



बैंक ऑफ बड़ौदा *Bank of Baroda*

BCC:ISD:106/16/241

Date: 13.05.2014

The Vice-President, (Fax No. 022- 2272 3719 / 1278 /3121/ 2037) B S E Ltd., Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 BSE CODE : 532134	The Vice-President, (Fax No. 022- 2659 8237 / 38 /8347 /8348) National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai – 400 051 NSE CODE : BANKBARODA
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Dear Sir/ Madam,

Re: Bank of Baroda - Audited Financial Results for the fourth quarter / year ended 31st March 2014 – Reporting under Clause 41 & 20 of LA

Further to our letter No. BCC:ISD:106/16/216 dated 30th April 2014 we advise that the Board of Directors of our Bank at its meeting held today:

1. Considered and approved the Audited Financial Results (Standalone & Consolidated) of the Bank for the quarter / financial year ended 31st March 2014 together with relevant Segment Reporting. A copy of the results (in prescribed format pursuant to Clause – 41 of the Listing Agreement) duly signed by the Chairman & Managing Director and Executive Directors of the Bank, is enclosed herewith along with the Auditors Report.
2. Recommended a final dividend @ Rs. 10.50 (Rupees Ten & paise Fifty only) per equity share (of Rs. 10/- each fully paid-up) for the F.Y. 2013-14 subject to declaration at the ensuing 18th Annual General Meeting of the shareholders of the Bank proposed to be held at Vadodara on 25th June 2014. The dividend payment date is fixed as 9th July 2014.

We request you to take a note of the above pursuant to clause 41 and 20 and other applicable clauses of the Listing Agreement.

The information may kindly be uploaded on your website.

Yours faithfully,

M.L.Jain
DGM-Company Secretary
& Compliance

Encl. - As Above

बड़ौदा कार्पोरेट सेन्टर, 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.

फोन / Phone : 91 22 6698 5812/5846 • फैक्स / Fax : 91 22 2652 6660

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

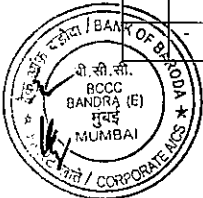
Head Office: Baroda House, P B No.506, Mandvi, Baroda- 390006
Corporate Office: C-26, G-Block, Bandra Kuria Complex, Bandra (E), Mumbai- 400051

Audited Financial Results for the Quarter /Year ended 31st March, 2014

(₹ In Lacs)

Sr. No.	Particulars	Quarter Ended (Standalone)			Year Ended(Standalone)		Year Ended(Consolidated)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Interest earned (a)+(b)+(c)+(d)	10288.59	9690.73	9071.57	38939.71	35196.65	40462.90	36442.06
	(a) Interest /discount on advances/bills	7316.18	7061.01	6516.36	27878.09	25867.05	28656.55	26611.35
	(b) Income on investments	2199.96	2175.05	1984.10	8695.99	7483.39	9293.97	7887.88
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	495.50	245.22	413.13	1533.86	1443.02	1671.25	1538.39
	(d) Others	276.95	209.45	157.98	831.77	403.19	841.13	404.44
2	Other Income	1326.26	932.07	1190.93	4462.74	3630.63	5555.15	4510.62
3	Total Income (1 + 2)	11614.85	10622.80	10262.50	43402.45	38827.28	46018.05	40952.68
4	Interest Expended	7164.27	6633.59	6257.58	26974.36	23881.39	27604.43	24486.41
5	Operating Expenses (a) + (b)	1871.03	1791.74	1822.88	7074.87	5872.11	7530.09	6231.73
	(a) Employees cost	1039.89	1055.71	1139.30	4139.73	3449.65	4334.61	3615.95
	(b) Other operating expenses	831.14	736.03	683.58	2935.14	2422.46	3195.48	2615.78
6	Total Expenditure (4+5) excluding provisions and contingencies	9035.30	8425.33	8080.46	34049.23	29753.50	35134.52	30718.14
7	Operating Profit before Provisions and Contingencies (3-6)	2579.55	2197.47	2182.04	9353.22	9073.78	10883.53	10234.54
8	Provisions (other than tax) and Contingencies	1153.15	761.87	1598.40	3793.71	4167.92	4824.94	4965.29
9	Exceptional Items (Refer Note no. 5)	15.55	15.55	37.31	62.20	74.63	62.20	74.63
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	1410.85	1420.05	546.33	5497.31	4831.23	5996.39	5194.62
11	Tax expenses	253.58	372.21	(482.52)	956.23	350.51	1065.15	444.14
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	1157.27	1047.84	1028.85	4541.08	4480.72	4931.24	4750.48
	Less: Minority Interest	NA	NA	NA	NA	NA	35.68	24.79
	Add: Share of earnings in Associates	NA	NA	NA	NA	NA	105.17	78.54
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-	-
14	Net Profit (+) / Loss (-) for the period (12-13)	1157.27	1047.84	1028.85	4541.08	4480.72	5000.73	4804.23
15	Paid-up equity share capital (Face Value of ₹ 10 each)	430.68	422.52	422.52	430.68	422.52	430.68	422.52
16	Reserve excluding Revaluation Reserve				34502.39	30442.66	36349.21	31741.89
17	Analytical Ratios							
	i) Percentage of shares held by Government of India	56.26	55.41	55.41	56.26	55.41	56.26	55.41
	ii) Capital Adequacy Ratio (%) - Basel-II	12.87	12.26	13.30	12.87	13.30	13.41	13.51
	Capital Adequacy Ratio (%) - Basel-III	12.28	12.01	-NA-	12.28	-NA-	12.71	NA
	iii) Earnings Per Share							
	Basic and diluted EPS before and after Extraordinary items, net of tax expenses (not annualized) [in ₹.]	27.05	24.87	24.99	107.38	108.84	118.25	116.70
	iv) NPA Ratios							
	(a) Gross NPA	11875.90	11925.76	7982.58	11875.90	7982.58		
	Net NPA	6034.76	6623.60	4192.02	6034.76	4192.02		
	(b) % of Gross NPA	2.94	3.32	2.40	2.94	2.40		
	% of Net NPA	1.52	1.88	1.28	1.52	1.28		
	v) Return on Assets (annualized) %	0.74	0.73	0.79	0.75	0.90		
18	Public Shareholding							
	- No. of shares	18,78,43,804	18,78,43,804	18,78,43,804	18,78,43,804	18,78,43,804		
	- Percentage of shareholding	43.74	44.59	44.59	43.74	44.59		
19	Promoters and promoter group Shareholding	24,15,71,283	23,34,12,499	23,34,12,499	24,15,71,283	23,34,12,499		
	(a) Pledged/Encumbered							
	- Number of shares	--	--	--	--	--		
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	--	--	--	--	--		
	- Percentage of share (as a % of the total share capital of the bank)	--	--	--	--	--		
	(b) Non-encumbered							
	- Number of shares	24,15,71,283	23,34,12,499	23,34,12,499	24,15,71,283	23,34,12,499		
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00		
	- Percentage of share (as a % of the total share capital of the bank)	56.26	55.41	55.41	56.26	55.41		

Not Applicable



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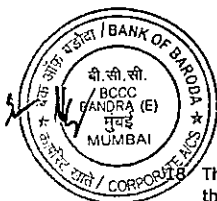
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Notes forming part of the Audited financial results for the Quarter / Year ended 31st March, 2014

- The above financial results have been reviewed by the Audit Committee of Board in their meeting held on 12th May 2014 and approved by the Board of Directors in their meeting held on 13th May 2014. 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.
- The above results for the quarter/ year ended 31st March, 2014 have been prepared following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2013 except regarding sale of financial Assets to Securitisation companies / Reconstruction companies as per RBI guidelines.
- The figures for the quarter ended 31st March, 2014 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figure between audited figures in respect of the full financial year and the reviewed year to date figures upto the end of the third quarter of the relevant financial year.
- In accordance with RBI circular DBOD.No.BP.BC.80/21.04.018/2010-11 dated 9th February, 2011, out of the additional pension fund liability as on 31st March, 2011 of ₹1829.90 crores towards serving employees who exercised option for pension, a proportionate sum of ₹91.50 crores has been charged to the Profit and Loss Account during the quarter ended 31st March 2014. The unamortized pension fund liability of ₹365.98 crores will be charged proportionately in accordance with the directions contained in the said circular
- The Bank had taken over specified Assets & Liabilities of The Memon Co-operative Bank Ltd on 18th April, 2011 as per approval granted by RBI vide letter no. UBD.CO.MEROER No. 7814/09.16.901/2010.11 dated 4th March, 2011. Out of the deficit of ₹186.58 crores on account of the said take over, the Bank has charged ₹15.55 crores to the Profit and Loss Account during the quarter ended 31st March, 2014 as approved by RBI vide letter DBOD.No.BP.1311/21.04.048/2010-11 dated 25th July 2011. Now the deficit stands fully charged to Profit & Loss Account.
- During the year bank has allotted 81,58,784 equity shares of ₹10/- each at a premium of ₹664.12 per share, to Government of India as approved by the shareholders in an Extra-Ordinary General Meeting in accordance with regulation 76 (1) of SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009, on preferential basis. The total amount received by the Bank on this account is ₹550 crores.
- In terms of RBI Circular no DBOD.DP.BC.no 41/21.04.141/2013-14 dated August 23,2013 on investment portfolio of the Banks-Classification, Valuation and Provisioning, the bank has transferred SLR securities (with book value ₹6483.81 crores) from AFS to HTM category and loss on transfer of such securities has been fully recognized during the year.
- In terms of Reserve Bank of India Circular DBOD.no.BP.BC.77/21.04.018/2013-14 dated 20th December 2013, Bank has created deferred tax liability (DTL) of ₹ 818.90 Crores out of past reserves and DTL of ₹ 310.01 Crores out of current year profit on special reserve u/s 36 (I) (viii) of Income Tax Act.
- The financial results for the quarter/ full year ended 31st March, 2014 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. Bank has made provision @ 20% on the Secured Sub-standard Advance as against the Regulatory requirement of 15%.
- Banks are required to disclose Capital adequacy ratio under Basel-III capital regulations from the quarter ended June 30, 2013. Accordingly, comparative details for previous periods are not applicable.
- Non Performing Loan Provisioning Coverage Ratio is 65.45 % as on 31st March, 2014.
- During the year Bank has sold Non Performing financial Assets with net book value of ₹ 253.64 Crores (outstanding -Provisions) to Assets reconstruction companies on cash and security receipt basis in accordance with RBI guidelines. The security receipts are treated as non SLR investments. Profit of ₹4.26 Crores is booked during current year on sale of Non Performing financial assets.
- In terms of RBI circular DBOD.No.BP.95/21.04.048/2013-14 dated 07.02.2014 Banks were allowed to utilise 33% of floating provision held by them as on 31.03.2013) for making specific provision for non performing assets. Bank has not utilised the floating provision (₹850 crores available as at 31.03.2013) for making specific provision for NPAs.
- An amount of ₹ 300 Crores has been provided during the year towards wage revision, due from 01.11.2012, pending negotiation with IBA. Total provision towards wage revision as at 31.03.2014 is ₹ 425 Crores.
- Details of Investor's complaints for the quarter ended 31.03. 2014: Pending at Beginning - Nil; Received - 68; Disposed off - 68; Closing - Nil
- The Board of Directors has proposed a final dividend of ₹10.50 per share i.e.105% (on face value of ₹10/-) with the interim dividend of ₹ 11.00 declared on 15.01.2014. Total dividend for the year works out to ₹21.50 per share i.e. 215% which is subject to approval of shareholders.
- Statement of Assets & Liabilities is as under:-

	(₹ In Lacs)	
	As on 31st Mar 2014	As on 31st Mar 2013
	Audited	Audited
CAPITAL & LIABILITIES		
Capital	430,68	422,52
Reserves and Surplus	35555,00	31546,92
Deposits	568894,39	473883,34
Borrowings	36812,97	26579,28
Other Liabilities and Provisions	17811,49	14703,38
TOTAL	659504,53	547135,44
ASSETS		
Cash and Balances with Reserve Bank of India	18629,09	13452,08
Balances with Banks and Money at Call and Short Notice	112248,82	71946,83
Investments	116112,66	121393,72
Advances	397005,81	328185,76
Fixed Assets	2734,12	2453,12
Other Assets	12774,03	9703,93
TOTAL	659504,53	547135,44

The figures of previous period/ year 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, 2014

Part A - Business Segments

Sr. No.	Particulars	Quarter Ended (Standalone)			Year Ended(Standalone)		Year Ended(Consolidated)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue							
	(a) Treasury Operations	2751,42	2625,42	2623,63	11121,44	9199,48	11292,37	9352,38
	(b) Wholesale Banking	4388,91	4118,51	3900,39	16339,73	15026,66	16412,79	15095,11
	(c) Retail Banking	3057,77	2653,99	2479,63	10863,36	9604,56	11178,52	9887,97
	(d) Banking & Other Operations	1416,75	1224,88	1258,85	5077,92	4996,58	7134,37	6617,22
	Total Revenue	11614,85	10622,80	10262,50	43402,45	38827,28	46018,05	40952,68
2	Segment Results							
	(a) Treasury Operations	150,91	459,91	361,86	1527,24	1070,13	1572,67	1119,50
	(b) Wholesale Banking	(478,12)	(56,49)	(511,65)	(461,11)	(103,95)	(441,42)	(92,52)
	(c) Retail Banking	1347,49	904,99	1002,75	3359,84	3085,71	3445,31	3144,72
	(d) Banking & Other Operations	681,76	409,57	42,38	2458,02	2221,71	2905,64	2545,30
	Total	1702,04	1717,98	895,34	6883,99	6273,60	7482,20	6717,00
	Unallocated Expenditure	291,19	297,93	349,01	1386,68	1442,37	1416,32	1468,63
	Profit before Tax	1410,85	1420,05	546,33	5497,31	4831,23	6065,88	5248,37
	Provision for Tax	253,58	372,21	(482,52)	956,23	350,51	1065,15	444,14
	Net Profit	1157,27	1047,84	1028,85	4541,08	4480,72	5000,73	4804,23
3	Capital Employed							
	(a) Treasury Operations	7807,94	8575,39	8526,91	7807,94	8526,91	8149,37	8794,21
	(b) Wholesale Banking	10291,53	9720,94	8927,57	10291,53	8927,57	10609,00	9132,71
	(c) Retail Banking	4559,29	4706,26	4278,82	4559,29	4278,82	4797,17	4468,65
	(d) Banking & Other Operations	12937,31	12273,57	9923,42	12937,31	9923,42	13890,53	10566,99
	(e) Unallocated	389,61	378,01	312,72	389,61	312,72	400,75	319,21
	Total Capital Employed	35985,68	35654,17	31969,44	35985,68	31969,44	37846,82	33281,77

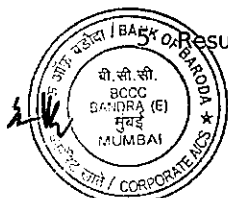
Part- B : Geographic Segments

Sr. No.	Particulars	Quarter Ended (Standalone)			Year Ended(Standalone)		Year Ended(Consolidated)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Revenue							
	(a) Domestic	10294,20	9397,85	9045,22	38421,82	33876,70	40106,46	35196,20
	(b) International	1320,65	1224,95	1217,28	4980,63	4950,58	5911,59	5756,48
	Total	11614,85	10622,80	10262,50	43402,45	38827,28	46018,05	40952,68
2	Assets							
	(a) Domestic	427952,61	391369,73	381404,32	427952,61	381404,32	435162,42	386487,80
	(b) International	231551,92	195998,70	165731,12	231551,92	165731,12	240951,69	172900,53
	Total	659504,53	587368,43	547135,44	659504,53	547135,44	676114,11	559388,33

Notes on Segment Reporting :

- As per guidelines of RBI on compliance with Accounting Standards, The Bank has adopted "Treasury Operations", Wholesale, Retail and "Banking & Other 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.
- In determining the segment results, the funds transfer price mechanism followed by the bank has been used.
- Capital employed for each segment has been allocated proportionate to the assets of the segment.

Results, Revenue and Capital Employed of International Operations is included in Banking and other operations.



B B Joshi
B B Joshi
Executive Director

P Srinivas
P Srinivas
Executive Director

S S MUNDRA
S S MUNDRA
Chairman & Managing Director

Place : Mumbai
Date : 13th May 2014

S K Mittal & Co. Chartered Accountants	Laxminiwas Neeth & Co. Chartered Accountants	Ray & Ray Chartered Accountants
N B S & Co. Chartered Accountants	KASG & Co. Chartered Accountants	Khandelwal Jain & Co. Chartered Accountants

Independent Auditors Report

To

The Shareholders of Bank of Baroda

Report on the Financial Statements.

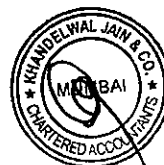
1. We have audited the accompanying financial statements of Bank of Baroda as on 31st March, 2014, which comprise the Balance Sheet as on 31st March, 2014, and Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches and one Specialized Integrated Treasury Branch audited by us, 2080 branches audited by branch auditors and 53 foreign branches audited by local auditors. 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 2773 branches which have not been subjected to audit. These unaudited branches account for 5.72 per cent of advances, 12.00 per cent of deposits, 5.07 per cent of interest income and 12.23 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.



S K Mittal & Co. Chartered Accountants	Laxminiwas Neeth & Co. Chartered Accountants	Ray & Ray Chartered Accountants
N B S & Co. Chartered Accountants	KASG & Co. Chartered Accountants	Khandelwal Jain & Co. Chartered Accountants

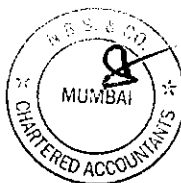
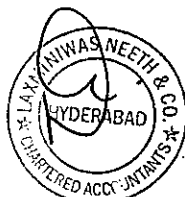
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud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

Without qualifying our opinion, we draw our attention to:

- Note No. B-2.3.3 of Schedule-18 to the financial statements, which describes deferment of pension liability of the Bank to the extent of Rs. 365.98 Crores as on 31st March, 2014 pursuant to the exemption granted by the Reserve Bank of India (RBI) to the public sector banks from application of the provisions of Accounting Standard 15 (Revised), Employee Benefits issued by Institute of Chartered Accountants of India, vide its circular no. DBOD. BP.BC/80/21.04.018/ 2010-11 dated February 9, 2011, on Re-opening of Pension Option to Employees of Public Sector Banks.
- Note No. C-5.4 of Schedule-18 to the financial statements, which describes the accounting treatment of the amount of Deferred Tax Liability provided for on the claim of Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 up to 31st March 2013, pursuant to RBI's Circular No. DBOD. No. BP.BC.77/21.04.018/2013-14 dated 20th December 2013.



S K Mittal & Co. Chartered Accountants	Laxminiwas Neeth & Co. Chartered Accountants	Ray & Ray Chartered Accountants
N B S & Co. Chartered Accountants	KASG & Co. Chartered Accountants	Khandelwal Jain & Co. Chartered Accountants

7. 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:

- 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, 2014 in conformity with accounting principles generally accepted in India;
- The Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

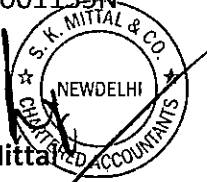
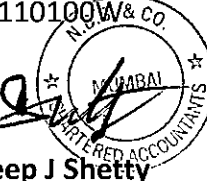
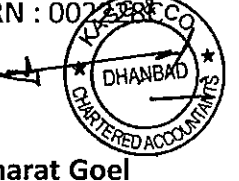
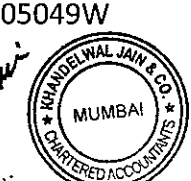
Report on Other Legal and Regulatory Requirements

- 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.
- 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;
 - 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;
 - The transactions of the Bank, which have come to our notice have been within the powers of the Bank;
 - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit;



S K Mittal & Co. Chartered Accountants	Laxminiwas Neeth & Co. Chartered Accountants	Ray & Ray Chartered Accountants
N B S & Co. Chartered Accountants	KASG & Co. Chartered Accountants	Khandelwal Jain & Co. Chartered Accountants

10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

For S K Mittal & Co Chartered Accountants FRN: 001135N  S K Mittal Partner M.No: 008506	For Laxminiwas Neeth & Co Chartered Accountants FRN: 002460S  Dayaniwas Sharma Partner M. No: 216244	For Ray & Ray Chartered Accountants FRN: 301072E  Amitava Chowdhury Partner M.No: 056060
For N B S & Co Chartered Accountants FRN: 110100W  Pradeep J Shetty Partner M.No: 046940	For K A S G & Co Chartered Accountants FRN : 007488F  Bharat Goel Partner M.No: 060069	For Khandelwal Jain & Co Chartered Accountants FRN : 105049W  I C Jain. Partner M.No: 008791

Date: 13th May 2014

Place: Mumbai

S K Mittal & Co. Chartered Accountants	Laxminiwas Neeth & Co. Chartered Accountants	Ray & Ray Chartered Accountants
N B S & Co. Chartered Accountants	KASG & Co. Chartered Accountants	Khandelwal Jain & 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, 2014, 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:
 - i) Audited Accounts of the Bank of Baroda (The Bank), audited by us, vide our audit report dated May 13, 2014;
 - ii) Audited Accounts of 12 Subsidiaries, 6 Associates and 3 Joint Ventures, audited by other Auditors;

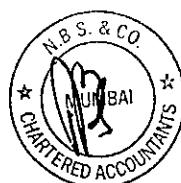
Management's Responsibility for the Financial Statements

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.

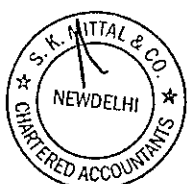
4 Incorporated in the Consolidated Financial Statements are:

- a) Financial statements of 9 international subsidiaries & 1 Joint Venture which have not been audited by us, whose financial statements reflect total assets of Rs. 9629.02 crores as at 31st March, 2014 and total revenue of Rs. 933.83 crores and cash flows amounting to Rs. 395.87 crores for the year then ended. The financial statements and other financial information of said subsidiaries and joint ventures 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 Rs. 8824.25 crores as at March 31, 2014 and total revenue of Rs. 1771.46 crores and cash flows amounting to Rs. 594.51 crores for the year then ended.

5 Emphasis of Matter

Without qualifying our opinion, we draw attention to:

- 1) Note No. 12.1 of Schedule 19, which describes deferment of liability of the Bank & its subsidiary, the Nanital Bank Limited, relating to Pension and Gratuity to the extent of Rs. 373.16 Crores as on 31st March, 2014 pursuant to the exemption granted by the Reserve Bank of India (RBI) to the public sector banks from application of the provisions of Accounting Standard 15 (Revised), Employee Benefits issued by Institute of Chartered Accountant of India, vide its circular no. DBOD. BP.BC/80/21.04.018/ 2010-11 dated February 9, 2011, on Re-opening of Pension Option to Employees of Public Sector Banks.
- 2) Note No. 5.3 of Schedule 19, to the financial statements, which describes the accounting treatment of the amount of Deferred Tax Liability provided for on the claim of Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 up to at 31st March 2013, pursuant to RBI's Circular No. DBOD. No. BP.BC.77/21.04.018/2013-14 dated 20th December 2013. Our opinion is not qualified in respect of this matter.

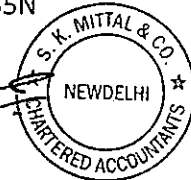
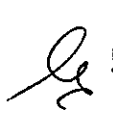
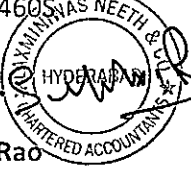
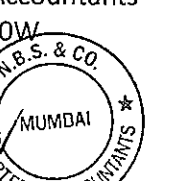
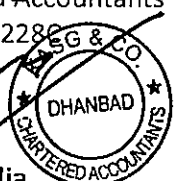
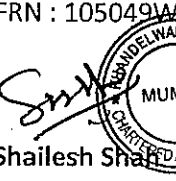
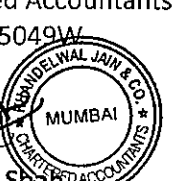


S K Mittal & Co. Chartered Accountants	Laxminiwas Neeth & Co. Chartered Accountants	Ray & Ray Chartered Accountants
N B S & Co. Chartered Accountants	KASG & Co. Chartered Accountants	Khandelwal Jain & Co. Chartered Accountants

6 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 4 and 5 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:

- 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 2014;
- in the case of the Consolidated Statement of Profit & Loss, of the consolidated Profit of the "Group" for the year ended on that date, and
- in the case of Consolidated Cash Flow Statement, of the cash flows of the "Group" for the year ended on that date.

For S K Mittal & Co Chartered Accountants FRN: 001135N   M K Juneja Partner M.No: 013117	For Laxminiwas Neeth & Co Chartered Accountants FRN: 002460S   G Subba Rao Partner M. No: 019579	For Ray & Ray Chartered Accountants FRN: 301072E   Amitava Chowdhury Partner M.No: 056060
For N B S & Co Chartered Accountants FRN: 110100W   N Bishetty Partner M.No: 016718	For KASG & Co Chartered Accountants FRN: 002228G   K K Harodia Partner M.No: 034751	For Khandelwal Jain & Co Chartered Accountants FRN: 105049W   Shailesh Shah Partner M.No: 033632

Date: 13th May 2014

Place: Mumbai