



बैंक ऑफ बड़ौदा **Bank of Baroda**

BCC:ISD:108/16/204

Date: 13th May 2016

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| The Vice-President, B S E Ltd., Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 BSE CODE-532134 | The Vice-President, National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 CODE-BANKBARODA |
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Dear Sir/ Madam,

Re: Bank of Baroda - Standalone (Audited) and Consolidated (Audited) Financial Results for the Quarter / Financial Year Ended 31st March 2016 - Regulation 33

Further to our letter No. BCC:ISD:108/16/188 dated 06.05.2016, we advise as under, pursuant to Regulation 33 and other applicable Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated 30.11.2015:

1. The Board of Directors of our Bank at its meeting held today i.e. 13.05.2016 considered & approved the Standalone (Audited) and Consolidated (Audited) Financial Results of the Bank together with relevant segment reporting, for the Quarter / Financial Year ended 31st March 2016
2. In terms of RBI Circular No. RBI/2004-05/451/ DBOD.NO.BP.BC.88/21.02.067/2004-05 dated 04.05.2005, no dividend is payable for FY 2015-16, due to non-availability of Current Year's Profit.

A copy of the Standalone (Audited) & Consolidated (Audited) Financial Results in prescribed formats pursuant SEBI Regulations / Circular, duly signed is enclosed herewith along with the Auditors' Reports and "Form - A", including Segment Reporting, Statement of Assets and Liabilities, etc.

The Meeting of the Board of Directors commenced at 3.30 p.m. and concluded at 4.50 p.m.

We request you to take a note of the above pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The information may kindly be uploaded on your website.

Yours faithfully,

M.L. Jain
Dy. General Manager
Company Secretary

Encl. - As Above

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

Baroda Corporate Centre, C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, India.

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ई-मेल / E-mail : companysecretary.bcc@bankofbaroda.com • वेब / Web : www.bankofbaroda.com

Audited Financial Results for the Quarter/ Year ended 31st March, 2016

(₹ in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Year ended (Standalone) | | Year Ended (Consolidated) | |
|---------|---|---------------|------------|------------|-------------------------|------------|---------------------------|----------------|
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Audited | Reviewed | Audited | Audited | Audited | Audited | Audited |
| 1 | Interest earned (a)+(b)+(c)+(d) | 11014,38 | 10614,04 | 10761,93 | 44061,27 | 42963,55 | 45799,00 | 44914,96 |
| | (a) Interest /discount on advances / bills | 6882,34 | 7169,25 | 7539,62 | 29796,23 | 30802,68 | 30700,07 | 31669,36 |
| | (b) Income on investments | 2689,35 | 2685,87 | 2358,68 | 10673,22 | 9430,99 | 11333,93 | 10603,54 |
| | (c) Interest on balances with Reserve Bank of India and other inter bank funds | 365,31 | 353,35 | 286,63 | 1305,92 | 1549,79 | 1469,88 | 1717,63 |
| | (d) Others | 1077,38 | 405,57 | 577,00 | 2285,90 | 1180,09 | 2295,12 | 924,43 |
| 2 | Other Income | 1774,68 | 1112,91 | 1295,46 | 4998,86 | 4402,00 | 5992,17 | 5449,27 |
| 3 | Total Income (1 + 2) | 12789,06 | 11726,95 | 12057,39 | 49060,13 | 47365,55 | 51791,17 | 50364,23 |
| 4 | Interest Expended | 7683,97 | 7908,70 | 7590,26 | 31321,43 | 29776,32 | 32107,44 | 30546,61 |
| 5 | Operating Expenses (a) + (b) | 2532,63 | 2114,11 | 1773,60 | 8923,13 | 7674,13 | 9962,42 | 8604,41 |
| | (a) Employees cost | 1434,17 | 1154,79 | 928,24 | 4978,02 | 4261,35 | 5201,05 | 4476,97 |
| | (b) Other operating expenses | 1098,46 | 959,32 | 845,36 | 3945,11 | 3412,78 | 4761,37 | 4127,44 |
| 6 | Total Expenditure (4+5) excluding provisions and contingencies | 10216,60 | 10022,81 | 9363,86 | 40244,56 | 37450,45 | 42069,86 | 39151,02 |
| 7 | Operating Profit before Provisions and Contingencies (3-6) | 2572,46 | 1704,14 | 2693,53 | 8815,57 | 9915,10 | 9721,31 | 11213,21 |
| 8 | Provisions (other than tax) and Contingencies | 6857,66 | 6164,55 | 1817,50 | 15513,65 | 4494,50 | 15953,97 | 5229,98 |
| 9 | Exceptional Items | - | - | - | - | - | - | - |
| 10 | Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9) | (4285,20) | (4460,41) | 876,03 | (6698,08) | 5420,60 | (6232,66) | 5983,23 |
| 11 | Tax expenses | (1055,06) | (1118,37) | 277,68 | (1302,53) | 2022,17 | (1179,58) | 2150,54 |
| 12 | Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11) | (3230,14) | (3342,04) | 598,35 | (5395,55) | 3398,43 | (5053,08) | 3832,69 |
| | Less: Minority Interest | NA | NA | NA | NA | NA | 34,69 | 38,69 |
| | Add: Share of earnings in Associates | NA | NA | NA | NA | NA | 20,09 | 117,73 |
| 13 | Extraordinary items (net of tax expenses) | - | - | - | - | - | - | - |
| 14 | Net Profit (+) / Loss (-) for the period (12-13) | (3230,14) | (3342,04) | 598,35 | (5395,55) | 3398,43 | (5067,68) | 3911,73 |
| 15 | Paid-up equity share capital (Face Value of ₹2 each) | 462,09 | 462,09 | 443,56 | 462,09 | 443,56 | 462,09 | 443,56 |
| 16 | Reserve excluding Revaluation Reserve | -- | -- | -- | 35610,68 | 38404,49 | 37903,21 | 40573,71 |
| 17 | Analytical Ratios | | | | | | | |
| | i) Percentage of shares held by Government of India | 59.24 | 59.24 | 57.53 | 59.24 | 57.53 | 59.24 | 57.53 |
| | ii) Capital Adequacy Ratio | | | | | | | |
| | a Capital Adequacy Ratio (%) - Basel-II | 14.20 | 12.95 | 13.33 | 14.20 | 13.33 | 14.76 | 13.90 |
| | b Capital Adequacy Ratio (%) - Basel-III | 13.17 | 12.18 | 12.60 | 13.17 | 12.60 | 13.63 | 13.07 |
| | iii) Earnings Per Share | | | | | | | |
| | Basic and diluted EPS before and after Extraordinary items, net of tax expenses (not annualized) [in ₹.] | (14.02) | (14.50) | 2.79 | (23.89) | 15.83 | (22.44) | 18.22 |
| | iv) NPA Ratios | | | | | | | |
| | (a) Gross NPA | 40521,04 | 38934,11 | 16261,45 | 40521,04 | 16261,45 | Not Applicable | Not Applicable |
| | Net NPA | 19406,46 | 21806,16 | 8069,49 | 19406,46 | 8069,49 | | |
| | (b) % of Gross NPA | 9.99 | 9.68 | 3.72 | 9.99 | 3.72 | | |
| | % of Net NPA | 5.06 | 5.67 | 1.89 | 5.06 | 1.89 | | |
| | v) Return on Assets (annualized) % | (1.90) | (1.91) | 0.35 | (0.78) | 0.49 | | |



Notes forming part of the audited financial results for the Quarter/Year ended 31st March, 2016

- 1 The above financial results have been reviewed by the Audit Committee of Board in their meeting held on 13th May 2016 and approved by the Board of Directors in their meeting held on 13th May 2016. The same have been subjected to Audit by the Statutory Central Auditors of the Bank, in line with the guidelines issued by Reserve Bank of India and as per the requirement of listing agreement with Stock Exchanges.
- 2 Accounting policies have been consistently applied during the year and there is no material change in accounting policies adopted during the year ended March 2016 as compared to those followed for the year ended March 2015.
- 3 The financial results for the quarter/ year ended 31st March 2016 have been arrived at after considering provision for Non performing Assets, Standard Assets, Restructured Assets and depreciation / provision for Investments on the basis of prudential norms and specific guidelines issued by RBI. The Bank has made provision @ 20% on the Secured Sub-standard Advance as against the Regulatory requirement of 15%.
- 4 During the year, as a part of Asset Quality Review (AQR) conducted by RBI, the bank has been advised to reclassify / make additional provisions in respect of certain advance accounts over two quarters ending December 2015 and March 2016. The Bank has accordingly implemented the RBI direction.
- 5 Further, the Bank has done an extensive review of the advance portfolio and has made additional provision for NPAs.
- 6 During the year the Bank has created DTA of ₹. 848 crores on account of difference in provision requirement at UAE which in the opinion of the Bank is fully reversible. Out of this ₹. 540.73 crores pertains to earlier years, which was credited to past reserves.
- 7 Other income for the current year includes ₹. 302.97 crores on account of exchange gain on repatriation of funds from foreign offices.
- 8 In accordance with UDAY (Ujwal Discom Assurance Yojna) Scheme of GOI, Ministry of Power for operational and financial turnaround of Power Distribution Companies (DISCOMs) during the FY 2015-16, the bank has subscribed to Non SLR SDL Bond of Government of Rajasthan (GoR) and Government of UP (GoUP) amounting to ₹ 1976.66 crs & ₹. 297.16 crores respectively.
In compliance to the RBI letter No. DBR.BP.NO.11657/21.04.132/2015-16 dated 17th March 2016, bank has made the provision as under:
i) ₹. 121.63 crores in respect of segment not envisaged to be converted into SDL in FY 2016-17 @15% on ₹. 810.86 crores and classified as standard assets
ii) ₹. 25.31 crores for diminution in the fair value of loan / DISCOM bonds.
- 9 Bank is providing for employee benefits in accordance with the accounting standard (AS) -15 issued by ICAI. The same is calculated by actuarial valuation. The bank has during the year as a matter of prudence, decided to change one of the assumptions for actuarial calculation by shifting mortality rate table from LIC1 1994-96 to IALM 2006-08. Due to this change, additional provision of ₹.1563.70. crore has been made during the quarter ended March 2016.
- 10 During the year, the bank has revalued the premises forming part of its fixed assets schedule. These premises are revalued based on the reports of bank's approved valuers and the surplus arising from revaluation amount of ₹. 3241.31 crore has been added to "Revaluation Reserve" during current year.
- 11 In compliance to the RBI letter no. DBR.NO.BP.13018/21.04.048/2015-16 dated 12.04.2016, Bank has provided a sum of ₹.289.45 crore being 15% of the existing outstanding of ₹. 1962.02 Crore as on 31.03.2016 under food credit availed by a State Government. As per RBI's directives, said provision was required to be made in two quarters i.e 7.5% in March, 2016 and 7.5% in June, 2016. However bank has decided to make the full required provision in March 2016 quarter.
- 12 As advised by RBI vide circular no.DBR.BP.BC.No.31/21.04.018/2015-16 dated 16.07.2015, Bank has included its deposits placed with NABARD/SIDBI and NHB on account of shortfall in lending to Priority Sector, under "Other Assets" which were earlier included under "Investments". Interest income on these deposits has been included under "Interest Earned- Others"
- 13 In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013, Banks are required to make Pillar 3 disclosure under Basel III Capital Regulations. These details are being made available on our website "www.bankofbaroda.com". These disclosures have not been subjected to Audit by the auditors.
- 14 Non Performing Loan Provisioning Coverage Ratio is 60.09 % as on 31st March 2016.
- 15 During the year, on 29th September 2015, Bank has allotted 9,26,63,692 shares of ₹ 2/- each fully paid up at a premium of ₹ 190.74 per share to the Government of India, as approved by shareholders in the Extra-ordinary General Meeting dated 28th Sept. 2015 in accordance with SEBI (ICDR) Regulations 2009 on preferential basis. Total amount received by Bank on this account is ₹ 1786 Crores
- 16 During the year in compliance of ICDs, the unrealized gain for the year on translation of foreign currency items of non integral operations of bank amounting to ₹.562.89 Crores, credited to FCTR account, has been offered for tax. As this being a timing difference with reasonable certainty of repatriation of foreign currency funds / foreign currency movement and being capable of full reversal in future, the bank has created the Deferred tax Assets amounting to ₹.194.80 Crores on the same and the same has been credited to profit and loss account as per Accounting Standard-22.
- 17 During the year a penalty of ₹ 49.43 lac was imposed by (RBI / Financial Intelligence Unit (FIU)/ Overseas Regulators).
- 18 Details of Investor's complaints for the quarter ended 31.03.2016: Pending at Beginning - Nil; Received -201; Disposed off - 201; Closing - Nil
- 19 Statement of Assets & Liabilities is as under:-

(₹ In Lacs)

| | As on 31st March 2016 Audited | As on 31st March 2015 Audited |
|--|-------------------------------------|-------------------------------------|
| CAPITAL & LIABILITIES | | |
| Capital | 462,09 | 443,56 |
| Reserves and Surplus | 39736,89 | 39391,79 |
| Deposits | 574037,87 | 617559,52 |
| Borrowings | 33471,70 | 35264,28 |
| Other Liabilities and Provisions | 23667,92 | 22329,40 |
| TOTAL | 671376,47 | 714988,55 |
| ASSETS | | |
| Cash and Balances with Reserve Bank of India | 21672,42 | 22488,60 |
| Balances with Banks and Money at Call and Short Notice | 112227,93 | 125864,55 |
| Investments | 120450,52 | 116812,23 |
| Advances | 383770,18 | 428065,14 |
| Fixed Assets | 6253,78 | 2874,85 |
| Other Assets | 27001,65 | 18883,18 |
| TOTAL | 671376,47 | 714988,55 |

- 20 The figures for the quarter ended 31st March 2016 and the corresponding quarter ended in the previous year are the balancing figures of the audited figures and the reviewed year to date figures up to the end of third quarter of the relevant financial year. The figures of previous period have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current period.



Segment reporting for the Quarter /Year ended 31st March, 2016

Part A - Business Segments

(₹. In lacs)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended (Standalone) | | Year Ended (Consolidated) | |
|---------|-----------------------------|---------------|------------|------------|-------------------------|------------|---------------------------|------------|
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Audited | Reviewed | Audited | Audited | Audited | Audited | Audited |
| 1 | Segment Revenue | | | | | | | |
| | (a) Treasury Operations | 4095,14 | 3941,26 | 3711,92 | 15534,37 | 13905,38 | 16175,99 | 14562,86 |
| | (b) Wholesale Banking | 5614,79 | 5390,09 | 5174,26 | 21867,43 | 21465,60 | 22377,82 | 22025,24 |
| | (c) Retail Banking | 2340,47 | 2395,27 | 3110,44 | 10918,07 | 11932,16 | 11546,18 | 12488,89 |
| | (d)Other Banking Operations | 738,66 | 33 | 60,76 | 740,26 | 62,41 | 1691,18 | 1287,25 |
| | Total Revenue | 12789,06 | 11726,95 | 12057,38 | 49060,13 | 47365,55 | 51791,17 | 50364,24 |
| 2 | Segment Results | | | | | | | |
| | (a) Treasury Operations | 685,47 | 700,43 | 790,63 | 2553,75 | 3332,69 | 2706,92 | 3563,83 |
| | (b) Wholesale Banking | (3217,68) | (3409,82) | (113,48) | (5943,86) | 936,42 | (5748,45) | 1120,41 |
| | (c) Retail Banking | (1746,95) | (1144,75) | 501,39 | (1479,55) | 3005,45 | (1331,31) | 3144,22 |
| | (d)Other Banking Operations | 568,13 | 25 | 48,22 | 569,38 | 49,53 | 562,36 | 173,26 |
| | Total | (3711,03) | (3853,89) | 1226,76 | (4300,28) | 7324,09 | (3810,48) | 8001,72 |
| | Unallocated Expenditure | 574,18 | 606,51 | 350,73 | 2397,80 | 1903,49 | 2436,78 | 1939,45 |
| | Profit before Tax | (4285,21) | (4460,40) | 876,03 | (6698,08) | 5420,60 | (6247,26) | 6062,27 |
| | Provision for Tax | (1055,07) | (1118,36) | 277,68 | (1302,53) | 2022,17 | (1179,58) | 2150,54 |
| | Net Profit | (3230,14) | (3342,04) | 598,35 | (5395,55) | 3398,43 | (5067,68) | 3911,73 |
| 3 | Capital Employed | | | | | | | |
| | (a) Treasury Operations | 15814,49 | 16507,67 | 15127,87 | 15814,49 | 15127,87 | 272218,52 | 16035,05 |
| | (b) Wholesale Banking | 17575,69 | 17117,31 | 18740,38 | 17575,69 | 18740,38 | 297735,00 | 19485,84 |
| | (c) Retail Banking | 6041,51 | 5868,56 | 5548,14 | 6041,51 | 5548,14 | 105505,11 | 5937,31 |
| | (d)Other Banking Operations | - | - | - | - | - | 2887,60 | 127,31 |
| | (e) Unallocated | 767,30 | 501,12 | 418,96 | 767,30 | 418,96 | 12832,85 | 432,14 |
| | Total Capital Employed | 40198,99 | 39994,66 | 39835,35 | 40198,99 | 39835,35 | 691179,08 | 42017,65 |

Part- B : Geographic Segments

| Sr. No. | Particulars | Quarter Ended | | | Year Ended (Standalone) | | Year Ended (Consolidated) | |
|---------|-------------------|---------------|------------|------------|-------------------------|------------|---------------------------|------------|
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Audited | Reviewed | Audited | Audited | Audited | Audited | Audited |
| 1 | Revenue | | | | | | | |
| | (a) Domestic | 11501,75 | 10493,16 | 10770,32 | 43974,54 | 41854,04 | 45643,85 | 43794,36 |
| | (b) International | 1287,31 | 1233,79 | 1287,06 | 5085,59 | 5511,51 | 6147,32 | 6569,88 |
| | Total | 12789,06 | 11726,95 | 12057,38 | 49060,13 | 47365,55 | 51791,17 | 50364,24 |
| 2 | Assets | | | | | | | |
| | (a) Domestic | 443881,12 | 460256,00 | 464871,39 | 443881,12 | 464871,39 | 473707,41 | 473707,41 |
| | (b) International | 227495,36 | 226929,67 | 250117,16 | 227495,36 | 250117,16 | 260269,97 | 260269,97 |
| | Total | 671376,48 | 687185,67 | 714988,55 | 671376,48 | 714988,55 | 733977,38 | 733977,38 |

Notes on Segment Reporting :

- As per guidelines of RBI on compliance with Accounting Standards, the Bank has adopted "Treasury Operations", Wholesale, Retail and "Other Banking Operations" as Primary business segments and "Domestic" and International as secondary / geographic segments for the purpose of compliance with AS-17 on Segment Reporting issued by ICAI.
- Segment revenue represents revenue from external customers.
- Capital employed for each segment has been allocated proportionate to the assets of the segment.
- The figures of previous period/ year have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current period.


 Mayank K. Mehta
 Executive Director


 B. B. Joshi
 Executive Director


 P. S. Jayakumar
 Managing Director & CEO


 Ravi Venkatesan
 Chairman

Place : Mumbai
 Date : 13th May 2016



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| Khandelwal Jain & Co. Chartered Accountants | Wahi & Gupta Chartered Accountants |
| S R Goyal & Co Chartered Accountants | Rodi Dabir & Co Chartered Accountants |

Independent Auditors Report

To

The Shareholders of Bank of Baroda

Report on the Financial Statements.

1. We have audited the accompanying financial statements of Bank of Baroda as on 31st March, 2016, which comprise the Balance Sheet as on 31st March, 2016, and Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches and one Specialized Integrated Treasury Branch audited by us, 2566 branches audited by Statutory Branch Auditors and 49 foreign branches audited by local auditors in respective countries. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 2743 branches which have not been subjected to audit. These unaudited branches account for 4.63 per cent of advances, 11.82 per cent of deposits, 5.63 per cent of interest income and 10.58 per cent of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act 1949, Reserve Bank of India guidelines from time to time and accounting standards generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the



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| Khandelwal Jain & Co. Chartered Accountants | Wahi & Gupta Chartered Accountants |
| S R Goyal & Co Chartered Accountants | Rodi Dabir & Co Chartered Accountants |

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6. Opinion

In our opinion, as shown by books of bank and to the best of our information and according to the explanations given to us:-

- i. The Balance sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as on 31st March, 2016 in conformity with accounting principles generally accepted in India;
- ii. The Profit and Loss Account, read with the notes thereon shows a true balance of loss, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- iii. The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Statement of Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 / 1980 and subject also to the limitations of disclosure required therein, we report that;
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b. The transactions of the Bank, which have come to our notice have been within the powers of the Bank;
 - c. The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit;



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| Khandelwal Jain & Co. Chartered Accountants | Wahi & Gupta Chartered Accountants |
| S R Goyal & Co Chartered Accountants | Rodi Dabir & Co Chartered Accountants |

9. We further report that:

- The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
- The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

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| <p>For Khandelwal Jain & Co Chartered Accountants FRN : 105049W</p>   <p>Shailesh S Shah Partner M.No: 033632</p> | <p>For Wahi & Gupta Chartered Accountants FRN: 002263N</p>   <p>Anuj Gupta Partner M.No: 076560</p> |
| <p>For S R Goyal & Co Chartered Accountants FRN: 001537C</p>   <p>Ajay Kumar Atolia Partner M.No: 077201</p> | <p>For Rodi Dabir & Co Chartered Accountants FRN: 108846W</p>   <p>Sudhir Dabir Partner M.No: 039984</p> |

Date: 13th May 2016

Place: Mumbai





बैंक ऑफ बड़ोदा Bank of Baroda

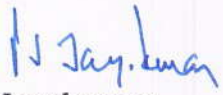
FORM A

LETTER OF ANNUAL AUDIT REPORT TO BE FILED WITH STOCK EXCHANGES (STANDALONE)

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| • Name of the Company | Bank of Baroda |
| • Annual Financial Statements for the year ended | 31 st March 2016 |
| • Type of Audit Observation | Un-modified |
| • Frequency of observation | - |
| • Comments of the Management on the matter of emphasis | Nil |


V. S. Narang
General Manager
(Corporate Accounts
& Taxation) and CFO


Dr. R. Narayanaswamy
Chairman
Audit Committee of Board


P. S. Jayakumar
Managing Director & CEO

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| For Khandelwal Jain & Co Chartered Accountants FRN : 105049W  Shaileshkumar S Shah Partner M.No: 033632  | For Wahi & Gupta Chartered Accountants FRN: 002263N  Y. K. Gupta Partner M.No: 016020  |
| For S R Goyal Chartered Accountants FRN: 001537C  Ajay Kumar Atolia Partner M.No: 077201  | For Rodi Dabir & Co Chartered Accountants FRN: 108846W  Sudhir Dabir Partner M.No: 039984  |

Place: Mumbai
Date: 13th May 2016

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| Khandelwal Jain & Co. Chartered Accountants | Wahi & Gupta Chartered Accountants |
| S R Goyal & Co Chartered Accountants | Rodi Dabir & Co Chartered Accountants |

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF BANK OF BARODA

To
The Board of Directors,
Bank of Baroda

- 1 We have audited the attached Consolidated Balance Sheet of Bank of Baroda (the "Group") as at March 31, 2016, the Consolidated Statement of Profit and Loss for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, in which are incorporated:
- Audited Accounts of the Bank of Baroda (The Bank), audited by us, vide our audit report dated May 13, 2016;
 - Audited Accounts of 12 Subsidiaries, 3 Associates and 3 Joint Ventures, audited by other Auditors;
 - Unaudited accounts of 3 associates.

Management's Responsibility for the Financial Statements

The Consolidated Financial Statements are the responsibility of the Bank's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding subsidiaries, associates & joint ventures. Our responsibility is to express our opinion on these Consolidated Financial Statements based on our audit.

- 2 These Consolidated Financial Statements have been prepared by the Bank in accordance with the requirements of AS 21 (Consolidated Financial Statements), AS 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and AS 27 (Financial Reporting of Interest in Joint Ventures) issued by the ICAI and the guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

- 3 We conducted our audit of the Consolidated Financial Statements in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the



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management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

4 Incorporated in the Consolidated Financial Statements are:

- a) Financial statements of 9 overseas subsidiaries and 1 overseas Joint Venture which have not been audited by us, whose financial statements reflect total assets of ₹. 10566.88 crores as at 31st March, 2016 and total revenue of ₹. 1066.01 crores and cash flows amounting to ₹. 259.54 crores for the year then ended. Out of which, 4 (four) overseas subsidiaries and 1 (One) Joint Venture whose accounts has been drawn upto 31st Dec. 2015 and included in the consolidated financial statements, the management has certified that no significant changes have taken place during the period from 01st January 2015 to March 2016. The financial statements and other financial information of said subsidiaries have been audited by other auditors as per the requirement of respective local Generally Accepted Accounting Principles (GAAP). These financial statements have been converted as per the requirements of Indian GAAP by the management and audited by them and our opinion, in so far it relates to the amounts included in respect of those subsidiaries is based solely on the reports of those auditors and its conversion into Indian GAAP as stated above.
- b) Figures of 3 domestic subsidiaries and 2 domestic joint ventures which have been audited by other auditors, whose financial statements reflect total assets of ₹. 11361.02 crores as at March 31, 2016 and total revenue of ₹. 1836.23 crores and cash flows amounting to ₹. (242.59) crores for the year then ended. The consolidated financial statements also include the group's share of net profit of ₹. (37.49) crores for the year ended 31st March 2016 as considered in the consolidated financial statements in respect of 3 associates, whose financial statement have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these domestic subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.
- c) The consolidated financial statements also include the group's share of net profit of ₹ 57.59 crores for the year ended 31st March 2016 as considered in the consolidated financial statements in respect of 3 associates, whose financial statement have not been audited by us. These financial statement are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Group.



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| S R Goyal & Co Chartered Accountants | Rodi Dabir & Co Chartered Accountants |

5 Opinion

Based on our audit, consideration of reports of other auditors on separate financial statements, consideration of unaudited financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us read with paragraphs 3 and 4 above, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, subject to our observation in Para No. 5 above :

- (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Bank, its Subsidiaries and interests in its Associates/ Joint ventures (Group) as on 31st March 2016;
- (ii) In the case of the Consolidated Statement of Profit & Loss, of the consolidated Loss of the "Group" for the year ended on that date, and
- (iii) In the case of Consolidated Cash Flow Statement, of the cash flows of the "Group" for the year ended on that date.

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| <p>For Khandelwal Jain & Co Chartered Accountants FRN : 105049W</p>   <p>Shailesh S Shah Partner M.No: 033632</p> | <p>For Wahi & Gupta Chartered Accountants FRN: 002263M</p>   <p>Anuj Gupta Partner M.No: 076560</p> |
| <p>For S R Goyal & Co Chartered Accountants FRN: 001537C</p>   <p>Anurag Goyal Partner M.No: 412538</p> | <p>For Rodi Dabir & Co Chartered Accountants FRN: 108846W</p>   <p>Sudhir Dabir Partner M.No: 039984</p> |

Date: 13th May 2016

Place - Mumbai





बैंक ऑफ़ बड़ौदा **Bank of Baroda**


FORM A

LETTER OF ANNUAL AUDIT REPORT TO BE FILED WITH STOCK EXCHANGES (CONSOLIDATED)

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| • Name of the Company | Bank of Baroda |
| • Annual Financial Statements for the year ended | 31 st March 2016 |
| • Type of Audit Observation | Un-modified |
| • Frequency of observation | - |
| • Comments of the Management on the matter of emphasis | Nil |


V. S. Narang
General Manager
(Corporate Accounts
& Taxation) and CFO


Dr. R. Narayanaswamy
Chairman
Audit Committee of Board


P. S. Jayakumar
Managing Director & CEO

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| For Khandelwal Jain & Co Chartered Accountants FRN : 105049W  Shaileshkumar S Shah Partner M.No: 033632  | For Wahi & Gupta Chartered Accountants FRN: 002263N  Y. K. Gupta Partner M.No: 016020  |
| For S R Goyal Chartered Accountants FRN: 001537C  Ajay Kumar Atolia Partner M.No: 077201  | For Rodi Dabir & Co Chartered Accountants FRN: 108846W  Sudhir Dabir Partner M.No: 039984  |

Place: Mumbai
Date: 13th May 2016