

BANK OF BARODA STATEMENT ON THE VERDICT PASSED BY THE HON'BLE FREE STATE HIGH COURT, BLOEMFONTEIN ON 12.06.2018, ON ITS APPEAL FOR REVISION OF THE PRESERVATION ORDER PASSED ON 27.03.2018

The Hon'ble Free State High Court of Bloemfontein, has on 12.06.2018 given its verdict on the reconsideration application filed by Bank of Baroda against the Preservation Order obtained by NDPP in Case No 1540 / 2018 : NDPP Vs Estina Pty Ltd.

The verdict is in favour of Bank of Baroda and the Hon'ble High Court has exonerated the Bank of all the charges of holding proceeds of unlawful activities. The Court has set aside the relevant paragraphs of the preservation order dated 27.03.2018, insofar as they relate to the amount of R 33,205,871.86, held by the Bank in its account with Nedbank, and the same is released in favour of Bank of Baroda. This order is in line with the earlier verdict given by the same Hon'ble High Court in favour of Bank of Baroda on 9th March 2018

The Court has held that the money received by a bank can only be preserved if it stands to the credit of a particular customer of the Bank. Where the customer's account has a nil or debit balance there is nothing to be attached or preserved. If this could be done in respect of BoB's Nedbank account, then the funds of Standard Bank and the other commercial banks involved with Estina could have been preserved as well. Such unfair and oppressive results are too ghastly to contemplate. In conclusion the Hon'ble Judge states that no facts were proven giving rise to reasonable grounds for believing that any of the funds deposited in Baroda's Nedbank account were the proceeds of unlawful activities.

Bank of Baroda would like to reiterate that its South Africa operations have been conducted in compliance with the applicable laws and regulations of the host and home country. The Bank shall co-operate with the authorities till the investigations are completed.

The rate of interest on all the Current Account has been reduced to 2.00 % effective from 02.02.2018