचलन निदेशक / Directorate of Enforcement
राजस्व विभाग, वित्त मंत्रालय
Department of Revenue, Ministry of Finance
भारत सरकार, नई दिल्ली / Govt of India, New Delhi



Statement of Sh. Shakti Kumar Sharma S/o Late Ramnarayan Sharma R/o Flat No-1, Swarnroop Building, Plot No 300, Chembur, Mumbai, Pin-400071, DOB - 29.03.1983, PAN - BATPS5705E , Aadhar No. 519925839320, Mob. No. 8655963492 email id shaktikumarsharma@canarabank.com, authorized representative of Canara Bank, recorded under the provisions of Section 50(2) and 50(3) of the Prevention of Money Laundering Act, 2002 on 09.10.2025, in response to the Summons dated 12.09.2025 and in continuation of my statement dated 08.10.2025, before the Assistant Director, Directorate of Enforcement at Block-B, Pravartan Bhawan, Dr. APJ Abdul Kalam Road, New Delhi - 110011.

I, Shakti Kumar Sharma, Chief Manager, Stress Asset Management Branch, Canara Bank, Mumbai, am appearing before you today, i.e., on 09.10.2025, in continuation my statement dated 08.10.2025. I have been authorized by Deputy General Manager, Canara Bank, to attend and give statement u/s 50 of PMLA, 2002.

I have been given to understand that the investigation proceedings under Section 50(2) of PMLA, 2002 shall be deemed to be judicial proceedings within the meaning of Section 193 and Section 228 of the Indian Penal Code, 1860.

Under Section 193 of the Indian Penal Code, giving false evidence in any stage of a judicial proceedings, or false evidence for the purpose of being used in any stage of judicial proceedings, shall be punishable for seven years. Section 228 of Indian Panel Code prescribes the punishment of any intentional insult or any interruption to any public servant in any stage of judicial proceedings.

By the virtue of the Section 22 of the Prevention of Money Laundering Act, 2002, where any record is produced by any person it shall be presumed that

- (i) such records or property belong or belongs to such person;
- (ii) the contents of such records are true; and
- (iii) the signature and every other part of such records which purport to be in the handwriting of any particular person or which may



K. E. Sharma
K. E. SHASTRY
 Assistant Director (STF)
 प्रबन्धन निदेशक (STF) / सहायक निदेशक
 Department of Revenue, Ministry of Finance
 भारत सरकार, नई दिल्ली, Govt. of India, New Delhi

Shakti
 09/10/25

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 OF THE ORIGINAL DOCUMENT

reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a record, stamped, executed or attested, that it was executed or attested by the person by whom it purports to have been so stamped, executed or attested.

By the virtue of Section 50 of the Prevention of Money Laundering Act, 2002, no person shall give any information or make any statement or evidence which he knows or has reasonable cause to believe to be false or not true, in any matter particular. It is also explained to me that my statement or evidence may be used against me or any other person or entity or company in any judicial proceedings at later stage.

After having understood the above, I hereby tender my statement in the form of Question-Answer. I would not be able to write by hand continuously, so I requested the officer to type my answers on the laptop as per my dictation. The officer considered my request and agreed to type the answer as dictated by me.

Q.1. Please provide the details of Term Loan of Rs. 500 crores sanctioned by Canara Bank (eSyndicate Bank) to RCOM and RTL as stated by you in answer to question 3 of your statement dated 08.10.2025.

Ans: This loan was part of consortium agreement. This loan of Rs. 500 crores was sanctioned by Management Committee of the Board on 01.03.2013. Accordingly, Loan of Rs. 40 Crores were disbursed to RTL and Rs. 460 crores to RCOM. This is interim disbursement to the company with the understanding that when loan amount would be disbursed under the consortium, the said loan amount would be utilized to repay these loans. Accordingly, when the Bank disbursed loan of Rs. 460 Crores to RCOM and Rs. 40 Crores in RTL in the year 2015, this amount was utilized to clear the earlier loan. The loan sanction letter and account statement were already submitted to you through email 09.10.2025. Regarding the statement of accounts for loans sanctioned by eSyndicate Bank in the year 2013, I



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 09/10/2025
 कृषि एजा कृषि एजा
 K. E. SHASTRI
 सहायक निदेशक / Assistant Director (STF)
 प्रवर्तन निदेशकालय / Directorate of Enforcement
 शासक विभाग - वित्त विभाग
 Department of Revenue, Ministry of Finance
 भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

submit that due to the time period of the data concerned and as the data pertains to eSyndicate Bank which has merged with Canara Bank in the year 2019, there is some difficulty in extracting of the said bank accounts. I undertake to submit certified copies of the same to you by 17.10.2025.

Q.2. Please state what all documents pertaining to a loan application are placed before the Management Committee of Board for approval.

Ans: For approval of loan by Management Committee,

(i) If party is directly approaching the bank for loan, then all the documents received from the party along with loan application, along with Office Note on Proposal (which also includes risk assessment) will be placed before them, and their approval is based on these documents only.

(ii) If Lead Arranger (in this case SBICAP) is approaching the bank for loan on behalf of company then all the documents received from the Lead Arranger alongwith Project Appraisal Information Report along with Office Note on Proposal (which also includes risk assessment) will be placed before them, and their approval is based on these documents only.

Q.3. Please furnish the details of the claims filed by eSyndicate Bank during the Corporate Insolvency Resolution Process of Reliance Communication Limited.

Ans: During the CIRP of Reliance Communications Limited, Canara Bank filed claims with the resolution professional, as secured financial creditor, on 20.05.2019 and eSyndicate Bank filed on 17.05.2019 as under:

Company	Canara Bank's amount in crores	eSyndicate Bank's amount in crores
RCOM	906.63	1225.18
RTL	906.63	611.03
Total	2131.81	1517.66



The complete claim of the Bank regarding RCOM has been admitted by the RP. However, in the case of the RTL claim of ₹614.14 crore under non-fund-based facilities (such as LC, BG, etc.), the Resolution Professional has not accepted the claim, as non-fund based liability was outside consortium and there was no co-obligor guarantee by RCOM and RTL. During the CIRP of the company, the Resolution Plan by UV Asset Reconstruction Company was approved by 100% members of Committee of Creditors and the said plan was filed before the NCLT, Mumbai, for approval on 06.03.2020. However, the same could not proceed further, as the Department of Telecommunication has challenged the transfer of spectrum under IBC.

Q.4. Please state whether the loan account of RCOM and RTL has been declared as fraud by Canara Bank. If so, please furnish details in respect of the same.

Ans: Canara Bank declared the loan accounts of Reliance Communications Limited on 06.09.2024 and the Fraud monitoring Report (FMR) submitted to RBI on 18.09.2024. However, later, RBI has deactivated the declaration of fraud, and now Canara Bank has given Show Cause Notice(SCN) dated 22.09.2025 to the Company on why they should not be declared as fraud. In this regard, I am submitting copy of FMR and SCN to you as annexure to my statement.

Q.5 Please state whether Canara Bank has filed any complaint against RCOM and RTL in respect of their loan accounts.

Ans: No complaint has been filed by the bank till date. Complaint, if any, with the CBI, will be explored after filing of Fraud Monitoring Report. Further, on filing of Complaint with the CBI, I undertake to submit a copy of the same to you through return mail.

Q.6. Please refer to the sanction letter dated 26.03.2013, wherein, loan amount of Rs. 800 Crores was sanctioned to Reliance Communications



K. Ezra Shastri
09/10/2025

कोटा एज़रा शास्त्री / KOTA EZRA SHASTRY
सहायक निदेशक / Assistant Director (STF)
प्रवर्तन निदेशालय / Directorate of Enforcement
राजस्व विभाग / वित्त मंत्रालय
Department of Revenue, Ministry of Finance,
भारत सरकार, नई दिल्ली / Govt of India, New Delhi

Limited and Reliance Telecom Limited. In the said sanction letter, it has been mentioned that Security as stipulated to be completed within 4 months of interim disbursement. In this regard, please state whether all the security mentioned in the sanction letter dated 26.03.2013 were completed within 4 months period.

Ans: The security mentioned in the sanction letter dated 26.03.2013 were only partially completed by the company. Only stage-1 of the security has been completed by the company with delay. Stage-2 of the security was not completed by the company.

The above statement of mine running from pages 1 to 05 given by me is true and correct to the best of my knowledge and belief and has been tendered by me voluntarily without any threat, inducement or coercion. I have requested the officer to type the statement and have read the same before signing, understood it and in token of correctness of the same; I have put my dated signatures on each page thereof. I abide by the statement given above in conscious state of mind.

SHAKTI KUMAR SHARMA

8655963492

Canara Bank SAM Branch Mumbai

Before me -

K. Ezra Shastri
09/10/2025

कोटा एज़रा शास्त्री / KOTA EZRA SHASTRY
सहायक निदेशक / Assistant Director (STF)
प्रवर्तन विभाग / Director, Dept. of Enforcement
शुद्धि विभाग / Dept. of Finance
Department of Revenue, Ministry of Finance
भारत सरकार, नई दिल्ली / Govt. of India, New Delhi

SHAKTI KUMAR SHARMA

8655963492

Canara Bank SAM Branch.

Shakti
09/10/25



Fraud Monitoring Return

XBRL Publishing

Reporting Institution	Canara Bank
Report Generated On	19 Sep 2024 10:32:11
Reporting Friday	18-SEP-2024
Report Status	Final
Processing Status	FMR Completed
Email Id	hor1fpr@canarabank.com

GENERAL INFORMATION	
Return Name	Fraud Monitoring Return (FMR)
Return Code	FMR
Reporting Institution	Canara Bank
Bank Code	400
RBI Regional office name	
For the quarter ended	30-Sep-2024
Date Of Report	18-Sep-2024
Reporting Frequency	Daily
Return Version	V1.4

By FCT06

Part A: Fraud Report (1)		CANA2403-0042
1	Name of the bank	Canara Bank
2	Fraud number	CANA2403-0042
3	Details of the branch	
3.(a)	Branch Code	02400MT
3.(b)	Name of the branch	BOMBAY-NARIMAN POINT
4.a	(i)Name of Perpetrator **	SRI ANIL DHIRUBHAI AMBANI AND SRI MANJARI ASHOK KACKER
4.b	(ii)Name of Account of the Perpetrator**	M/S RELIANCE TELECOM LTD
4.(c)	Name of activity of the Perpetrator	RTL provides mobile services and holds spectrum and mobility equipment.
4.(d)	PAN of Perpetrator	AAACR2658E
5.a	Area of operation where the fraud has occurred	Advances - Term Loans - Others
5.b	Whether fraud has occurred in a borrowal account ?	YES
5.c	Whether the advance was consortium advance?	YES
5.d	Name of consortium lead bank	STATE BANK OF INDIA
5.d(i)	Consortium Leader Amount	362868.00

Consortium table (1)		CANA2403-0042
S. No..	Bank name **	Consortium Member Amount **
1	BANK OF INDIA	99048
2	CANARA BANK	8720
3	CENTRAL BANK OF INDIA	47117
4	CORPORATION BANK	30780
5	INDIAN OVERSEAS BANK	18470
6	UNION BANK OF INDIA	



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7	PUNJAB NATIONAL BANK	172381
8	ORIENTAL BANK OF COMMERCE	51751
9	IDBI BANK	149339
10	CHINA DEVELOPMENT BANK	986389
11	EXPORT IMPORT BANK OF CHINA	335644
12	HSBC-COFACE	29927
13	VISHVAKARMA EQUIPMENT FINANCE LIMITED	13725

Consortium Advance (1)		CANA2403-0042
 	Consortium Advance	2407093.00
6.a	Nature of fraud	Misappropriation and criminal breach of trust
6.b	Type of fraud	Diversion of Funds
6.c	Whether computer is used in committing the fraud?	NO
6.d	If yes, details	
7.a	Total amount involved	8720.00
7.b	Amount frozen	0.00
8.a	Date of occurrence	15-Oct-2020
8.b	Date of detection	31-Oct-2020
8.c	Reasons for delay, if any, in detecting the fraud	Forensic audit was conducted by M/s BDO India LLP on 07.05.2019 for a period from 01.04.2013 to 31.03.2017 as per the decision made by the consortium. Joint lenders meeting was held on 31.10.2020. Lenders were of the view that Forensic Audit report clearly indicates that borrowed funds were misappropriated and considered as diversion of funds. As there was no contrary view, it was decided that lenders will approach their Competent Authority to take final view on the final forensic audit report dated 15.10.2020 submitted by M/s BDO India LLP.
8.d	Date on which reported to RBI	18-Sep-2024
8.e	Reasons for delay, if any, in reporting the fraud to RBI	Hon'ble High Court of Delhi vide their order dated 28.12.2020 had directed UBI and Indian Bank who have classified the accounts as fraud, to maintain status Quo till disposal. Subsequently, High Court of Delhi disposed of the said matter vide orders dated 12.05.2023 by quoting the orders of Hon'ble Supreme Court dated 27.03.2023. Hence, process started for analysing the matter under fraud angle.
9.a	How the fraud was detected?	Forensic audit was conducted by M/s BDO India LLP on 07.05.2019 for a period from 01.04.2013 to 31.03.2017 as per the decision made by the consortium. Joint lenders meeting was held on 31.10.2020. Lenders were of the view that Forensic Audit report clearly indicates that borrowed funds were misappropriated and considered as diversion of funds. As there was no contrary view, it was decided that lenders will approach their Competent Authority to take final view on the final forensic audit report dated 15.10.2020 submitted by M/s BDO India LLP.
9.b	Brief history	M/s Reliance Telecom Limited (RTL), a wholly owned subsidiary of M/s Reliance Communications Ltd (RCOM) having registered office at H Block, first floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400710. It is part of Reliance ADAG Group (Anil Dhirubhai Ambani Group). RTL provides mobile services across eight circles and holds spectrum and mobility equipment. The Term Loan in the name of Reliance Communications Limited and Reliance Telecom Limited was permitted taking into consideration that some of the telecom licenses are held in the name of Reliance Telecom Limited (100% subsidiary of Reliance Communications). As per Department of Telecom guidelines, the telecom licenses can be assigned only to lenders. The company was sanctioned a term loan of Rs.60.00 crores by Canara Bank vide orders of MC dated 23.03.2013 for meeting ongoing capital expenditure, operational expenditure and repayment of existing facilities other than any related party / shareholder loans. Also company got sanctioned a term loan of Rs.40.00 crores by E -Syndicate vide CO CCD orders dated 23.12.2014. Show Cause Notice details (When it is issued and representation date) Circle Office Mumbai had issued a Show Cause Notice on 11.10.2023 to the perpetrators giving 15 days' time to submit their representation on the matter. A representation was received from Smt Manjari Ashok Kacker on 20.12.2023. no representation was received from Anil Dhirubhai Ambani. The case was classified as fraud on 06.09.2024. Root cause analysis: Borrower diverted the funds by 1. Not utilising the funds as per the sanction terms. 2. Routing the loan amounts through RCIL to RITL to pay off other liabilities to connected/ related parties. 3. Loans availed were invested in Mutual funds and fixed assets and the same were liquidated immediately to make payments to related and non-related parties. 4. Intercompany transactions. 5. Utilisation of bill discounted amount to pay other debts.
9.c	Modus operandi	Borrower diverted the funds by 1. Not utilising the funds as per the sanction terms. 2. Routing the loan amounts through RCIL to RITL to pay off other liabilities to connected/ related parties. 3. Loans availed were invested in Mutual funds and fixed assets and the same were liquidated immediately to make payments to related and non-related parties. 4. Intercompany transactions. Utilisation of bill discounted



		amount to pay other debts. - M/s Reliance communications Limited at Nariman Point Branch (15035), Mumbai Circle (BYFC706).	
10	Fraud committed by		
a	Staff		NO
b	Customers		YES
c	Outsiders		NO
11.a	Whether the controlling office (Regional/Zonal) could detect the fraud by a scrutiny of control returns submitted by the branch		NO
11.b	Whether there is need to improve the information system?		NO
12.a	Whether internal inspection/ audit (including concurrent audit) was conducted at the branch(es) during the period between the date of first occurrence of the fraud and its detection?		YES
12.b	If yes, why the fraud could not have been detected during such inspection/audit.	FRAUD CAME TO LIGHT THROUGH FORENSIC AUDIT	
12.c	What action has been taken for non-detection of the fraud during such inspection/audit		NA
13	Action taken/proposed to be taken		
13.a	Complaint with Police/CBI		
13.a(i)	Whether any complaint has been lodged with the Police/CBI?		NO
13.a(ii)	If yes, name of office/ branch of CBI/ Police		
13.a(ii)1	Date of reference		
13.a(ii)2	Present position of the case		
13.a(ii)3	Date of completion of Police/CBI investigation		
13.a(ii)4	Date of submission of investigation report by Police/CBI		
13.a(iii)	If not reported to Police/CBI, reasons therefor.	PERMISSION OBTAINED FROM THE COMPETENT AUTHORITY. CBI COMPLAINT WILL BE FILED SHORTLY.	
13.b	Recovery suit with DRT/Court		
13.b(i)	Date of filing		
13.b(ii)	Present position		
13.c	Insurance claim		
13.c(i)	Whether any claim has been lodged with an insurance company		NO
13.c(ii)	If not, reasons therefor.		NA
13.d	Details of staff-side action		



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13.d(i)	Whether any internal investigation has been/is proposed to be conducted	YES
13.d(ii)	If yes, date of completion	26-Mar-2018
13.d(iii)	Whether any departmental enquiry has been/is proposed to be conducted	YES
13.d(iv)	If Yes, give details in the Staff-side action table	
13.d(v)	If not, reasons therefor	
13.e	Steps taken/proposed to be taken to avoid such incidents	a. Early warning system implemented by EWS Section, TM Vertical, Operations Wing, HO for monitoring of accounts. Corrective actions can be taken within time if any adverse remark or diversion/siphoning of funds observed in early warning signals. b. Branch should strictly adhere to post disbursement monitoring tools of the Bank.
14	Amount Recovered	0.00
14.a(i)	Amount recovered from party/parties concerned	0.00
14.a(ii)	From insurance	0.00
14.a(iii)	From other sources	0.00
14.b	Extent of loss to the bank	8720.00
14.c	Provision held	8720.00
14.d	Amount written off	0.00
15	Suggestions for consideration of RBI	NIL

Staff - side action (1)

CANA2403-0042

S.No.	Name **	PAN of staff member **	Designation **	Suspended **	Date of suspension **	Date of issue of charge sheet	Date of commencement of domestic enquiry	Date of completion of enquiry	Date of issue of final orders	Punishment Awarded **	Details of prosecution/ conviction/ acquittal, etc. **
1	NO STAFF LAPSES	NA	NA	NO						NO STAFF LAPSES	NO STAFF LAPSES

Account Details (1)

CANA2403-0042

S.No.	Name of Perpetrator (Suspected/Actual) **	Type of perpetrator	Perpetrator Address **	Nature of Account, Account No. **	Date of Sanction **	Borrowal account Sr. No. **	Sanctioned limit **	Balance outstanding **	PAN of perpetrator **	Name of Account, Customer ID **
1	M/S RELIANCE TELECOM LIMITED	Principal	H BLOCK, 1ST FLOOR, DHIRUBHAI AMBANI KNOWLEDGE CITY, NAVI MUMBAI-400710	TL 1903773000165	23-Mar-2013	1	6000.00	5040.00	AAACR2658E	M/S RELIANCE TELECOM LTD
2	M/S RELIANCE TELECOM LIMITED	Principal	H BLOCK, 1ST FLOOR, DHIRUBHAI AMBANI KNOWLEDGE CITY, NAVI MUMBAI-	LN TXCOSLB192840447	23-Dec-2014	2	4000.00	3680.00	AAACR2658E	M/S RELIANCE TELECOM LTD



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400710

Details of Director/Partner (1)						CANA2403-0042
Name of Perpetrator (Suspected/Actual) **	S.No of Perpetrator	S.NO	Name of Director/Partner **	PAN of Director/Partner **	Director/Partner Address **	
M/S RELIANCE TELECOM LIMITED	1	1	SRI ANIL DHIRUBHAI AMBANI	AADPA3703D	39, SEA WIND, CUFFE PARADE, MUMBAI-400005	
M/S RELIANCE TELECOM LIMITED	1	2	SMT MANJARI KACKER	AICPK9269P	B-702, BEAUMONDE, APPA SAHEB MARATHE MARG, PRABHADEVI, MUMBAI 400025	

Details of Associate Concern (1)						CANA2403-0042
Name of Perpetrator (Suspected/Actual) **	S.No. of Perpetrator	S. No.	Name of Associate Concern **	PAN of Associate Concern **	Associate Concern Address **	
M/S RELIANCE TELECOM LIMITED	1	1	Reliance Communication Ltd.	AACCR7832C	H BLOCK, 1ST FLOOR, DHIRUBHAI AMBANI KNOWLEDGE CITY, NAVI MUMBAI-400710	
M/S RELIANCE TELECOM LIMITED	1	2	Reliance Infratel Ltd	AACCR0181Q	H BLOCK, 1ST FLOOR, DHIRUBHAI AMBANI KNOWLEDGE CITY, NAVI MUMBAI-400710	
M/S RELIANCE TELECOM LIMITED	1	3	Reliance Communication Infrastructure Ltd RCIL	AACCS2157H	H BLOCK, 1ST FLOOR, DHIRUBHAI AMBANI KNOWLEDGE CITY, NAVI MUMBAI-400710	
M/S RELIANCE TELECOM LIMITED	1	4	Reliance Infrastructure Ltd	AACCR7446Q	M/s Reliance Infrastructure Limited, Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001	
M/S RELIANCE TELECOM LIMITED	1	5	TD Toll Road Pvt. Ltd	AACCT6395C	1st Floor, H Block, Dhirubhai Ambani Knowledge City, Navi Mumbai, Mumbai - 400710, Maharashtra	
M/S RELIANCE TELECOM LIMITED	1	6	TK toll Road Pvt. Ltd	AACCT6404A	19, Ground Floor, Reliance Infrastructure Limited, Reliance Centre, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400001, Maharashtra	
M/S RELIANCE TELECOM LIMITED	1	7	HK Toll Road Pvt. Ltd	AACCH4109G	Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400001 Maharashtra	
M/S RELIANCE TELECOM LIMITED	1	8	Delhi Airport Metro Express Pvt. Ltd	AACCD8459R	A-302, 3rd Floor, 6, Dr. A P J Abdul Kalam Road, New Delhi - 110011, Delhi	



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M/S RELIANCE TELECOM LIMITED	1	9	Reliance Power Limited	AAACR2365L	Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400001 Maharashtra
M/S RELIANCE TELECOM LIMITED	1	10	Mumbai Metro One Pvt. Ltd	AAECM8979M	MUMBAI METRO ONE DEPOT, D.N. NAGAR, J.P. ROAD, 4 BUNGALOWS, ANDHERI (WEST), MUMBAI - 400053 Maharashtra
M/S RELIANCE TELECOM LIMITED	1	11	Vidarbha Industries Power Ltd	AADCR1892D	1st Floor, H Block, Dhirubhai Ambani Knowledge City, Navi Mumbai, Mumbai - 400710, Maharashtra
M/S RELIANCE TELECOM LIMITED	1	12	Reliance Home Finance Ltd	AAECR0305E	7th Floor, B Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parcel West, Delisle Road, Mumbai - 400013 Maharashtra

Associate Concern Director / Proprietor Details (1)

CANA2403-0042

Reliance Communication Ltd.	1	1	ANIL DHIRUBHAI AMBANI	39, SEA WIND, CUFFE PARADE, MUMBAI-400005
Reliance Communication Ltd.	1	2	MANJARI ASHOK KACKER	B-702, BEAUMONDE, APPA SAHEB MARATHE MARG, PRABHADEVI, MUMBAI 400025
Reliance Infratel Ltd	1	1	NA	NA
Reliance Communication Infrastructure Ltd RCIL	1	1	NA	NA
Reliance Infrastructure Ltd	1	1	NA	NA
TD Toll Road Pvt. Ltd	1	1	NA	NA
TK toll Road Pvt. Ltd	1	1	NA	NA
HK Toll Road Pvt. Ltd	1	1	NA	NA
Delhi Airport Metro Express Pvt. Ltd	1	1	NA	NA
Reliance Power Limited	1	1	NA	NA
Mumbai Metro One Pvt. Ltd	1	1	NA	NA
Vidarbha Industries Power Ltd	1	1	NA	NA
Reliance Home Finance Ltd	1	1	NA	NA

Collateral Security Details (1)

CANA2403-0042

S. No.	Details of Collateral Security **	Value of the Security (Rs in Lakhs)	Date of Valuation	Whether Valid? **	Whether Enforceable? **	Remarks **
1	NO COLLATERAL SECURITY	-0.01		NO	NA	NIL

Signatory Info

Authorised Reporting Official

Countersigned By



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Signature		
Name	Sri T K SAIKUMAR	Sri GOKUL MOHAN
Designation	DIVISIONAL MANAGER	MANAGER
E-mail ID	horlfpr@canarabank.com	horlfpr@canarabank.com
Tel. No. (O) [With STD Code]	8022533828	8022533828
Tel. No. (R) [With STD Code]		
Place	BENGALURU	BENGALURU
Date	18-09-2024	18-09-2024



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SHOW CAUSE NOTICE FOR DECLARING FRAUD
Registered Post Acknowledgement Due
“Without Prejudice”

Ref: MC/RL/RTELECOM/SCN/B/SB/2025-26

Date: 22/09/2025

To.

Reliance Communications Limited H Block, 1 st floor, Dhirubhai Ambani Knowledge City, Kopar Khairane Navi Mumbai – 400710	Sh Anil D. Ambani 39, “Sea Wind”, Cuffe Parade Mumbai – 400005, Maharashtra
--	---

Dear Sir/ Madam,

Sub: Show cause notice before classifying the account / borrowers / customers as Fraud – Reliance Telecom Limited.

Reliance Communication Limited was the holding company of the Reliance Telecom Limited (during the Review Period – 01.04.2013 to 31.03.2017 for Forensic Audit Report submitted by BDO LLP) and Mr Anil D. Ambani was the Promoter and Chairman of the Reliance Communication Limited during the review period as per RCOM’s Annual Report for 2013-14 & 2014-15.

The following facilities were extended to Reliance Telecom Limited:

Name of the Branch	STRESSED ASSET MANAGEMENT (SAM) Branch					
Details of facility / ies / Account/s with our Bank	Facility	Sanction Amount	A/c No	Book Liability	Outstanding	
	Term Loan	46,40,00,000.00	40447	TXCOSLB1928	36.80 Cr	1,22,47,47,872.00
	Term Loan	60,00,00,000.00	1903773000165		50.40 Cr	1,69,40,92,197.22

As per terms of Master Direction on Frauds issued by Reserve Bank of India, Banks and Financial Institutions are required to report the fraud incidences occurred in the Bank, to RBI.

As reported by our SAM Branch, the Committee for analyzing and recommending fraud elements in our Bank recommended to classify your above-mentioned account/s as fraud on account of the following reason/s:

Internal



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Reasons for declaring the account/s as Fraud

The Forensic Audit has been conducted by BDO India LLP as assigned by State Bank of India and the final report had been submitted on 15.10.2020. The review period for the audit is 01.04.2013 to 31.03.2017 and the summary and observations are as follows:

1. Utilization of Bank Loans of Bank Loans:

RCOM, RITL and RTL cumulatively received Rs. 31580 crores from various Banks. Out of the said loan amount, INR 13667.73 crores (44%) were utilized for repayment of loans and other obligations to Banks/FIs and INR 12692.31 crore (41%) were utilized to pay to connected parties.

Utilization of funds obtained from banks was traced and its utilization was mapped from sanction letter. Instances were identified where utilization of loan amount was not as per terms mentioned in sanction letter. Below are the total amount transferred for purpose not mentioned in the sanction letter.

- INR 6265.85 crores obtained from banks through loans were utilized for repayment of other bank loan.
- INR 5501.56 crores obtained from banks through loans were utilized for payment made to related and connected parties.
- Investments of INR 1883.08 crores were made from the loans received from various banks. Most of these investments were liquidated immediately and utilized for payments to related and non-related parties.

2. Inter-company Loan Transactions

RCOM, RITL and RTL have transferred the bank loan funds internally among themselves. The end use of such transfers was traced on a best effort basis. RCOM has transferred INR 783.77 crore to RTL and INR 1435.24 crore to RITL from loans obtained from Banks.

3. Discounting of Bills by RITL

RITL has discounted bills of RCOM worth INR 8514.70 crores and of RTL worth INR 1041.42 crores and these funds were majorly used for making payments to connected parties.

4. Movement of Funds through ICD:

- During the Review Period RCOM, RITL and RTL have given as well as taken loan from connected parties in the form of ICDs.
- ICD obtained during the Review Period was INR 41863.32 crores, out of which INR 28421.61 crores was traced. Out of INR 28421.61 crores, INR 23128.45 crores was utilized for payment to connected parties and INR 3214.74 was utilized for repaying bank loans.

Internal

Page | 2



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5. Transactions of Netizen with RCOM and RTIL

- In 2015-16, Netizen had received a capital advance of INR 5525 crores from RCOM. In 2017-18 Netizen acquired two assets (one tangible worth INR 3041.24 crores and a receivable worth INR 3042 crores) from MPNL one of which was immediately transferred to RCIL. The valuation of these assets are not clear.
- On transfer of this asset, RCOM wrote-off the capital advance it had given to Netizen against receivable balance from RCIL. In addition, multiple other accounts have been assigned to Netizen to reduce its receivable balance by RCOM and RTL.
- The financial background of Netizen is not commensurate with the scale of activities as shown in the books of RCOM. Netizen and RCOM appear to be closely connected entities. Further, money transferred by RJIO on sale of spectrum to RCOM was also transferred to Netizen which was further transferred to entities with weak financial background. Thus, the possibility that the account of Netizen was utilized to siphon money could not be ruled out.

6. Modus of creation/ write-off of fictitious debtors

• **Issue of Preference Shares:**

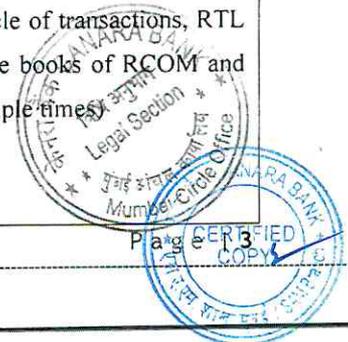
- a. As on 1 April 2013, INR 1347.70 crore was receivable from RTL in the books of RITL. RTL issued preference shares worth INR 1347.70 crores to RITL in satisfaction of the receivable amount on 31.03.2014. RITL sold the above preference shares to RCTNL on same date i.e. 31.03.2014 for INR 260 crores, thereby incurring a loss of INR 1087.70 crores. RCTNL received INR 260 crores from RTL and paid the same to RITL for purchase of preference shares of RTL.
- b. Considering that the investments were made and sold at 80.71% loss on the same day, it appears that the receivable balance from RTL was fictitious. As a result of the above scheme of transactions, RITL received INR 260 crores from RTL in lieu of INR 1347.70 crores and the same was not recorded as a business loss in the books of RITL, but as a loss on sale of investment.

• **Fictitious Debtors – RTL:**

- a. Collections received by RTL from RWSL amounting to INR 1110.50 crores (660.50+450.00 respectively) were received from RCOM (as ICD/against outstanding), through a series of transactions.
- b. These funds were obtained by RCOM vide intraday limit of INR 100 crore in HDFC A/c 2817 which were then routed to RTL through RWSL and /or RCIL. After this cycle of transactions, RTL paid the same amount to RCOM, thus, refurbishing the intraday limit in the books of RCOM and allowing RCOM to make a fresh payment to RWSL. (This was repeated multiple times).

• **Third Party Analysis**

Internal



There were numerous assignments in the books of RCOM, RTL and RTIL wherein high-value receivable and payable balances were transferred to corresponding parties to the assignment. Unusual JV entries in the ledgers of key parties and large amounts were transferred to parties with very weak financial backgrounds or unclear nature of business. The parties analysed were mentioned in report.

• **Charges V/s Fixed Assets:**

Assets held by RCOM, RITL, RTL and RCIL for the review period were compared with assets charged as per charge documents. It was noted that amount of open charges were more than the assets held by the companies. Closing balance of charges as on 31.03.2017 amounted to INR 49111.47 crores, however, total assets of these companies amounted to INR 26163.43 crores.

Before arriving on a conclusion to classify your above-mentioned account/s as fraud, we are hereby giving you an opportunity to make any representation to the Committee within **21 days** from the date of receipt of this letter. If no representation is received from you within the stipulated time period as mentioned above, it shall be presumed that you do not have anything to say in this matter and the Bank shall decide the matter based on the facts placed before the Committee.

Please note that any submission received from you after the above due date will not be considered.

*For any abbreviations used for name/s of entities in the Show Cause Notice, kindly refer to the Glossary as annexed in the Forensic Audit Report submitted by BDO India LLP

This is without prejudice to any other rights available to us under any other law in force.

Yours faithfully


Sreedevi Nair

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Enclosure: - Forensic Audit Report dated 15.10.2020 submitted by BDO India LLP

Note: - With issuance of this Show Cause Notice, any earlier Show Cause notices issued in the subject account/s (if any), stands withdrawn.

Internal

Page | 4



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