



बैंक ऑफ़ बड़ौदा Bank of Baroda

BCC:ISD:111:16:307

Date: 27th June 2019

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 - Outcome of Board Meeting

We refer to our letter no. BCC:ISD:111:16:297 dated 21st June 2019.

As per Government of India notification dated 02.01.2019, Vijaya Bank and Dena Bank have been amalgamated with Bank of Baroda w.e.f. 01.04.2019. The Board of Directors of Bank of Baroda in their meeting held today i.e. 27th June 2019 at Vadodara *inter-alia* considered and approved opening Balance Sheet of the Amalgamated Bank as at 01st April 2019 i.e. post amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda. A copy of the same is enclosed.

This is for your information and appropriate dissemination.

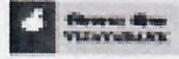
Yours faithfully,


P K Agarwal
Company Secretary


Encl.: As above



बैंक ऑफ़ बड़ोदा
Bank of Baroda



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OPENING BALANCE SHEET

As on

01st APRIL 2019

BOARD OF DIRECTORS

Dr. HASMUKH ADHIA
Chairman

SHRI P. S. JAYAKUMAR
Managing Director & CEO

SMT. PAPIA SENGUPTA
Executive Director

SHRI SHANTI LAL JAIN
Executive Director

SHRI VIKRAMADITYA SINGH KHICHI
Executive Director

SHRI DEBASHISH PANDA

SHRI AJAY KUMAR

SHRI GOPAL KRISHAN AGARWAL

SHRI BHARAT KUMAR D. DANGAR

SMT. SOUNDARA KUMAR

SHRI SRINIVASAN SRIDHAR

Dr. Hasmukh Adhia
Chairman

P. S. Jayakumar
Managing Director & CEO

Debasish Panda
Director

Papia Sengupta
Executive Director

Ajay Kumar
Director

Gopal Krishan Agarwal
Director

Shant Lal Jain
Executive Director

Bharatkumar D. Dangar
Director

Soundara Kumar
Director

Vikramaditya Singh Khichi
Executive Director

Srinivasan Sridhar
Director

G Ramesh
General Manager
Corp. A/Cs & Taxation and CFO



For Kalyaniwalla & Mistry LLP.
Chartered Accountants
FRN:104607W / W100166

For Singhi & Co.
Chartered Accountants
FRN : 302049E



(CA Daraius Z Fraser)
Partner
M No. 042454



(CA Chandrasekhar)
Partner
M No. 007592

For G M Kapadia & Co.
Chartered Accountants
FRN : 104767W

For S R Dinodia & Co. LLP.
Chartered Accountants
FRN : 001478N / N500005

(CA Rajen Ashar)
Partner
M No. 048243



(CA Sandeep Dinodia)
Partner
M No. 083689



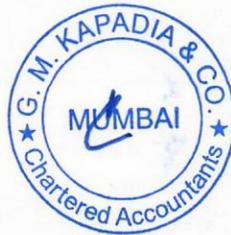
Place: Vadodara
Date: 27th June 2019

BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 1 CAPITAL		
AUTHORISED CAPITAL 1500,00,00,000 Shares of ₹ 2/- each		3000,00,00
ISSUED AND SUBSCRIBED CAPITAL 343,18,35,570 Equity Shares of ₹2/- each		686,36,71
CALLED-UP & PAID-UP CAPITAL 341,81,68,070 Equity Shares of ₹2 each including 223,46,20,826 Equity Shares amounting to ₹ 446.92 crores held by Central Government held by Central Government		529,10,32
Add : Face Value of Shares being Issued on Amalgamation 77,26,51,938 Equity Shares issued		154,53,04
Add : Forfeited Shares 136,67,500		1,26,12
TOTAL		684,89,48
SCHEDULE - 1A		
I Share Application Money Pending Allotment **		5042,00,00
		5042,00,00

** Share application money pending allotment represents application received from Government of India on 28th March 2019



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 2		
RESERVES & SURPLUS		
I Statutory Reserves		12992,43,58
II Capital Reserves		9671,15,34
III Amalgamation Reserves		3406,92,57
IV Share Premium		25029,41,16
V a) Statutory Reserve (Foreign)	106,39,92	
b) Special Reserve u/s 36 (1) (viii) of IT Act, 1961	5927,45,77	
c) Foreign Currency Translation Reserve	2441,03,50	
d) Investment Reserve Account	41,58,33	
e) Investment Fluctuation Reserve	21,57,83	
f) Other Reserves	8456,99,63	
TOTAL - V (a, b, c, d, e & f)		16995,04,98
VI Unallocated Surplus/ Balance in Profit and Loss Account		(11048,44,24)
TOTAL (I to VI)		57046,53,39



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 3 DEPOSITS		
A. I Demand Deposits		
i) From Banks	2073,45,98	
ii) From Others	59249,85,55	61323,31,53
II Savings Bank Deposits		250044,58,98
III Term Deposits		
i) From Banks	52936,81,75	
ii) From Others	550854,35,05	603791,16,80
TOTAL (I to III)		915159,07,31
B. I Deposits of branches in India	794435,91,66	
II Deposits of branches outside India	120723,15,65	
TOTAL (I & II)	915159,07,31	

SCHEDULE - 4 BORROWINGS		
I Borrowings in India		
i) Reserve Bank of India	27500,00,00	
ii) Other Banks	7321,70,32	
iii) Other Institutions and Agencies	5145,11,04	
iv) Innovative Perpetual Debt Instruments (IPDI)	7411,50,00	
v) Subordinated Bonds	10486,50,00	
TOTAL (I to VI)		57864,81,36
II Borrowings outside India		15508,73,71
Total - Borrowings (I & II)		73373,55,07
Secured Borrowings included in above		31174,19,77

SCHEDULE - 5		
OTHER LIABILITIES AND PROVISIONS		
I Bills Payable		2733,65,17
II Inter Office Adjustments (Net)		2672,77,12
III Interest Accrued		4762,73,48
IV Contingent Provision against Standard Advances		4011,67,77
Others (including provisions)		16422,47,69
TOTAL (I to V)		30603,31,23



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 6		
CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I	Cash in hand (including foreign currency notes)	4585,81,15
II	Balances with Reserve Bank of India	
	in Current Account	36595,19,13
	in Other Accounts	1000,04,18
	TOTAL (I & II)	42181,04,46

SCHEDULE - 7		
BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE		
I	In India	
i)	Balances with Banks	
a)	in Current Accounts	88,69,86
b)	in Other Deposit Accounts	4458,88,95
		4547,58,81
ii)	Money at call and short notice with	
a)	Banks	-
b)	Other institutions	-
	TOTAL (i and ii)	4547,58,81
II	Outside India	
i)	in Current Accounts	26506,25,01
ii)	in Other Deposit Accounts	26182,56,07
iii)	Money at Call and Short Notice with Banks	6938,99,10
	TOTAL (i, ii and iii)	59627,80,18
	TOTAL (I and II)	64175,38,99



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 8		
INVESTMENTS		
I Investments in India (Gross)	253703,92,97	
Less: Provision for Depreciation	2821,50,70	
Net Investments in India		250882,42,27
BREAK - UP		
i) Government Securities	228659,97,55	
ii) Other Approved Securities	1,58,00	
iii) Shares	2799,22,01	
iv) Debentures and Bonds	15235,67,34	
v) Subsidiaries and/or Joint Ventures	1443,86,01	
vi) Other Investments (Commercial Papers, Units of UTI & Other Mutual Funds, Pass Through Certificates etc.)	2742,11,36	
	250882,42,27	
II Investments Outside India (Gross)	11848,07,56	
Less: Provision for Depreciation	296,80,35	
Net Investments Outside India		11551,27,21
BREAK - UP		
i) Government Securities (Including Local Authorities)	3752,44,35	
ii) Subsidiaries and/or joint ventures abroad	2185,58,12	
iii) Other Investments (Debentures, Bonds etc.)	5613,24,74	
	11551,27,21	
TOTAL (I and II)		262433,69,48



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 9 ADVANCES		
A. i) Bills Purchased and Discounted	27460,93,56	
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	270819,78,16	
iii) Term Loans	353103,30,78	
TOTAL A (i to iii)		651384,02,50
B. i) Secured by Tangible Assets (includes advances against Book Debts)	523387,50,22	
ii) Covered by Bank/Government Guarantees	49482,11,47	
iii) Unsecured	78514,40,81	
TOTAL B (i to iii)		651384,02,50
C. I Advances in India		
i Priority Sector	196205,54,97	
ii Public Sector	45745,96,11	
iii Banks	1203,79,64	
iv Others	309594,95,84	552750,26,56
II Advances Outside India		
i Due from Banks	31227,97,25	
ii Due from Others		
a) Bills Purchased & Discounted	4177,37,35	
b) Syndicated Loans	30432,99,73	
c) Others	32795,41,61	98633,75,94
TOTAL C (I & II)		651384,02,50



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

		As on 01st April 2019	
SCHEDULE - 10			
FIXED ASSETS			
I	Premises		
	Opening Gross Block including Revaluation	8284,72,34	
	Additions on amalgamation	3354,93,49	
	Less:- Depreciation/Amortisation to date	2966,15,68	8673,50,15
II	Other Fixed Assets (including Furniture & Fixtures)		
	Opening Gross Block	5525,84,64	
	Additions on amalgamation	2009,44,61	
	Less:- Depreciation to date	5763,97,28	1771,31,97
III	Capital Work in Progress		19,570
TOTAL (I to III)			10446,77,82



BANK OF BARODA
SCHEDULES TO BALANCE SHEET

(₹ In 000's)

	As on 01st April 2019	
SCHEDULE - 11		
OTHER ASSETS		
I Interest Accrued		8042,51,15
II Tax paid in advance/tax deducted at source (net of provisions)		7375,71,56
III Stationery & Stamps		10,64,53
IV Deferred Tax Asset		12466,48,51
V Others		23393,07,48
TOTAL (I to V)		51288,43,23

SCHEDULE - 12		
CONTINGENT LIABILITIES		
I Claims against the Bank not acknowledged as Debts		11548,67,97
II Liability for partly paid Investments		16,61,53
III Liability on account of outstanding Forward Exchange Contracts		286957,29,57
IV Guarantees given on behalf of Constituents :		
a) In India	39450,21,52	
b) Outside India	4130,10,04	43580,31,56
V Acceptances, Endorsements and Other Obligations		25137,00,07
VI Other items for which the Bank is Contingently liable		67336,49,90
TOTAL (I to VI)		434576,40,60





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SCHEDULE 13 **SIGNIFICANT ACCOUNTING POLICIES:**

1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention unless otherwise stated on going concern basis. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises statutory provisions, regulatory/ Reserve Bank of India (RBI) guidelines, Accounting Standards/ guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

2 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods unless otherwise stated.

3 Investments:

The Bank is following uniform methodology of accounting for investments on settlement date basis. Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DBR. No. BP. BC.6/21.04.141/2015-16 dated July 1, 2015.

3.1 Classification

a) Basis of classification

In compliance with the Reserve Bank of India guidelines, the investment portfolio of the Bank is classified into

- i) "Held to Maturity" (HTM) comprising Investments acquired with the intention to hold them till maturity.
- ii) "Held for Trading" (HFT) comprising Investments acquired with the intention to trade. Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category.
- iii) "Available for Sale" (AFS) comprising Investments not covered by (a) and (b) above i.e. those which are acquired neither for trading purposes nor for being held till maturity.

For the purpose of disclosure in the balance sheet, investments are classified as disclosed in Schedule 8 ('Investments') under six groups (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

b) Cost of acquisition

Cost such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit & loss account as per the RBI guidelines.

c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrip from AFS / HFT category to HTM category is made





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at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS / HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-a-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

The transfer of a security between these categories is accounted for at the acquisition cost / book value / market value on the date of transfer, whichever is the least, and the depreciation, if any, on such transfer is fully provided for.

3.2 Valuation

Investments classified as "Held to Maturity" are carried at weighted average acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Amortization expense of premium on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR. No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015.

Investments classified as "Held to Maturity" includes debentures / bonds which are deemed to be in the nature of / treated as advances (for which provision is made by applying the Reserve Bank of India prudential norms of assets classification and provisioning applicable to Advances).

Investments in Regional Rural Banks, Treasury Bills, Commercial Papers and Certificates of Deposit which have been valued at carrying cost.

Pass through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at acquisition cost less diminution, other than temporary in nature.

Bank's investments in units of Venture Capital Funds (VCFs) made after 23.08.2006 are classified under HTM category for initial period of three years and are valued at cost. After period of three years from date of disbursement, it will be shifted to AFS category. These are valued using Net Assets Value shown by VCF as per the financial statements or declared NAV as per Reserve Bank of India guidelines. If NAV/ audited financials are not available for more than 18 months continuously then at Re. 1/- per VCF

Investments categorized under AFS and HFT categories are Marked-to-Market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to periodic valuation of investments.

Investments received in lieu of restructured advances scheme are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. Depreciation on equity shares acquired and held by the Bank under restructuring scheme is provided as per RBI guidelines.





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At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date. In case of investment in Security Receipts on or after April 1, 2017 which are backed by more than 50% of the stressed assets sold by the bank, provision for depreciation in value is made at higher of – provisioning rate required in terms of net assets value declared by Reconstruction Company (RC)/ Securitization Company (SC) or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continue in the books of the Bank. All other investments in the Security Receipts are valued as per the NAV obtained from issuing RC / SC.

Investment in listed instruments of Real Estate Investment Trust (REIT) / Infrastructure Investment Trust (INVIT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Investments made by the Bank as Primary Dealer in Treasury Bills under HFT category is being valued at carrying cost.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit /Loss on settlement of the short position is recognized in the Profit and Loss account.

Special bonds such as Oil bonds, fertilizer bonds, UDAY bonds etc which are directly issued by Government of India, is valued based on FIBL valuation.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Financial Benchmarks India Pvt. Ltd(FBIL) are used.

Investments for which such rates / quotes are not available are valued as per norms laid down by Reserve Bank of India, which are as under:

- a Government / - On Yield to Maturity basis.
Approved securities
- b Equity Shares, PSU - At break-up value (without considering
and Trustee shares 'Revaluation reserves', if any) as per the latest
Balance Sheet (not more than 12 months old),
otherwise Re.1 per company.
- c Preference Shares & - On Yield to Maturity basis. with appropriate
Pass through Credit spread mark-up.
Certificates (other
than priority sector)



- d PSU Bonds - On Yield to Maturity basis with appropriate credit spread mark-up.
- e Units of Mutual Funds - At the latest repurchase price / NAV declared by the Fund in respect of each scheme.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. Based on management assessment of impairment, the Bank additionally creates provision over and above the RBI guidelines. The depreciation/provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit and Loss account until received.

In respect of Investments at Overseas Branches, Reserve Bank of India guidelines or those of the host countries, whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of the Reserve Bank of India are followed.

3.3 Disposal of Investments

Profit / Loss on sale of Investments classified as HTM category is recognized in the Profit & Loss Account based on the weighted average cost / book value of the related Investments and an amount equivalent of profit on sale of Investments in "Held to Maturity" classification is appropriated to Capital Reserve Account.

Profit/loss on sale of Investment in AFS/HFT category is recognized in profit and loss account.

3.4 Accounting for repo/reverse repo

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of Market Repo and Reverse Repo transactions [Including the Liquidity Adjustment Facility (LAF) with the RBI vide circular no. RBI/2016-17/FMOD.MAOG.No. /01.01.001/2016-17 Dated 15-09-2016. Repo and Reverse Repo Transactions are treated as Collateralised Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investments and Securities purchased under Reverse Repo are not included in investments. Costs and Revenues are accounted for as interest expenditure / income, as the case may be.

3.5 Investment fluctuation reserve

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP. BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19.

Transferred to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.



3.6 Derivatives

The Bank presently deals in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Exchange traded Rupee Interest Rate Future and Forward Rate Agreements. Currency Derivatives dealt with by the Bank are Options, Currency swaps and Exchange traded Currency Future. The Bank undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities.

3.7 Valuation

Based on RBI guidelines, Derivatives are valued as under:

The hedge/ non-hedge transactions are recorded separately. Derivative contracts designated as hedges are not marked to market unless their underlying is marked to market. In cases where the underlying of the hedge is not subject to mark to market, the hedging instrument is to be accounted for on accrual basis. Trading derivative positions are marked to market and the resulting losses, if any, are recognized in the Profit and Loss Account and Profit, if any, is ignored. Income and expenditure relating to interest rate swaps are recognized on the settlement date. Gains/ Losses on termination of the trading swaps are recorded on the termination date as immediate income/expenditure.

For the purpose of valuation, the fair value of the total swap is computed on the basis of the amount that would be receivable or payable on termination of the swap agreements as on the Balance sheet date. Losses arising there from, if any, are fully provided for, while the profits, if any, are ignored.

The Bank follows the option premium accounting principle prescribed by FEDAI. Premium on option transaction is recognized as income/expense on expiry or early termination of the transaction.

The amounts received/paid on cancellation of option contracts are recognized as realized gains/losses on options. Charges receivable/payable on cancellation/ termination of foreign exchange forward contracts and swaps are recognized as income/expense on the date of cancellation/ termination.

Valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Contingent Liabilities on account of derivative contracts denominated in foreign currencies are reported at closing rates of exchange notified by FEDAI at the Balance Sheet date.

4. ADVANCES

- 4.1 Advances in India are classified as Standard, Sub-standard, Doubtful or Loss assets and provision for advances are made as per the Prudential Norms of the RBI except as stated in para 4.3. In respect of Advances made in overseas branches, Advances are classified in accordance with Prudential Norms prescribed by the RBI or local laws of the host country in which advances are made, whichever is more stringent.

Advances are net of specific loan loss provisions, interest suspense, amount received and held in suit-filed Sundry Deposits and Claims Received.





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4.3 As a constant practice, the Bank has made the additional provision on the following:

- Provision @ 20% on the Secured Sub-standard Advances as against the Regulatory requirement of 15%.
 - Provision is made on Non-fund based facilities of NPA Borrowers by applying 50% Credit conversion factor (CCF). The provision is based on the Asset class of fund based facility of the Borrower
 - Bank has also made 100% provision in respect of existing NPA accounts which are more than 6 months old and collateral free viz Auto Loan, Education Loan and Personal Loan .
 - With respect to Loan against mortgage of properties which are secured (collateral) and are NPA for more than 2 years, Bank has made 100% provision
 - Bank has also made 100% provision in respect of existing NPA accounts viz Loan for Tractors/ tiller/ Power tillers which are 6 month old.
- 4.4 In respect of Rescheduled / Restructured accounts, Provision for dimunition in fair value of restructured advances is measured in net present value terms as per RBI guidelines.
- 4.5 In case of sale of financial assets to Asset Reconstruction Company (ARC) / Securitization Company (SC), the bank is following the guidelines issued by Reserve Bank of India. At present, the guideline followed by the Bank is that if the sale is at a price below the net book value (NBV), (i.e. Book value less provisions held) the shortfall is debited to the profit and loss account in the same year. If the sale value is higher than the NBV, excess provision is reversed to profit & loss account in the year the amounts are received.

In case of sale of financial assets to banks, and the sale is at a price below the net book value (NBV), (i.e. Book value less provisions held) the shortfall is debited to the profit and loss account in the same year. If the sale value is higher than the NBV, excess provision shall be not reversed but will be utilised to meet the shortfall / loss on account of sale of other non-performing financial assets.

5 FLOATING PROVISIONS:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed every year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

6 FIXED ASSETS

6.1 Premises and other fixed assets are stated at historical cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Profit on sale of immovable properties are being formed part of profit and loss account of the Bank.





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6.2 Revaluation of Fixed Assets

Portfolio of immovable properties is revalued periodically by an independent valuer to reflect current market valuation. All land and building owned by the Bank and used as branches, administrative offices, staff quarters etc. are grouped under Bank's own premises in fixed assets category. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserves. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve.

6.3 Premises include land and building under construction.

7 RESERVES AND SURPLUS

Revenue and other Reserves include Statutory Reserves created by foreign branches/ subsidiaries as per applicable local laws of the respective countries.

8 REVENUE RECOGNITION

8.1 Income (other than item referred in Paragraph 8.2)/ expenditure is generally recognised on accrual basis. In case of foreign offices, income/ expenditure is recognised as per the local laws of the country in which the respective foreign office is located.

8.2 Income by way of Fees, all Commissions (other than on Government business), Commission on Guarantees, Letter of Credits, Exchange and Brokerage and Interest on Advance Bills are accounted for on realisation basis. Dividend on shares in Subsidiaries, joint ventures and associates is accounted on realisation basis.

8.3 In view of uncertainty of collection of income in cases of Non-performing Assets/Investments, such income is accounted for only on realisation in terms of the RBI guidelines.

8.4 Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease payments on such lease are recognised in Profit & Loss Account on a straight line basis over the lease term in accordance with AS 19.

8.5 Appropriation of recoveries in NPA accounts :

Recoveries effected in the account (including recovery under Public Money Recovery Act) from time to time should be appropriated in the following manner:

- towards all costs, commission, charges and expenses paid or incurred by the Bank
- towards interest, additional interest, further interest, penal interest due to the Bank
- towards payment of the principal money

Recovery in suit filed/ decreed accounts should be appropriated:

- As per the directives of the concerned Court.
- In the absence of specific directives from the Court, as applicable to non-suit filed accounts.

Recovery by settlement through compromise/NCLT Resolution:



In case of Resolution/Settlement through NCLT or compromise sanctioned account, recovery should be appropriated as per the terms of compromise sanction/resolution settlement.

9 EMPLOYEE BENEFITS

9.1 PROVIDENT FUND

Provident fund is a statutory obligation as per Bank of Baroda PF Rules as the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Bank of Baroda Provident Fund Trust and respective Trust of erstwhile Dena Bank and erstwhile Vijaya Bank.

9.2 GRATUITY

Gratuity liability is a statutory obligation being higher of gratuity payment as per Bank of Baroda Gratuity Fund Rules and Regulations and Payment of Gratuity Act 1972. This is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the bank and is managed by Bank of Baroda Gratuity Fund Trust and respective Trust of erstwhile Dena Bank and erstwhile Vijaya Bank.

9.3 PENSION

Pension liability is a defined benefit obligation under Bank of Baroda Employees Pension Regulations 1995 and is provided for on the basis of actuarial valuation made at the end of the financial year, for the employees who have joined Bank up to 31.03.2010 and opted for pension. The pension liability is funded by Bank of Baroda (Employees) Pension Fund Trust and respective Trust of erstwhile Dena Bank and erstwhile Vijaya Bank.

New Pension Scheme which is applicable to employees who joined bank on or after 01.04.2010 is a defined contribution scheme, Bank pays fixed contribution at pre determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

9.4 COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and unavailed sick leave are provided for based on actuarial valuation.

9.5 OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Encashment, Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation.

In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

10 DEPRECIATION

10.1 Depreciation on Fixed Assets in India [other than those referred in Paragraph 10.3 and 10.4] is provided in accordance with Schedule II to the Companies Act, 2013, as per following table, except in case of revalued assets, in respect of which depreciation is provided on the basis of estimated useful life of these revalued assets





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Sr. No.	Category	Effective Rate of Depreciation	Depreciation Method
1.	FURNITURE & FITTINGS		
a.	Furniture & Fittings	25.89%	Written Value Down
b.	Air-conditioning Plants, Other Plant etc.	18.1%	Written Value Down
c.	Safe Deposit Vault Equipments	18.1%	Written Value Down
d.	Cash Vans, Jeeps, Scooters & Other Vehicles		Written Value Down
	- Two wheelers	25.89%	Written Value Down
	- Four Wheelers	31.23%	Written Value Down
e.	Office Equipment	45.07%	Written Value Down
2.	BANK'S OWN PREMISES		Written Value Down
	- RCC Frame Structure	4.87%	Written Value Down
	- Without RCC Frame Structure	9.50%	Written Value Down

10.2 Depreciation on Fixed Assets outside India [other than those referred to in Para 10.3 below] is provided as per local laws or prevailing practices of the respective territories.

10.3 Depreciation on Computers and Software forming an integral part of Computer Hardware, in and outside India is provided on Straight Line Method at the rate of 33.33% p.a., as per the guidelines of RBI. Computer software not forming part of an integral part of hardware is charged directly to Profit and Loss Account.

10.4 Depreciation on ATMs is provided on Straight Line Method at the rate of 20% p.a.

10.5 Depreciation on additions is provided proportionately from the date of purchase/put to use..

10.6 Cost of leasehold land and leasehold improvements are amortised over the period of lease

11 IMPAIRMENT OF ASSETS

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS 28 (Impairment of Assets) issued by the ICAI and charged off to Profit and Loss Account.

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After



impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

12 FOREIGN CURRENCY TRANSACTIONS:

- 121 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 1.2 As stipulated in AS-11, the foreign currency operations of the Bank are classified as a) Integral Operations and b) Non Integral Operations. All Overseas Branches, Offshore Banking Units, Overseas Subsidiaries are treated as Non Integral Operations and domestic operations in foreign exchange and Representative Offices are treated as Integral Operations.
- 1.3 Translation in respect of Integral Operations:
- The transactions are initially recorded on weekly average rate as advised by FEDAI.
 - Foreign Currency Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
 - The resulting exchange differences are recognized as income or expenses and are accounted through Profit & Loss Account. Any reversal / payment of foreign currency assets & liabilities is done at the weekly average closing rate of the preceding week and the difference between the outstanding figure and the amount for which reversal / payment is made, is reflected in profit and loss account.
 - Foreign exchange spot and forward contracts outstanding as at the balance sheet date and held for trading, are marked to market at the closing spot and forward rates respectively notified by FEDAI and at interpolated rates for contracts of interim maturities. The MTM values thus obtained are discounted to arrive at present value of MTM. This MTM is used to revalue the spot and forward transactions on PV basis. The resulting Forward Valuation profit or loss is included in the Profit & Loss Account.

12 TAXES ON INCOME

This comprise of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS 22 (Accounting for taxes on Income) issued by ICAI. Deferred tax is recognised subject to consideration of prudence in respect of items of income and expenses those arise at one point of time and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be reversed. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change.





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13 EARNINGS PER SHARE

The bank reports basic and diluted earnings per equity share in accordance with the AS 20 (Earnings Per Share) issued by the ICAI. Basic earnings per equity share has been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

15. Segment Reporting

The Bank recognizes the Business Segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and ATMs, balances with the Reserve Bank of India, balances with other banks and money at call and short notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency).





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Schedule 14: Notes to account

1. Basis for preparation of Opening Balance Sheet (consequent to the amalgamation) as on the beginning of April 01, 2019

Consequent to the amalgamation of erstwhile Vijaya bank (eVB) and Dena Bank (eDB) with Bank of Baroda (BoB or the Bank) effective from April 01, 2019 (as explained in Note "2" below), the Opening Balance Sheet (hereinafter referred to as "OBS") along with accounting policies and selective notes to account of the amalgamated entity as at the beginning of April 01, 2019 is prepared by the management and adopted by the Audit Committee of Board (hereinafter referred to as "ACB") and approved by the Board of Directors (hereinafter referred to as "BoD") in its meeting held on 27.06.2019.

For the purpose of preparing the OBS, the carrying book values of assets and liabilities as per the respective audited financials as on March 31, 2019 of eVB & eDB have been incorporated with the carrying book value of assets and liabilities based on the audited financial statements of BoB as on March 31, 2019 in accordance with the principles prescribed in Accounting Standard 14 (AS-14) "Accounting for Amalgamations". The OBS has been prepared based on the accounting policies adopted by BoB as on March 31, 2019 and changes have been considered in eVB & eDB only to the extent required to bring uniformity in the accounting policies as required by AS-14. The adjustments made to the assets and liabilities consequent to amalgamation have been explained in Note 2(iii) below. Bank is in the process of making necessary accounting entries in the books of account to give effect to the amalgamation.

In view of the nature of this financial statement, disclosures prescribed under Accounting Standards are furnished to the extent considered relevant to the OBS based on the specific mandate issued by ACB in this regard and also no comparative figures for the previous period are furnished.

2. Scheme of Amalgamation:

In exercise of powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 (5 of 1970) and Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980) after consultation with the Reserve Bank of India, The Government of India (GOI) has notified the Scheme of Amalgamation (referred to as "the scheme") of Vijaya Bank and Dena Bank (collectively referred to as the "Transferor Banks") with Bank of Baroda (referred to as the "Transferee Bank") on January 02, 2019. As per the GOI gazette notification dated January 02, 2019, the scheme come into force on April 01, 2019 (referred to as the date on which the scheme has come into force). Upon the commencement of the scheme, the undertakings of the Transferor Banks shall vest or be deemed to vest or be taken over by the Transferee Bank without requiring any act, deed, consent or instrument for transfer of the same. The salient features are as under:

- i) In consideration of the transfer of and vesting of the undertakings of the Transferor Banks, equity shares of face value of Rs. 2 each fully paid-up (rank pari passu in all respect and have the same rights attached to them as the then existing equity shares of Transferee Bank, including, in respect of dividends, if any, that may be declared by the Transferee Bank, on or after the commencement of this scheme) in the Transferee Bank was issued to shareholders whose names were recorded in the register of members of the Transferor Banks as on the record date determined by the Transferee Bank for this purpose. Details are as below:





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Name of Transferor Banks	Share exchange Ratio
Dena Bank	110 Equity shares of face value Rs. 2 each of BoB for every 1,000 equity shares of Dena Bank of face value Rs.10 each fully paid up.
Vijaya Bank	402 equity shares of face value Rs. 2 each of BOB for every 1,000 equity shares of Vijaya Bank of face value Rs.10 each fully paid up

Further, the Transferee Bank has paid cash in respect of entitlements to fraction of equity shares wherever so determined.

- ii) The amalgamation is accounted under the 'pooling of interest' method as prescribed in AS-14 "Accounting for amalgamation". All assets and liabilities (including contingent liabilities), duties and obligations of transferor Banks are proposed to be recorded in the books of account of transferee Bank at their existing carrying amounts and in the same form as on April 01, 2019 except for adjustments to bring uniformity of accounting policies as required under AS-14. Any further changes in liabilities / assets (including those consequent to changes in Accounting Standards) that may arise after the date on which the scheme has come into force will be made subsequently in the books of account of the Transferee Bank.
- iii) The amount of Share Capital issued by Transferee Bank amounting to Rs. 154.53 crores (77,26,51,938 equity shares of face value Rs. 2 each issued at par) together with cash paid in lieu of fractional entitlement of shares Rs 1.74 crore as consideration pursuant to the scheme has been adjusted against the corresponding share capital of the Transferor Banks and the difference has been adjusted to Amalgamation Reserve in the OBS.
- iv) Summarized values of assets and liabilities transferred in accordance with the terms of the Scheme is as detailed below:

(Amount in Rs. crores)

Particulars	eVB	eDB	Total
Assets Taken Over			
Cash and Balances with RBI	8,631.31	6,774.16	15,405.47
Balances with Banks and Money at Call and Short Notice	53.04	1,554.46	1,607.50
Investments	41,613.11	38,522.50	80,135.61
Advances	1,30,606.32	51,958.97	1,82,565.29
Fixed Assets	1,691.27	1,765.22	3,456.49
Other Assets	9,386.47	8,252.83	17,639.30
Total Assets (A)	1,91,981.52	1,08,828.14	3,00,809.66
Liabilities Taken Over			
Reserves and Surplus	7,415.08	813.79	8,228.87
Deposits	1,75,817.43	1,00,651.85	2,76,469.28
Borrowings	3,717.25	2,455.00	6,172.25
Other Liabilities and Provisions	3,727.62	2,648.44	6,376.06
Total Liabilities (B)	1,90,677.38	1,06,569.08	2,97,246.46
Net Assets C=(A-B)	1,304.14	2,259.06	3,563.20





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Particulars	eVB	eDB	Total
Less:			
Shares of face value Rs 2/- each issued by BOB as consideration (D)	104.84	49.69	154.53
Cash in lieu of fractional entitlement of shares (E)	1.05	0.69	1.74
Difference transferred to Amalgamation Reserve F= (C-(D+E))	1,198.25	2,208.68	3,406.93

3. Inter Office Accounts between branches, regional offices, zonal offices and corporate centre establishments are being reconciled on an ongoing basis.
4. The BOB has finalised integration plan. The process of integration has been initiated from the effective date of amalgamation. The integration process is to be completed in phase manner. In this process, change in organisational structure, harmonisation of product & policies, mutation of properties, IT integration etc. are in progress.
5. Pursuant to the amalgamation of Bank of Baroda with eVijaya Bank and eDena Bank, the following adjustments have not been made in the opening financials as on April 01, 2019:
 - I. The shareholding of Bank of Baroda (amalgamated entity) has exceeded 10% in 5 companies and 4 venture capital funds. A reference has been made to RBI and the directions given by RBI will be implemented within the given time frame. Hence no impact has been considered in opening financial statements.
 - II. In view of the management, in following cases due to the nature of the change, it is not practicable to calculate the impact and give the effect of changes. Accordingly no adjustment is made in the financial Statements as on April 01, 2019. The bank has decided to apply the policy prospectively.
 - a) As per the transferee's policy, premium on investments classified as "Held to Maturity" is amortised by straight line method. In case of transferor eVijaya Bank, the premium was amortised by constant yield method.
 - b) As per the transferee's policy, the appropriation of recoveries in NPA accounts is first appropriated towards all costs, commission, charges and expenses paid or incurred by the Bank, then towards interest, additional interest, further interest, penal interest due to the Bank and after that towards payment of the principal moneys. In case of transferor eVijaya Bank and eDena Bank, the appropriation of recoveries in NPA Account is appropriated first towards principal and then Interest and other charges.



Specific Notes to Account

6. Equity Capital

6.1.1. Shareholding Pattern post issuing shares under amalgamation is as under:

Particulars	Equity Shares	
	Nos	%age
Promoter Holding (GOI)*	2,23,46,20,826	65.37
Mutual Funds	39,71,51,510	11.62
All others	78,63,95,734	23.01
Total	3,41,81,68,070	100.00

*Excluding Application Money Pending Allotment Rs. 5,042 crores received from Government of India towards share capital.

6.1.2. Capital Ratio – As per Basel III

S.No.	Items	As on the beginning of April 01, 2019
1	Common Equity Tier 1 Capital Ratio (%) **	8.63%
2	Tier 1 capital ratio (%) **	9.72%
3	Tier 2 capital ratio (%)	2.05%
4	Total Capital Ratio (%) **	11.77%

** Including Share Application Money Pending Allotment Rs. 5,042 crores received from Government of India towards share capital to be issued for which RBI approval is obtained for considering the same under CET 1 Capital vide letter no. DBR.CO.BP No. 9771/21.01.002/2018-19 dated 17.05.2019.

The Bank has adopted Pooling of Interest method prescribed under the Accounting Standard 14 on Accounting for Amalgamations to record amalgamation of Vijaya Bank and Dena Bank (the amalgamating banks) with the Bank with effect from April 1, 2019. Accordingly, the difference of Rs. 3,406.93 crores between the net assets of the amalgamating banks and the amount of shares issued to the shareholders of the amalgamating banks has been recognized as Amalgamation Reserve. The Bank has considered this amount under CET1 for the purpose of calculation of CRAR.

Gross income of the last three years for the erstwhile Dena Bank and erstwhile Vijaya Bank along with Bank of Baroda have been considered for computation of RWA pertaining to Operational Risk on conservative basis for the period 01st April 2019.





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7. Investments

7.1.1. Break-up of Investments

(Amount in Rs. crores)

Particulars	As on the beginning of April 01, 2019
(i) Gross Value of Investments	
(a) In India	2,53,703.93
(b) Outside India	11,848.07
(ii) Provisions for Depreciation	
(a) In India	2,821.51
(b) Outside India	296.80
(iii) Net Value of Investments	
(a) In India	2,50,882.42
(b) Outside India	11,551.27

7.1.2. Non Performing Non-SLR Investments

(Amount in Rs. crores)

Items	As on the beginning of April 01, 2019
Balance of Non-SLR Investments	2,251.63
Balance of Provisions held	2,046.12

8. Advances

8.1.1. Non- Performing Assets

(Amount in Rs. crores)

Items	As on the beginning of April 01, 2019
Net NPAs to Net Advances (%)	3.66%
Gross NPA	69,924.00
Net NPA	23,794.84
Provisions for NPA	46,129.16

8.1.2. Provisions on Standard Assets

(Amount in Rs. crores)

Particulars	As on the beginning of April 01, 2019
Provisions towards Standard Assets as per RBI norms	4011.68





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8.1.3. Amount of Unsecured Advances

(Amount in Rs. crores)

Particulars	As on the beginning of April 01, 2019
Unsecured Loan backed by intangible assets, such as charge over the rights, licenses, authority etc. taken as collateral security.	3,392.95
Unsecured Loans other than	75,171.82

8.1.4. Disclosure on 'Restructuring of Advances – Micro, Small and Medium Enterprises (MSME) Sector' (One Time Restructuring) as on the beginning of April 01, 2019

No. of Accounts Restructured	Amount (In Rs. crores)
6,273	245.55

9. Risk Category wise Country Exposure

(Amount in Rs. crores)

Category	Exposure (net)	Provision held
Insignificant	68822.54	47.92
Low	34917.64	25.01
Moderate	4372.46	0
High	3729.14	0
Very High	19.49	0
Restricted	1.66	0
Off-credit	0.05	0
Not Rated	0	0
Total	1,11,862.98	72.93

10. Provision Coverage Ratio (PCR)

Particulars	As on the beginning of April 01, 2019
Provision Coverage Ratio (PCR)	77.72%





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11. Accounting for Taxes on Income

(Amount in Rs. crores)

Particulars	As on the beginning of April 01, 2019
Deferred Tax Assets (DTA)	
Difference between book depreciation and Depreciation under Income Tax Act on fixed assets	148.95
Foreign Currency Translation Reserve(Unrealized)	138.15
Provision for leave encashment	536.07
Provision for doubtful debts and advances	15112.86
Amount disallowed U/S 40 (a) (ia) of the IT Act	-
Foreign Currency Translation Reserve (realized)	-
Others	0.09
Total DTA	15,936.12
Deferred Tax Liabilities (DTL)	
Deduction under section 36 (1) (viii) of the Income-Tax Act, 1961	2,340.91
Depreciation on HTM Securities	-
Foreign Currency Translation Reserve(Unrealized)	-
Interest Accrued but not due	1,128.72
Total DTL	3,469.63
Net Deferred Tax Assets (A)	12,466.49



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INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
Bank of Baroda,
Mumbai

Report on the audit of the Balance Sheet

Opinion

1. We have audited the accompanying Balance Sheet of Bank of Baroda (the "Bank") as at April 01, 2019 and a summary of significant accounting policies and other explanatory information (together "the Balance Sheet"). The Balance Sheet has been prepared by the Management of the Bank to give effect to the Scheme of Amalgamation (the "Scheme") whereby Vijaya Bank and Dena Bank (the "Amalgamating Banks") got amalgamated with the Bank with effect from the aforesaid date.
2. In our opinion, the attached Balance Sheet of the Bank as at April 01, 2019 is prepared, in all material respects in accordance with the provisions of the Scheme of Amalgamation, Accounting Standard 14 on "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India ("ICAI") and accounting principles generally accepted in India relevant to the preparation of such Balance Sheet and gives a true and fair view of the state of affairs of the Bank as at April 1, 2019.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (the "SAs"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Balance Sheet section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the Balance Sheet, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit



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evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Schedule 14 of the Balance Sheet: 'Notes to Accounts' regarding:
 - a. Note no. 1 regarding the basis for preparation of the Balance Sheet as at April 01, 2019 which is based on the audited Balance Sheets as on March 31, 2019 of the Bank and two domestic banking companies, hereinabove referred to as Amalgamating Banks, alongwith the details of the required adjustments made thereto as stated in the said Note;
 - b. Note no. 2 regarding the Scheme of Amalgamation and accounting treatment thereof; and
 - c. Note no. 5 regarding non- adjustment in certain cases of accounting policies of the Amalgamating Banks with the accounting policy of the Bank due to practicable reasons explained in the said Note.
 - d. Note no. 6.1.2 regarding the consideration of amalgamation reserve amounting to Rs. 3,406.93 crore as a part of CET1 capital for the purpose of calculation of CRAR in the Balance Sheet as at April 1, 2019.

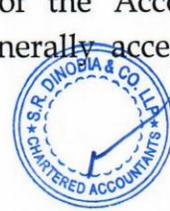
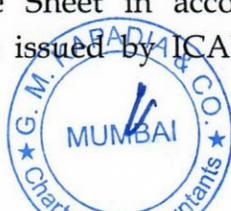
Our opinion is not modified in respect of these matters.

Other Matters

5. We did not audit the Balance Sheets of two Amalgamating Banks as at March 31, 2019 included in the Balance Sheet of the Bank of Baroda for the purposes of preparation of the Balance Sheet of the Bank as at April 01, 2019 referred to in this report. These Balance Sheets as on March 31, 2019 have been audited by other auditors whose reports have been furnished to us and we have relied on such reports in framing our opinion on the Balance Sheet of the Bank as at April 1, 2019.

Responsibilities of Management and Those Charged With Governance for the Balance Sheet

6. The Bank's Management is responsible for the preparation and fair presentation of this Balance Sheet in accordance with the requirements of the Accounting Standard 14 issued by ICAI, other accounting principles generally accepted in



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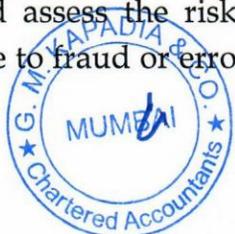
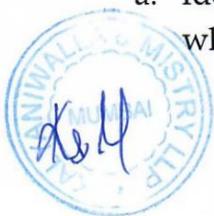
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India, and in particular the Scheme of Amalgamation notified by the Ministry of Finance dated January 2, 2019 and as mandated by the Audit Committee of the Board of Directors of the Bank. As per such mandate, the Management of the Bank is responsible to prepare the said Balance Sheet considering the audited Balance Sheet of the Bank as well as those of the Amalgamating Banks as on March 31, 2019 and incorporating such adjustments as stipulated in the Scheme as well as Accounting Standard 14 issued by ICAI. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Balance Sheet that is free from material misstatement, whether due to fraud or error.

7. In preparing the Balance Sheet, the Management and the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

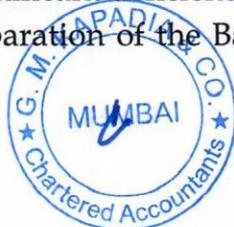
Auditors' Responsibilities for the audit of the Balance Sheet

8. Our responsibility is to express an opinion on the Balance Sheet based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI to the extent applicable. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Balance Sheet is free from material misstatement.
9. Considering the special purpose of the aforesaid Balance Sheet, our responsibility is to verify the accounting treatment given by the Bank so as to ensure uniform accounting policies in cases where the Amalgamating Banks had conflicting accounting policies as compared to the accounting policies of the Bank and also to verify whether the amalgamation is accounted by following the Pooling of Interest method as prescribed under Accounting Standard 14 issued by ICAI.
10. As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the Balance Sheet, whether due to fraud or error, design and perform audit procedures responsive



to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls with respect to the preparation of the Balance Sheet as at April 1, 2019.
 - c. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Balance Sheet or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - d. Evaluate the overall presentation, structure and content of the Balance Sheet, including the disclosures, and whether the Balance Sheet represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the Balance Sheet that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control with respect to the process followed for preparation of the Balance Sheet as at April 1, 2019 that we identify during our audit.



Kalyaniwalla & Mistry LLP
Chartered Accountants,

G. M. Kapadia & Co.
Chartered Accountants

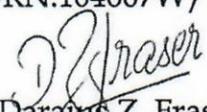
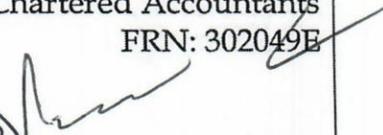
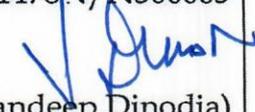
Singhi & Co.
Chartered Accountants,

S. R. Dinodia & Co. LLP
Chartered Accountants

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control with respect to the process followed for preparation of the Balance Sheet as at April 1, 2019 that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

15. The Balance Sheet has been prepared to assist the Bank in ascertaining the impact of amalgamation as referred to above. As a result, the Balance Sheet is not suitable for any other purpose. This report is issued solely for the internal use of the Bank of Baroda and is not intended to be used, referred to or distributed for any other purpose without our prior written consent.

<p>For Kalyaniwalla & Mistry LLP Chartered Accountants FRN:104607W/W100166</p> <p> (Daranus Z. Fraser) Partner M. No. 042454 Date: June 27, 2019 Place: Mumbai</p> <p></p>	<p>For Singhi & Co. Chartered Accountants FRN: 302049E</p> <p> (S. Chandrasekhar) Partner M. No. 007592 Date: June 27, 2019 Place: Baroda</p> <p></p>
<p>For G M Kapadia & Co. Chartered Accountants FRN: 104767W</p> <p> (Rajen Ashar) Partner M. No. 048243 Date: June 27, 2019 Place: Baroda</p> <p></p>	<p>For S R Dinodia & Co. LLP. Chartered Accountants FRN: 001478N/N500005</p> <p> (Sandeep Dinodia) Partner M. No. 083689 Date: June 27, 2019 Place: Baroda</p> <p></p>