

<b>The Vice President The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, MUMBAI – 400 001</b>	<b>The Vice President Listing Department National Stock Exchange of India Ltd EXCHANGE PLAZA Bandra-Kurla Complex, Bandra [E] MUMBAI 400051</b>
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Dear Sir,

**Subject:** Clarification on the news item appearing in Economic Times – Sources dated 12/04/2018, titled “CBI questions BOI, Canara Bank officials in Antwerp, Bahrain.

In response to your query dated 12/04/2018 on the subject news item, we clarify as under

**a) Information/Clarification over the news item along with the sequence of events in chronological order.**

- Punjab National Bank had registered a complaint with Central Bureau of Investigations (CBI) on alleged fraudulent transactions in their Brady House Mumbai branch (PNB) with regard to issuance of Letters of Credit (LCs) and Letters of Undertakings (LOUs), against which many foreign branches of India based banks and a few foreign banks had financed.
- Our Bahrain branch had also financed PNB against their LOUs by way of 23 Buyer’s Credit accounts totaling to USD 65.30 Mn. which were due for repayment during March and April 2018. PNB repaid on 28<sup>th</sup> March 2018 the loan amounts due till that date and on 5<sup>th</sup> April 2018 repaid the balance amount.
- Our Bahrain branch has received the loan repayments in all cases and there are no outstanding loans under the said LOUs issued by PNB.
- On the complaint registered by PNB, it is understood that CBI called for relevant documents from lending banks, including our Bahrain branch. The details and documents are provided to CBI as and when called for. Our Bahrain Branch officials were called for an interaction on 09<sup>th</sup> April 2018. CBI had asked our Bahrain officials to brief them on the systems and procedures followed in the matter.

**b) The material impact of this article on Canara Bank.**

- The reported fraud at PNB on the issue of LOU is external. Our Bahrain branch’s lending totaling to USD 65.30 million against the LOUs issued by PNB has been repaid in full by PNB. There are no further outstandings under the said LOUs from PNB and therefore there is no material financial impact for Canara Bank in this regard.

सचिबीय विभाग

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**c) Disclosure under Regulation 30 – With regard to the event:**

- As stated above, our Bahrain branch had sanctioned Buyer's Credit loans against LOU of PNB, there was no material impact on Canara Bank. Eventually all lendings to PNB against their LOUs have been repaid in full to our Bahrain Branch. The transactions did not attract disclosure requirements under the Regulations

**Yours faithfully,**



**GEORGE AUGUSTIN T  
COMPANY SECRETARY**

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