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Bank of Baroda launches Electronic Bank Guarantee on its Digital Platform

Entirely automated process resulting in faster turnaround time, ease of authentication & accessibility and prevention of fraud

Mumbai, May 10, 2023: Bank of Baroda (Bank), one of India's leading public sector banks, announced the launch of Electronic Bank Guarantee (e-BG) on its BarodaINSTA platform, in partnership with National E-Governance Services Limited (NeSL), which offers a platform for the issuance of Inland BGs through electronic mode. NeSL is India's first and only Information Utility and is regulated by the Insolvency and Bankruptcy Board of India (IBBI) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). With this launch, Bank of Baroda joins a select group of banks to issue Electronic Bank Guarantees – a start-to-end digital process across the complete lifecycle of a BG including issuance, amendment and closure resulting in substantial reduction in the turnaround time in issuing a BG, while at the same time bringing in greater security and accessibility.

The conventional paper-based process of issuing inland Bank Guarantees normally takes a few days to execute from BG issuance to receipt by the beneficiary. Further in the absence of a central repository, it is difficult to verify the BG status and there is also scope for misuse.

In an e-BG, physical stamping is replaced by e-stamping by NeSL, preventing fraud. The e-BGs are stored in a central repository resulting in complete transparency and accessibility for all stakeholders, as well as ease of authentication and verification. Also, as against the average 2-3 days TAT in case of a conventional BG, an Electronic Bank Guarantee gets processed and delivered in a matter of minutes.

Shri T. N. Suresh, General Manager, Head – Forex & Fee Income, Bank of Baroda said, "Electronic Bank Guarantee is a transformational reform as we endeavour to make banking simpler, more secure and easily accessible for our customers. Individual contractors, SMEs and large corporates are major applicants for bank guarantees and the move to e-BGs - a quick, seamless, transparent and completely secure process - will benefit them all."

Shri Debajyoti Ray Chaudhuri, MD & CEO of NeSL said, "Over the past few years, India has built a robust digital infrastructure and this is driving growth across all sectors in the economy. The banking industry in general and BOB in particular has been at the forefront in making its products and processes available through the digital mode. NeSL's e-BG meets a long-standing requirement of the banking industry for a digital product that addresses the challenges in the physical process of issuance of e-BGs. We are grateful to the Indian Banks' Association for their support in conceptualising this product and coordinating the numerous consultations with their members till the time the product was ready for launch."

National E-Governance Services Ltd (NeSL) offers a platform for the issuance of Inland BGs through electronic mode. The digital steps in an e-BG include BG application, preview and confirm, paperless e-



stamping, e-signing, hosting of the final electronic BG on the NeSL portal and intimation of final BG to the beneficiary. The beneficiary can view the final digital BG on the NeSL portal immediately on issuance. Such an e-BG eliminates the need for a separate authentication from the BG issuing Bank.

About Bank of Baroda

Founded on 20th July, 1908 by Sir Maharaja Sayajirao Gaekwad III, Bank of Baroda is one of the leading commercial banks in India. At 63.97% stake, it is majorly owned by the Government of India. The Bank serves its global customer base of over 150 million through over 46,000 touchpoints spread across 17 countries in five continents. Through its state-of-the-art digital banking platforms, it provides all banking products and services in a seamless and hassle-free manner. The Bank's bob World mobile app provides customers with a saving, investing, borrowing, and shopping experience, all under one single app. The app also serves non-customers by enabling account opening through video KYC. The Bank's vision matches its diverse clientele base and instills a sense of trust and security. It is moving well in that direction and bob World is a testimony of its roadmap towards Digital Transformation.

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