



बैंक ऑफ़ बड़ोदा  
Bank of Baroda

## BANK OF BARODA - MAURITIUS BRANCHES (INCLUDING OFFSHORE BANKING UNIT)

### STATEMENTS OF FINANCIAL POSITION - 31 MARCH 2014

	2014 Rs'000	2013 Rs'000	2012 Rs'000
<b>ASSETS</b>			
Cash and cash equivalents	1,524,301	793,534	860,616
Loans and advances to customers	15,130,080	13,683,120	11,091,137
Securities and other investments	21,831,677	18,227,015	14,828,686
Investment properties	23,304	23,304	23,304
Property, plant and equipment	113,423	117,793	114,239
Deferred tax assets	6,596	238	-
Other assets	263,283	162,441	170,390
<b>Total assets</b>	<b>38,892,664</b>	<b>33,007,445</b>	<b>27,088,372</b>
<b>LIABILITIES</b>			
Deposits from banks	15,683,786	16,027,109	8,669,449
Deposits from customers	13,668,692	13,283,247	14,897,422
Borrowings from banks	8,132,012	2,358,619	2,245,360
Current income tax liabilities	5,309	5,629	8,388
Deferred income tax liabilities	-	-	4,888
Retirement benefit obligations	13,826	12,522	12,344
Other liabilities	200,510	200,084	208,416
<b>Total liabilities</b>	<b>37,704,135</b>	<b>31,887,210</b>	<b>26,046,267</b>
<b>SHAREHOLDER'S EQUITY</b>			
Assigned capital	200,860	200,860	200,860
Reserves	413,390	442,711	396,108
Retained earnings	574,279	476,664	445,137
	<b>1,188,529</b>	<b>1,120,235</b>	<b>1,042,105</b>
<b>Total equity and liabilities</b>	<b>38,892,664</b>	<b>33,007,445</b>	<b>27,088,372</b>
<b>Contingent liabilities</b>	<b>277,555</b>	<b>936,099</b>	<b>563,805</b>



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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED 31 MARCH 2014

	2014	2013	2012
	Rs'000	Rs'000	Rs'000
Interest income	669,894	832,311	788,939
Interest expense	(487,735)	(624,393)	(576,085)
<b>Net interest income</b>	<b>182,159</b>	<b>207,918</b>	<b>212,854</b>
Fee and commission income	11,908	16,026	17,710
Other operating income	25,284	27,530	43,298
<b>Other income</b>	<b>37,192</b>	<b>43,556</b>	<b>61,008</b>
<b>Operating income</b>	<b>219,351</b>	<b>251,474</b>	<b>273,862</b>
Net impairment loss/(reversal on financial assets)	31,876	(4,845)	48,379
Personnel expenses	38,896	32,230	30,808
Depreciation of property, plant & equipment	5,343	4,361	2,997
Other expenses	38,231	35,016	28,358
	<b>114,346</b>	<b>66,762</b>	<b>110,542</b>
<b>Profit before income tax</b>	<b>105,005</b>	<b>184,712</b>	<b>163,320</b>
Income tax expense	(8,846)	(12,946)	(19,515)
<b>Net Profit for the year</b>	<b>96,159</b>	<b>171,766</b>	<b>143,805</b>
<b>Other comprehensive income for the year</b>			
Net fair value (loss)/gain on investments securities	(374)	(101)	578
Revaluation of property, plant and equipment	-	-	30,930
Currency translation differences	(27,491)	48,160	12,906
<b>Total comprehensive income for the year</b>	<b>68,294</b>	<b>219,825</b>	<b>188,219</b>



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STATEMENTS OF CASH FLOWS - YEAR ENDED 31 MARCH 2014

	2014	2013	2012
	Rs'000	Rs'000	Rs'000
<b>Operating activities</b>			
Profit before income tax	105,005	184,712	163,320
<b>Adjustments for:</b>			
Provision for loan impairment	31,876	(4,845)	48,379
Amortised cost adjustment on investment securities	-	766	596
Depreciation of property, plant and equipment	5,343	4,361	2,997
Loss/(profit) on disposal of plant and equipment	37	(124)	-
Retirement benefit obligations	2,170	302	883
Gain on fair value of investment property	-	-	(6,537)
<b>Changes in operating assets and liabilities</b>			
Other assets	(100,842)	7,949	(27,758)
Other liabilities and provisions	(35,132)	(6,630)	(26,411)
<b>Net cash from operations</b>	<b>8,457</b>	<b>186,491</b>	<b>155,469</b>
Payments for retirement benefits obligations	(820)	(213)	(2,049)
Tax paid	(14,649)	(20,403)	(17,840)
<b>Net cash generated (used in)/from operating activities</b>	<b>(7,012)</b>	<b>165,875</b>	<b>135,580</b>
<b>Investing activities</b>			
Redemption/(purchase) of investment securities	767,100	380,160	(637,084)
Placement with head office and branches	(4,337,314)	(3,779,357)	(1,641,007)
Loans and advances	(1,474,060)	(2,594,381)	(2,915,824)
Purchase of plant and equipment	(1,043)	(8,019)	(908)
Proceeds from sale of plant and equipment	-	227	-
<b>Net cash used in investing activities</b>	<b>(5,045,317)</b>	<b>(6,001,370)</b>	<b>(5,194,823)</b>
<b>Financing activities</b>			
Deposits	42,122	5,743,485	5,908,155
Borrowings from banks	5,773,375	113,259	(382,729)
Profit remitted to head office	-	(141,695)	(110,869)
<b>Net cash from financing activities</b>	<b>5,815,497</b>	<b>5,715,049</b>	<b>5,414,557</b>
<b>Net change in cash and cash equivalents</b>	<b>763,168</b>	<b>(120,446)</b>	<b>355,314</b>
Cash and cash equivalents at 01 April	793,534	860,616	488,268
Effect of exchange rate changes on cash and cash equivalents	(32,401)	53,364	17,034
<b>Cash and cash equivalents at 31 March</b>	<b>1,524,301</b>	<b>793,534</b>	<b>860,616</b>

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED 31 MARCH 2014

	Assigned Capital Rs'000	Statutory Reserve Rs'000	Fair value Reserve Rs'000	Revaluation Reserve Rs'000	Capital Reserve Rs'000	Translation Reserve Rs'000	Retained Earnings Rs'000	Total Equity Rs'000
At April 1, 2011	200,860	192,264	58	75,042	7,559	68,743	417,874	962,400
Profit for the year	-	-	-	-	-	-	143,805	143,805
Fair value adjustment on investment securities	-	-	578	-	-	-	-	578
Revaluation of property, plant and equipment	-	-	-	30,930	-	-	-	30,930
Currency translation differences	-	-	-	-	-	12,906	-	12,906
Total comprehensive income for the year	-	-	578	30,930	-	12,906	143,805	188,219
Release to other income	-	-	-	-	-	-	-	-
Release to retained earnings	-	8,913	-	(885)	-	-	(8,028)	-
Transfer to statutory reserves	-	-	-	-	-	-	-	-
Remittance to Head Office	-	-	-	-	-	-	(108,514)	(108,514)
<b>At March 31, 2012</b>	<b>200,860</b>	<b>201,177</b>	<b>636</b>	<b>105,087</b>	<b>7,559</b>	<b>81,649</b>	<b>445,137</b>	<b>1,042,105</b>
Profit for the year	-	-	-	-	-	-	171,766	171,766
Fair value adjustment on investment securities	-	-	(101)	-	-	-	-	(101)
Currency translation differences	-	-	-	-	-	48,160	-	48,160
Total comprehensive income for the year	-	-	(101)	-	-	48,160	171,766	219,825
Release to retained earnings	-	-	-	(1,456)	-	-	1,456	-
Remittance to Head Office	-	-	-	-	-	-	(141,695)	(141,695)
<b>At March 31, 2013</b>	<b>200,860</b>	<b>201,177</b>	<b>535</b>	<b>103,631</b>	<b>7,559</b>	<b>129,809</b>	<b>476,664</b>	<b>1,120,235</b>
Profit for the year	-	-	-	-	-	-	96,159	96,159
Fair value adjustment on investment securities	-	-	(374)	-	-	-	-	(374)
Currency translation differences	-	-	-	-	-	(27,491)	-	(27,491)
Total comprehensive income for the year	-	-	(374)	-	-	(27,491)	96,159	68,294
Release to retained earnings	-	-	-	(1,456)	-	-	1,456	-
Remittance to Head Office	-	-	-	-	-	-	-	-
<b>At March 31, 2014</b>	<b>200,860</b>	<b>201,177</b>	<b>161</b>	<b>102,175</b>	<b>7,559</b>	<b>102,318</b>	<b>574,279</b>	<b>1,188,529</b>

These financial statements have been approved on June 15, 2014 and signed by:

Ravi Chaturvedi  
Vice President

B.B. Ghagare  
Chief Manager

D.K. Samantray  
Chief Manager

The above statements of financial position, profit and loss and other comprehensive income, changes in equity and cash flows have been extracted from the audited financial statements for the year ended 31 March 2014. Notes to these financial statements, which are an integral part of the audited financial statements, can be obtained upon request from the Bank.

## BANK OF BARODA - MAURITIUS BRANCHES (INCLUDING OFFSHORE BANKING UNIT)

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANK OF BARODA - MAURITIUS BRANCHES (INCLUDING OFFSHORE BANKING UNIT)

1. The accompanying summarised financial statements have been derived from the financial statements of Bank of Baroda - Mauritius Branches (Including Offshore Banking Unit) for the year ended 31 March 2014. These summarised financial statements are the responsibility of the Bank Managers. Our responsibility is to express an independent opinion on whether these summarised financial statements are consistent, in all material aspects, with the financial statements from which they were derived.
2. We have audited the financial statements of the Bank for the year ended 31 March 2014, from which these summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 15 June 2014, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.
3. In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.
4. For a better understanding of the Bank's financial position and the results of its operations for the year and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements, from which the summarised financial statements were derived and our audit report thereon.

The independent auditors' report on the complete set of financial statements reads as follows:

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANK OF BARODA - MAURITIUS BRANCHES (INCLUDING OFFSHORE BANKING UNIT)

This report is made solely to the members of the Bank of Baroda - Mauritius Branches (Including Offshore Banking Unit) (the "Bank") as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Report on the financial statements

We have audited the financial statements of Bank of Baroda - Mauritius Branches (Including Offshore Banking Unit), set out on pages 29 to 75 which comprise the statement of financial position as at 31 March 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Bank Managers' Responsibility for the Financial Statements

The Bank Managers are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the bank managers, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the accompanying financial statements on pages 29 to 75 give a true and fair view, in all material respects, the financial position of the Bank as at 31 March 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 applicable to banks and the Financial Reporting Act 2004.

#### Other matter

The financial statements of Bank of Baroda - Mauritius Branches (Including Offshore Banking Unit) for the year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 31 May 2013.

#### Report on Other Legal Requirements

In accordance with the requirements of the Companies Act 2001, we report as follows:

- (i) We have no relationship with, or interest in, the Bank or any of its subsidiaries, other than our capacity as auditors and tax advisers and arm's length dealings in the ordinary course of business;
- (ii) We have obtained all the information and explanations that we have required; and
- (iii) In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

In accordance with the Banking Act 2004, we report as follows:

- (i) In our opinion the financial statements:
  - Have been prepared on a basis consistent with that of the preceding year;
  - Are complete, fair and properly drawn up; and
  - Comply with the Banking Act 2004 as well as the regulations and guidelines of the Bank of Mauritius.
- (ii) The explanations or information called for or given to us by the Officers or Agents of the Bank were satisfactory.

In accordance with the Financial Reporting Act 2004, we report as follows:

The Bank Managers are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance (the 'Code'). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report comply with the requirements of the Code.

**Pannell Kerr Forster (Mauritius)**

Licensed Auditors

3rd Floor, Citius Building, 31 Cybercity, Ebene, Mauritius

**Neeshal Jingree**

Licensed by FRC

Date: 15 June 2014