

Functions

The Bank carries on and transacts the business of banking. Sub section (5) of section 3 of the Banking Companies (Acquisition & Transfer of Undertakings) Act 1970 mandates that Bank of Baroda as a “corresponding new bank” shall carry on and transact the business of banking as defined in clause (b) of section 5 of the Banking Regulations Act 1949 and may engage in one or more of the other forms of business specified in sub-section (1) of section 6 of that Act.

Section 6 of Banking Regulation Act, 1949 reads as follows:-

"Forms of business in which banking companies may engage -

In addition to the business of banking, a banking company may engage in any one or more of the following forms of business. Namely:-

- The borrowing, raising, or taking up of money; the lending or advancing of money either upon or without security; and drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bill of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers' cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange, including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; the providing of safe deposit vaults; the collecting and transmitting of money and securities;
- Acting as agents for any government or local authority or any other person or persons; the carrying on of agency business of any description, including the clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers, but excluding the business of a [Managing Agent or Secretary and Treasurer] of a company;
- Contracting for public and private loans and negotiating and issuing the same;
- The Effecting, Insuring, Guaranteeing, Underwriting, participating in managing and carrying out of any issue, public or private, of state, municipal or other loans or of shares, stock, debentures or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;
- Carrying on and transacting every kind of guarantee and indemnity business;
- Managing, Selling and Realising any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;
- Acquiring and holding and generally dealing with any property or any right title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security;

- Undertaking and Executing trusts.
- Undertaking the administration of estates as Executor, Trustee or otherwise;
- Establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; granting pension and allowances and making payments towards insurance; subscribing to or guaranteeing moneys of charitable or benevolent object or for any exhibition or for any public., general or useful object.
- The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;
- Selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;
- Acquiring & Undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in this sub section.
- Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company;
- Any other form of business which the Central Government may, by notification in the official gazette, specify as a form of business in which it is lawful for a Banking Company to engage."