



Share Department, Finance Division, HO Plot No.4 Sector 10, Dwarka, New Delhi-110075
Tel Nos : 011-28044866 E-mail : hosd@pnb.co.in

Script Code : PNB	Script Code : 532461
The Asstt. Vice President National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	The Dy. General Manager Bombay Stock Exchange Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

Date: 23.01.2018

Dear Sir,

Reg.: Clarification/confirmation on news item

With reference to the news item regarding "CBI registers Rs 80 crore bank fraud case against PNB officials", we submit as under:

A. We confirm the authenticity of the news item and the sequence of related events is as follows:

- There were a total of 22 borrowal fraud accounts (coal accounts) pertaining to four branches.
- All 22 accounts aggregating to Rs.83.61 crores have already been reported to RBI, as fraud in the month of August 2016.
- Modus operandi in all the cases was "Misappropriation/siphoning of funds by selling the primary security hypothecated to the bank without depositing the sale proceeds in loan account".
- Bank had earlier lodged the complaints with CBI (EOW) Delhi in the month of November/December 2016.
- Recently on the advice of CBI, our Bank has filed revised complaints with CBI (ACB), Bhopal and subsequently they registered these cases on 16.1.2018.
- In all our 5 bank officers (the then sanctioning authority of respective accounts) have been named in the CBI FIRs along with borrowal parties.
- Recovery process has already been initiated.

B. Such borrowal frauds are normal to banking business. Looking to the size of operations of the bank, there is no material impact of this article on the Bank.

C. This was not material information. We endeavour to furnish all material information on time.

Submitted for information please.

Thanking you

Yours faithfully,

(Balbir Singh)
Company Secretary

