



बैंक ऑफ़ बड़ौदा **Bank of Baroda**

BCC:ISD:108/16/ 44

Date: 29th January 2016

The Vice President (Attn: Ms Usha Sharma - DGM –Surveillance & Supervision) B S E Ltd., Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 BSE CODE-532134	The Vice President, (Attn: Avishkar Naik, Chief Manager-Surveillance) National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 BANKBARODA
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Dear Sir / Madam,

Re : Clarification/Confirmation on news item - Fraud – Adv. A/c - M/s ABC Cotspin Private Ltd – at our Mid Corp. Branch, Ahmedabad.

Clarification in respect of letters dated 29.01.2016 from BSE (Ref. No. L/DOSS/ONL/RV/ZS/2015-16/211 and NSE (Ref. No. NSE/CM/Surveillance/R-243) in respect of news item appeared in Business Line dated 29.01.2016 regarding CBI filing FIR against the Company, its two directors and 2 bank employees and the price sensitivity of the information.

Brief facts of case are as under:

- i) The captioned company, engaged in trading/export of cotton bales since 2006, is dealing with the Bank since Dec'2012. The company had been enjoying working capital facilities with outstanding aggregating to Rs.374.36 crs from BoB under multiple banking arrangements with SBI and others.
- ii) In Jul'15, it came to notice that BoB's branch had been discounting export bills in contravention of sanction terms.
- iii) The internal investigation by the Bank was conducted into the matter by Aug'15. The account was reported to RBI as red-flagged account on 11.09.2015 and as fraud on 09.10.2015.
- iv) The incident was referred to CBI on 15.10.2015 for further investigation into the matter and subsequently to Enforcement Directorate.
- v) **The account had already been classified as NPA as on 30.09.2015 and necessary provision was made as per RBI guidelines in financial results as on 30.09.2015.**
- vi) Company has also committed fraud at other lender SBI, who had also reported the matter to CBI and the same was in media news in Nov'15.
- vii) CBI has now filed FIR in subsequence of our reporting the matter to them in Oct'15, is not our knowledge and we have also come to know through media reports.
- viii) Asset classification /degradation, detection of fraud and reporting to law enforcement agency is in the normal course of business and is not considered to be of significance for price sensitivity.

Yours faithfully,


M. L. Jain

DGM - Company Secretary
& Compliance



बड़ौदा कार्पोरेट सेंटर, सी-26, जी-ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पू.), मुंबई - 400 051, भारत.

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