

# Karnataka Bank reports fraud on IL&FS Transportation loan

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**PRIVATE SECTOR LENDER**  
Karnataka Bank on Friday said it has reported to the RBI a fraud of about ₹34.16 crore in credit facilities extended to IL&FS Transportation Networks, which is a dud account now. “The bank has reported to RBI (Reserve Bank of India) a fraud in the credit facilities extended earlier to IL&FS Transportation Networks Ltd with an outstanding balance of ₹34.16 crore (defaulted entity),” Karnataka



**During 2018, the borrowing account was classified as a non-performing asset**

Bank said in a regulatory filing. The lender said IL&FS Transportation had availed of credit

from it during 2016 under multiple banking arrangement in which Karnataka Bank was one of the members.

During 2018, the borrowing account was classified as non-performing asset and has been fully provided for, it added.

It may be noted that IL&FS group was the nation's first shadow lender to run into debt trouble and defaulted on a series of repayments in 2018.

Karnataka Bank stock closed 0.72% down at ₹69.40 apiece on the BSE.