



बैंक ऑफ बड़ौदा Bank of Baroda

BCC:ISD:107/16/ 529-A

Date : 12<sup>th</sup> October 2015

Deputy General Manager,  
Surveillance & Supervision,  
BSE Ltd,  
Floor 25, P J Towers, Dalal Street,  
MUMBAI 400 001

Dear Sir,

**Re : Clarification/Confirmation on news item appearing in "The Financial Express"**

We refer to your communication No. L/DOSS/ONL/RV/AN/2015-16/131 dated October 12, 2015. In this regard we clarify as under:

1. It is reported that our Ashok Vihar Branch, New Delhi opened 59 Current Accounts during the period between 13.05.2014 to 20.06.2015 through which large foreign exchange remittance transactions were done.
2. During the period of 13.05.2014 to Aug' 2015 total 5853 number of outward foreign remittances transactions aggregating to USD 546.10 million (say around Rs.3500 crs) for the purpose as "Advance remittance for Imports" and for other purposes have been remitted through 38 current accounts to various overseas parties numbering about 400, mainly based in Hongkong and one of them in UAE. The branch did not adhere to FEMA guidelines in remittances.
3. Out of total amount involved, only about 10% has been by way of cash deposits with our branches and rest of around 90% have been received by RTGS/NEFT from various other Banks numbering over 30.
4. In 33 accounts where cash transaction took place, regular cash transaction reports (CTRs) were generated and mailed to Financial Intelligence Unit (FIU), as there have been heavy/frequent cash deposits. As per records, during this period 79 CTRs were generated pertaining to these accounts.
5. The matter came to our notice in the middle of July 2015 and then Bank ordered internal investigation, the report of which was submitted on 31.08.2015 at Regional Office level and matter was escalated to corporate office, who ordered detailed investigation by Bank's Internal Audit Division, which was commenced on 22.09.2015.
6. The matter was reported to Investigating Agencies i.e. CBI and Enforcement Directorate (ED) on 24.09.2015 and also to Ministry of Finance same day.
7. The matter was reported on 26.09.2015 to RBI to GM (Senior Supervisory Manager – RBS) over telephone by CGM followed by letter dated 29.09.2015.

While the facts of the case are as narrated above, the Bank thought it proper not to disclose the same to Stock Exchanges at this point of time due the following reasons:

1. There is no financial loss to the Bank at present or it may be insignificant.
2. The investigation by Bank's Internal Audit Division and Investigating Agencies of the Country is in progress and it was thought it proper to wait for the final outcome of the investigation. However, the matter was leaked to the press by some unknown sources, to which the Bank had no information.

We trust the aforesaid clarify the whole issue.



Yours faithfully,

M.L. Jain  
DGM – Company Secretary  
& Compliance

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